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STRONGER ARTS AND CULTURAL ORGANISATIONS FOR A GREATER SOCIAL IMPACT

BUSINESS MODELS PROFILING OF CULTURAL CENTRES & PERFORMING ARTS ORGANISATIONS

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A38 in Budapest, Hungary, Mark Somay (p.4). Kulturmejeriet in Lund, Sweden (p.10).
Schlahftof in Bremen, Germany, Jörg Lochmon (p.16). Manifatture Knos in Lecce, Italy (p24).
Multi Arts Center Bakelit in Budapest, Hungary (p 36). Farm Cultural Park in Favara, Italy (p.42).

Creative Lenses is a four-year project, running from 2015 to 2019, that seeks to make arts and cultural organisations more resilient and sustainable by improving their business models and developing their long-term strategic and innovation capacities.

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CREATIVE LENSES PARTNER ORGANISATIONS

CONTENTS

ALTHOUGH THE TERM ‘INDEPENDENT’ IS OFTEN USED TO MEAN INDEPENDENCE FROM GOVERNMENTAL CONTROL OR INFLUENCE, 92% OF THE CULTURAL CENTRES AND PERFORMING ARTS ORGANISATIONS RECEIVE SOME FORM OF PUBLIC FUNDING FROM EITHER STATE, REGION OR LOCAL GOVERNMENT

INTRODUCTION AND DEFINITIONS

The purpose of this report as defined in Creative Lenses' detailed project description is to outline the 'Definition of dimensions, features and challenges of the business model innovation and management approaches as well as of the audience development strategies distinguishing the cultural organisation's involved in the project'. This brief has been developed and expanded to produce an overall description and analysis of the current profiles of Arts/Cultural Centres' and Performing Arts organisations.

Specifically, this report attempts to address a number of questions:

- What is the 'DNA' of non-governmental Arts/Cultural Centres' and Performing Arts organisations?
- What are their key characteristics and features?
- To what extent have and do Arts/Cultural Centres' and Performing Arts organisations innovate their Business models?
- Are there distinctive types of Arts/Cultural Centres' and Performing Arts organisations that have similar features and so, could be grouped together and given generic profiles and names related to their business models?
- Are there major differences between Arts/Cultural Centres' and Performing Arts organisations in the different geographical regions of Europe and if yes, what are these and why?
- How understood, prevalent and developed is audience development amongst the Arts/Cultural Centres' project partners?

The report findings and conclusions are based on a combination of desktop research, interviews with the project partners, a survey of the members of the Trans Europe Halles network[1] of European Arts/Cultural Centres' (2015)[2], a 2016 questionnaire of seventy-five Arts/Cultural Centres' and Performing Arts organisations (primarily members of Trans Europe Halles and the IETM[3] networks) and the authors' experience and knowledge of the sector, working as both a director and business manager of and consultant/trainer for over fifty Arts/Cultural Centres' and performing arts organisations across Europe over the past thirty years. Although extensive, this knowledge and experience does not cover all types and sub-sectors of Arts/Cultural Centres' and Performing Arts organisations (for example, governmental run and managed Arts/Cultural Centres' and New Circus companies), so this report is not attempting to be a comprehensive and all encompassing definition of all Arts/Cultural Centres' and Performing Arts organisations across Europe. Rather, it focuses on specific sub-sectors of European cultural organisations related to the core target subject and audience of Creative Lenses.

Definitions

A number of terms are used throughout the report, which have different definitions and meanings in different countries and with different readers. Therefore, the indented meaning of these terms used in the report is explained below.

Arts / Cultural / Culture
Arts as a term is primarily used in English speaking countries to mean the Performance, Media and Visual Arts together with Literature. In most

[1] Trans Europe Halles is a European based network of 85 cultural centres initiated by citizens and artists. http://teh.net
[2] Creative Business Models: Insights into the Business models of cultural centres in Trans Europe Halles. Trans Europe Halles 2016.
[3] IETM is a network of over 500 performing arts organisations and individual members working in the contemporary performing arts. www.ietm.org

non-English speaking countries the equivalent term used is either Cultural or Culture. Therefore, the term Arts/Cultural Centres' is used to encompass both the English and non-English speaking most common descriptions of the centres that are the subject of the report.

As Raymond Williams said, **'Culture is one of the two or three most complicated words in the English language. This is so partly because of its intricate historical development, in several European languages, but mainly because it has now come to be used for important concepts in several distinct intellectual disciplines and in several distinct and incompatible systems of thought. We have to recognize three broad active categories of usage: (i) the independent and abstract noun which describes a general process of intellectual, spiritual and aesthetic development, from C18; (ii) the independent noun, whether used generally or specifically, which indicates a particular way of life, whether of a people, a period, a group, or humanity in general, from Herder and Klemm. But we have also to recognize (iii) the independent and abstract noun, which describes the works and practices of intellectual and especially artistic activity. This seems often now the most widespread use: culture is music, literature, painting and sculpture, theater and film'.**[4] As the majority of the reports readers will be non-English speaking, the terms culture and cultural are primarily used throughout the report as defined by the third usage as described by Raymond Williams – the works and practices of artistic activity.

Arts/Cultural Centres'
For the purposes of this report and in Creative Lenses, Arts/Cultural Centres' means functioning, multi-disciplinary (see below) centres that have some form of physical space and location. This is most likely to be buildings originating from an industrial or commercial heritage but can also include new buildings, farms and even boats! As the results of this report are partially based on research on members of the Trans Europe Network, it is also worth noting that its membership criteria includes:

a) To be an independent and not-for-profit centre arising from a citizen's initiative with a legal structure.
b) To have a multidisciplinary artistic policy encouraging interaction between art forms, with an emphasis on contemporary art.
c) To be based in user-friendly buildings preferably originating from a commercial or industrial heritage.
d) To run a high-quality artistic programme of at least regional significance with an awareness of contemporary culture, ranging from local to international art.
e) To be aware of the social and political aspects of cultural actions with an Equal Opportunities Policy or commitment.

Performing Arts, Theatre and Dance
Performing Arts are art forms in which artists use their voices and/or the movements of their bodies. This primarily includes Theatre, Dance and Music but can also include more contemporary forms such as Performance Art, Live Art and New Circus. Therefore, although this report does not include Music organisations, using the term Performing Arts is considered more appropriate than the term Theatre and Dance in order to acknowledge the inclusion of Performing Art, Live Art and New Circus organisations, some of which were included in the research.

Performing Arts Organisations
For the purposes of this report and in Creative Lenses, Performing Arts organisations includes Theatres, Theatre companies, Contemporary Dance companies, Dance Houses and venues, New Circus companies, Performing and Live Art companies. Most of the included organisations produce their own work but some are what are known as 'Receiving Houses', which means that they just present work produced and made by others. Some have public buildings where they present their work and the work of others and some do not have a building, touring and presenting their work to theatres, dance houses and venues.

Independent / Non-Governmental
These terms create much confusion as 'independent' has multiple meanings when applied to the cultural sector. One meaning of it that is used much more by Performing Arts organisations than Arts/Cultural Centres' relates to not being a state, regional or city owned and managed institution and therefore, outside of and independent from political/artistic control. This issue is more relevant for organisations located in Southern and Eastern Europe where the majority of cultural organisations were historically and are mainly still governmental owned and managed institutions. But although the term 'independent' is often used to mean independence from governmental control or influence, 92% of the Arts/Cultural Centres' and Performing Arts organisations that answered the reports questionnaire receive some form of public funding from either state, region of local government. And in some cases these organisations would not be able to exist and function without this public funding. There are far more governmental owned and managed Arts/Cultural Centres' across Europe than centres that have a private legal structure such as an association, limited company, foundation, co-operative, NGO, etc. These include the 'Culture Houses' that can be found in nearly all towns and cities of the former Eastern European, 'Communists' countries. But these state-run centres are not the subject or focus of Creative Lenses and are excluded from its research and findings. Therefore, the term non-governmental when used in the report just means an organisation that has a private rather than public legal structure and

[4] Excerpt from Raymond Williams, Keywords. Rev. Ed. (New York: Oxford UP, 1983)

FROM THE RESULTS OF OUR SURVEYS, IT COULD BE CONCLUDED THAT THE AVERAGE OR ‘TYPICAL’ NON-GOVERNMENTAL CULTURAL CENTRE HAS A BUILDING OF 2,500 SQUARE METRES LOCATED IN AN URBAN AREA, PRESENTS 200 PUBLIC EVENTS A YEAR TO AN AUDIENCE OF 75,000 AND CURATES 50% OF ITS

the term independent, means just artistic independence in terms of artistic practice, form and content.

Multi-disciplinary
This means more than one art form/ discipline being part of an organisation’s activities (production and/or presentation) and relates more to Arts/Cultural Centres’ than to Performing Arts organisations, that are most often single disciplinary.

Not-for-Profit
This means that the organisation has a legal structure where no individual or individuals will financial gain as shareholders or owners if it makes a profit. It does not mean that the organisation cannot make a profit but that if it does, this is re-invested in the organisation. Often, the term profit is replaced by ‘surplus’ as in some European countries it is illegal for certain legal structures of Arts/Cultural organisations to make a profit and because this term is seen as being too closely connected with the world, values and core purpose of corporate, for-profit business. However, some organisations included in this report do have for-profit legal structures and so, this term is used to describe them.

EXECUTIVE SUMMARY

The results of the profiling of non-governmental Arts/Cultural Centres' and Performing Arts organisations provides some interesting insights into their models, structures, activities, management, finances and practices. Although there are many similarities between them, there are also differences in a number of areas such as their missions, core purpose, artistic practices and financial models. There are also regional differences due to a combination of historical, economic, geographical and culture policy reasons.

But this preliminary investigation into the profiling of Arts/Cultural Centres' and Performing Arts organisations perhaps raises as many questions and issues as it provides answers. Quantitative research results can answer many of the 'what', 'where', 'how' and 'who' questions but not always the 'why'? For example, all TEH centres have to be multidisciplinary as a condition of membership. But why are they? Do they have a clear reason and answer to this question and what are the consequences for their models, management and work? It may be the case that their initial decision to be multidisciplinary was simply based on the fact that when they started there was little or no other production or presentation of alternative and/or contemporary arts in their city or town and they wanted to be open to all artists and art forms. But after a number of years the situation in their city or town could have changed and the centres may be then competing with theatres, dance-houses, music venues, galleries and art-house cinemas, all of which specialise in and concentrate on just a single art form. Being multidisciplinary brings with it additional challenges as expertise and knowledge is required across a range of art forms in programming, producing and marketing. The questionnaire results show that compared to the Arts/Cultural Centres', more of the Performing Arts organisations have a written vision or mission that is understood and shared by all staff and have a long-term strategy. This may be because they are nearly all working in single art form, making it easier to have clarity on their core purpose and to plan their futures?

From the results of the survey and questionnaire it could be concluded that the average or 'typical' non-governmental Arts/Cultural Centre has a building of 2,500 square metres located in an urban area, presents 200 mainly performing arts, public events a year covering eight art form areas to an audience of 75,000, curates 50% of their programme, earns more from renting out space than from any other income source, has 19 staff, a budget of €1.25 million, earns 80% of their total income and has a bar of café that produces as much income as they receive in public funding! But while interesting, this information does not fully explain why the centres choose to do what they do and the way that they do it.

One of the criteria for membership of TEH is that the centres should have 'arisen from a citizen's initiative'. This, together with the requirement that they be not-for-profit is perhaps, the most important factor that has influenced their models, management and innovation and creates one of the main challenges to business model innovation. Having developed out of citizen's initiatives, most TEH centres have a political dimension to their work and working practices that is known by all but rarely admitted or externally communicated. And this 'politics' is clearly of a left wing, liberal and social dimension. Although the members of the network come in all shapes and sizes, have different programmes, structures and models, it is perhaps their shared 'politics' together with a belief in the importance of and power of culture that actually unites them and is the reason why the network has survived for so long? And this political dimension is considered to be one of the key factors that influence the centres' business models and their innovation. The reason why many people make the decision to either establish or work in not-for-profit, non-governmental Arts/Cultural organisations is partially because they do not believe in or want to be part of the for-profit, commercial, corporate world. This is as much a political as a cultural decision and through their shared values, affects not only what they do but also how they do it and why! Even using the term 'business' is anathema to many who work in the sector, so the idea of having, let alone innovating a business model, belongs to a world and set of values that they have consciously rejected and do not wish to be a part of.

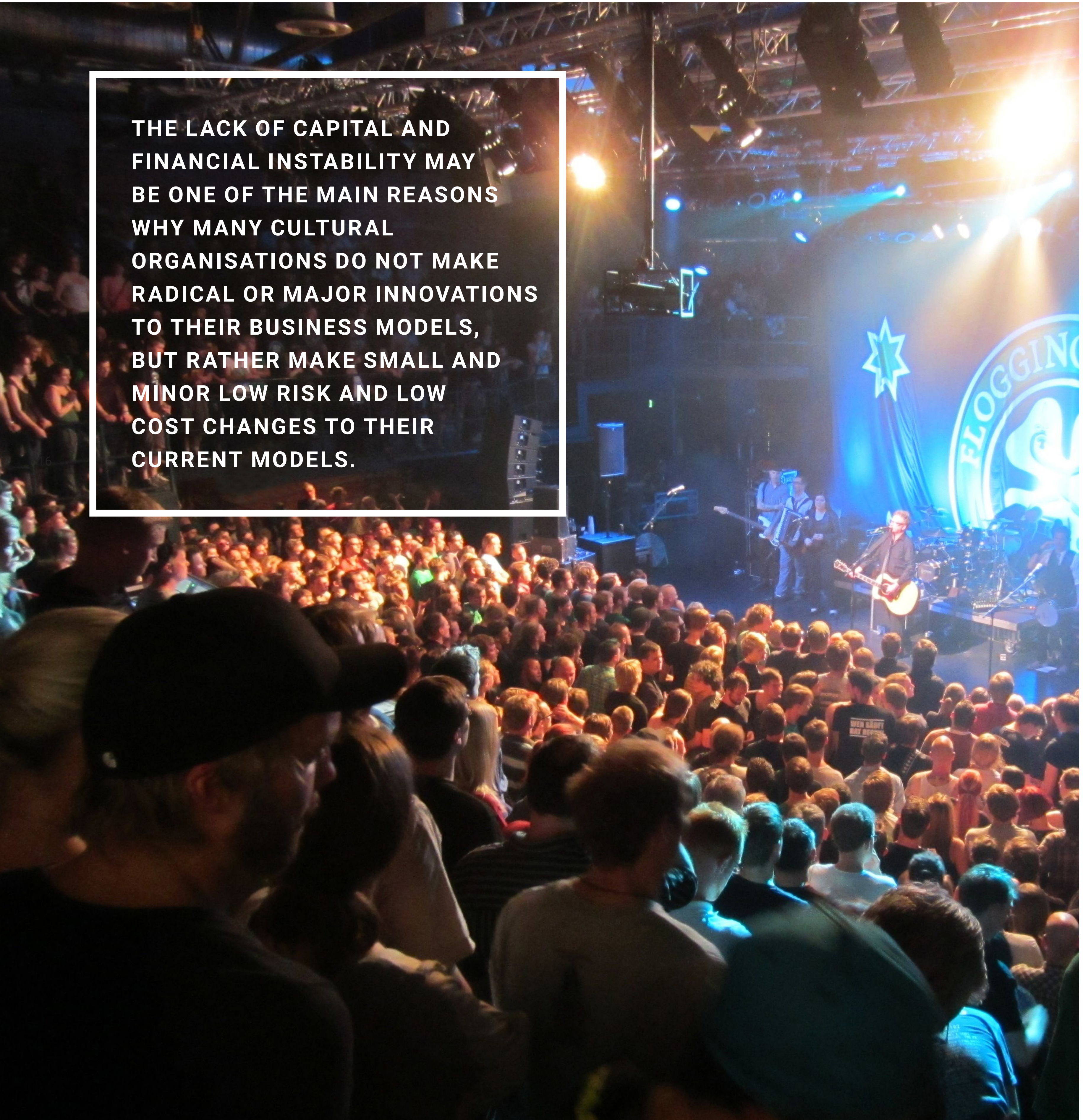
But this is not necessarily the view of all who work in the sector or who manage Art/Cultural Centres' and Performing Arts organisations. Some of the TEH members operate centres that could be described as commercial and receive no public funding, while others main focus is entertaining the public, putting 'bums on seats', selling beer and earning income. And perhaps, this key issue of Arts/Cultural Centres' and Performing Arts organisations having different visions, missions and values is the main factor that determines the challenges to developing their business models and therefore, their attitude towards and ability to innovate them?

With an organisation's vision, mission and values, the key issue is whose is it and who has the ownership of it? The questionnaire results showed that there is a difference of opinion between the Director's/CEO's and the staff on if there is an understood and shared vision within their organisation, with the Director's/CEO's believing that there is and the staff believing that there is not. This supports the view that very often, an organisation's vision is that of a single, individual leader who is often the founder. These leaders then recruit a team to deliver their vision that often, have no idea what it is or may not share it or the leader's values. This is probably the main reason why organisation's fail or at least do not achieve their goals, objectives and ambitions. Far too many Arts/Cultural Centres' do not have a clear, stated vision, mission or values that are produced by all of the key people involved in the organisation and are understood and believed in by all of its team and key stakeholders. And if the organisation's vision has been produced by and is owned just by its leader, what happens when they depart?

If the vision, mission and values are those of just the organisation's leader then its business model and how it innovates could also be the sole decision of and owned just by them? If this is the case then the skills, experience and performance of the Director/CEO is the critical factor in determining the success or failure of the organisation's business model. The 2015, Creative Business Models project concluded that, "what was the most interesting lesson learnt from the case studies is that the experience, skills, knowledge, motivation, energy and personality of an Arts or Cultural organisations leader(s), is perhaps, the most important factor in determining if it succeeds or fails".

Most non-governmental Arts and Cultural organisations in Europe rely on contributed income in order to exist and survive in the form of public or private funding. Because of this, many have what could be described a 'funding dependent culture', which relies heavily on being 'given' finance rather than having to earn it themselves. Organisations that receive high levels of contributed income have less incentive and less need to innovate their business models as long as their funding continues. But as can be seen from the survey results, on average Arts/Cultural Centres' contributed income is only about 20% of their total income and 80% of it is earned. As earned income cannot be guaranteed even a small percentage reduction can have a major impact on an organisation's finances, especially if it budgets to only break-even. With an annual earned income target of €1 million, just a 5% reduction in earned income would mean €50,000, that could determine if the organisation survives or not. With finances usually being so limited, arts/cultural organisations usually having no or little capital or reserves and earned income being so uncertain, investing in new business innovations is often either financially impossible or considered to be too risky. This lack of capital and financial instability may be one of the main reasons why many Arts/Cultural organisations do not make radical or major innovations to their business models, but rather make small and minor low risk and low cost changes to their current models?

The survey and questionnaire results show that there are geographic/regional differences between Arts/Cultural organisations in Europe. Many of these differences can be attributed to the public funding policies of various countries and the levels and types of funding available. For example, in most of the former 'Eastern Block' countries public funding for non-governmental organisations is much lower than in Northern and Western Europe as a percentage of total culture funding and the majority of it goes to public cultural institutions. Southern European countries do not have a tradition or long history of non-governmental cultural organisations as is the case in Northern and Western Europe, and as with the former Eastern Block countries, the majority of cultural funding goes to public institutions. As non-governmental Arts/Cultural organisations have existed for longer in Northern and Western Europe than in Eastern and Southern Europe, they have had longer to develop their existing models and to test new models as well as having more stable and developed national, regional and local funding policies and systems. Another major difference is the ability of and attitude of audiences/users to pay for events and activities. In the former 'Eastern Block', Culture was



THE LACK OF CAPITAL AND FINANCIAL INSTABILITY MAY BE ONE OF THE MAIN REASONS WHY MANY CULTURAL ORGANISATIONS DO NOT MAKE RADICAL OR MAJOR INNOVATIONS TO THEIR BUSINESS MODELS, BUT RATHER MAKE SMALL AND MINOR LOW RISK AND LOW COST CHANGES TO THEIR CURRENT MODELS.

seen in a similar way to education and health, as a requirement and a right of all citizens. Therefore, many cultural events were either free or very low cost. This historical legacy, combined with low disposable incomes levels, makes it harder for Eastern organisations to earn high levels of earned income. Although organisations in the South of Europe do not have the Eastern European political legacy, they do have relatively lower income levels than in Northern and Western Europe. The consequence of these differences is that the Southern and Eastern organisations have on average, smaller organisations and buildings, with much lower overall budgets, lower earned income in real terms and as a percentage of total income, fewer events, audiences and staff. But although they receive less public funding in real terms than the Northern and Western organisations, as a percentage of their total income it is higher.

In terms of Audience Development, the questionnaire results from the Creative Lenses partners show that there are differences between European countries as to its use, practice and understanding. For example, in the UK it is well developed and practiced, whereas in Greece and Finland it is not well understood or practiced within the sector. Only one of the six partners questioned had any form of marketing or communications plan and most had not done any audience development projects, audience research or staff training in audience development.

The results and analysis of the profiling of Arts/Cultural Centres' and Performing Arts organisations raises many challenges and issues for them in terms of business model development and innovation. It is questionable if many of them are ready, able and in a position to embark on such a process without first having a clear and shared vision, mission and values, a long-term strategy, relatively stable finances and the human, physical and financial resources required. It is also not clear if all Arts/Cultural organisations would actually want to do this for political and/or ideological reasons? This may just simply require changing the terminology and approach away from that of the 'business' world and replacing it with one that is understood and based on the values of the Arts/Cultural sector.

Therefore, perhaps what is first required is a form of 'checklist', written in a language that is Arts/Cultural sector-friendly, that clearly explains what organisations must have in place and what their overall situation should be before considering developing and/or innovating their business models?

BACKGROUND AND HISTORY

Arts/Cultural Centres'

Early examples of Arts/Cultural Centres' in much of Europe can be traced back to initiatives established by labour movements in the late 19th and early 20th Centuries (up to the Second World War), which were extensive in Europe. For example, In England they were part of Union facilities and also civic buildings called People's Palaces, in Scandinavia, Folkets Hus (People's Houses) and in Spain Ateneos or Casa del Pueblo's. These initiatives emerged from the wider class and grass roots struggles, a result of reactions to the mass exploitation of working people within the context of the industrial revolution. These centres were not established as Arts/ Cultural Centres', per se, but encompassed a wide range of facilities not available to the wider community, at the that time such as education, health care and social services. But they often included spaces for arts and crafts and venues for theatre and music.

After the Second World War, the rise of the welfare state across much of western, northern and southern Europe and public funding for arts/culture allowed for Arts/ Cultural Centres' to both be established and supported by the state. For example, in 1946 the Bridgewater Arts Centre was the first arts centre to open in the UK with Arts Council support.[5] And in the Soviet controlled Eastern block of European countries, every city, town and often village had a state-run and managed 'Culture House', many of which still exist today.

A European Cultural Centre was established in Geneva in 1950 by the European Movement run by the Swiss philosopher Denis de Rougemont. The Centre played an important role in the establishment of the European Cultural Foundation and other European cultural associations and networks.[6]

The 1960's then saw the advent of Arts Labs as places of radical social and cultural movements. The first, Drury Lane Arts Lab was an alternative space in London functioning from 1967 to 1969.[7] It influenced many arts/cultural spaces across Europe, including the Melkweg in Amsterdam and the Entrepot in Paris. In 1969 there were 50 functioned Arts Labs in the UK including the Beckenham Arts Lab that was co-founded by David Bowie. Many Arts Centres' developed out of this Arts Lab movement although many were more community and/or craft based rather than radical, politicised arts spaces.

The 1970's saw the start of the decline of many manufacturing industries in parts of Europe, which increased from the 1980's and beyond due to the growth of globalisation and free-market economics, the collapse of the 'Eastern Block' from 1989 and the rise of the Asian economies over the past two decades. This resulted in many abandoned or empty, brownfield, industrial, commercial and military sites and buildings all over Europe. The Arts/Cultural Centres' that formed in these abandoned sites and buildings can most probably be first dated to around the early 1980's such as the seven centres that met in March 1983 leading to the formation of the Trans Europe Halles network (Les Halles de Schaerbeek / Brussels / Huset, Copenhagen / Kulturfabrik, Koblenz / Melkweg, Amsterdam / Pali Kao, Paris / Rote Fabrik, Zurich and Ny Scen Gothenburg).
The first real development of a cultural industries policy was made by the Greater London Council (GLC) from 1983 until its abolition in 1986. This advocated for a bottom-up, community led process. It also advocated public investment in the cultural sector for the purposes of economic regeneration and included promoting tourism or making an area attractive as a location for business and commerce. Across much of Europe from the 1990's onwards, cultural industries policies became strategies to use culture for urban regeneration usually in the form of 'cultural quarters' in post-industrial cities. Take an abandoned and derelict industrial area, let artists work and or live there at a very low or zero governmental investment cost, wait until it has become 'cool' and then allow developers to move in to build loft style, trendy housing, retail and office units, leisure facilities and the mandatory Starbucks cafe that will result in the gentrification of the area, pushing up prices, that will ultimately lead to the artists and arts/cultural organisations being priced out and having to move on to a new area.

So, the real growth and development of the Arts/Cultural Centres' that are the subject of Creative Lenses can be probably

[5] http://www.theatrestrust.org.uk/resources/theatres/show/1264-arts-centre-bridgwater

[6] The Penguin Companion to European Union (2012), Anthony Teasdale
[7] http://www.internationaltimes.it/archive/index.php?year=1969&volume=IT-Volume-1&issue=66&item=IT_1969-10-10_B-IT-Volume-1_Iss-66_016

be dated from the early 1990s, linked more to the policies of urban regeneration / development, cultural industries, the collapse of the Eastern Bloc and the development of public/private partnerships.

How many Arts/Cultural Centres' there are in Europe today is hard to estimate, as there is no reliable or comprehensive information available on this. For the governmental owned and managed public centres and culture houses, the European Network of Cultural Centres (ENCC)[8] represents 3,000 centres through 14 national networks in 12 countries. But many European countries either do not have national networks and/ or are not members of ENCC (for example, France, Sweden, Portugal, Czech Republic, Netherlands, Slovakia, Bulgaria, Romania, Croatia, Slovenia, Serbia, etc.). Therefore, they could well be over 6,000 centres and maybe as many as up to 10,000?

Estimating the number of non-governmental, private sector and multi-disciplinary Arts/Cultural Centres' in Europe is probably even more difficult as apart from Trans Europe Halles (that has nearly 85 full and associate members from 28 countries) there are no other European networks or associate bodies for such centres. But as there are only three members or associates of Trans Europe Halles from the UK but well over 100 arts centres (and probably more) in the UK, the number could be much higher. For political and historical reasons there are fewer non-governmental centres in the former Eastern Bloc countries, in southern Europe and countries such as Finland, which developed more state-run culture provision and policies post the Second World War. So, if one was asked to hazard an unscientific guess at the number of non-governmental, private sector Arts/Cultural Centres' in Europe, with there being around 40 European countries (excluding principalities and those European countries that are mainly in Asia) it could be somewhere between 800 to 2,000?

Performing Arts Organisations

Up to the 1960's most theatre across Europe was produced by what are known as repertory theatres or companies. This means that the theatre has a permanent company of actors for a season, a year or longer who perform a specified repertoire or work normally in rotation or alternation. This system still exists in some countries, particularly in Eastern Europe where state institutions often have a large permanent company of actors and technicians and can maintain a production in their repertoire for a number of years.

Although political theatre was popular in the 1930's (for example, Bertold Brecht in Germany and the Federal Theatre Project in the USA), it had a resurgence in the 1960's linked to and influenced by the civil rights, student, political and liberation movements in the USA and in much of Europe.

8 http://www.encc.eu/index.php?lg=de

The work of theatre practitioners and companies such as Dario Fo in Italy, Jerzy Grotowski in Poland, the La Mama Theatre in New York, Augusto Boal in Brazil, Joan Littlewood's workshop theatre in the UK and Peter Stein in Germany influenced a new generation of theatre makers and led to the formation of what is now known as small-scale touring theatre companies and the establishment of alternative theatre spaces. In the 1970's many of these companies were experimental and alternative to the mainstream, many were highly politicized, others focused on and worked with their local communities and some worked in schools and colleges in what was known as theatre in education.

A Polish theatre practitioner called Tadeuz Kantor established his Cricot 2 Theatre Company in Krakow in the 1960's, which eventually toured its productions worldwide from the late 1970's. The theatre style of Kantor was as much visual and physical as verbal and he is considered by many to have been the main influence for what became known as 'Physical Theatre', which developed across much of Europe from the 1980's. Many companies adopted and developed different forms and styles of physical theatre, often touring their productions to smaller theatre spaces, alternative venues as well as the growing number of Arts/Cultural Centres' that were being established across Europe.

With the expansion of the EU, its free movement of people, goods and services and the commencement of the first EU Culture funding programmes[9] in 1996, from the mid 1990's it became easier for companies to tour outside of their own countries and this cross-border touring has increased and been developed over the past 20 years. The EU funding programmes Culture 2000, Culture (2007-13) and now the current Creative Europe all assisted the development of European theatre (and dance) touring, not just through its financial support but also because these programmes required applicants to be a partnership from at least three EU countries, to promote artists mobility and to present artistic works in as many EU countries as possible. What these EU programmes also resulted in was companies and artists developing European-wide networks, contacts and collaborators. This European-wide collaboration and touring was further enhanced by the increasing number of European theatre, dance and performance arts festivals over the past 20 years such as the Nitra Theatre Festival in Slovakia, the Malta festival in Poznan, Poland and the Brighton Festival in the UK.

The origins of Contemporary Dance are usually traced back to the mid 20th Century when the American choreographer Merce Cunningham formed his own company in 1953. In Europe, The Nederlands Dans Theater was founded in 1959 and The London Contemporary Dance school

9 These were called Kaleidoscope, Ariane and Raphael and ran from 1996 to 1999.

in 1966. In the 1970's in Germany, the choreographer and performer Pina Bausch became the artistic director of the Wuppertal Opera ballet (later becoming known as the Tanztheater Wuppertal Pina Bausch) and her unique style of dance-physical theatre influenced many choreographers and companies (both in dance and theatre).

Contemporary Dance companies tour to venues, platforms and festivals across Europe in a similar way to small-scale theatre companies and are also able to apply for EU funding, although there are fewer dance companies than theatre companies across Europe and the audience for dance, although growing in some countries is smaller than that for theatre. New Circus in Europe (sometimes called Contemporary circus or Nouveau Cirque in France) started in the 1980's influenced by the work of companies established in the 1970's such as Circus OZ from Australia, Archaos and Cirque Plume in France and Ra Ra Zoo in the UK. Together with Cirque du Soleil from Canada they created an audience for New Circus companies, that produced shows using traditional circus skills with a narrative structure or theme. There are now numerous New Circus companies across Europe and over 50 annual New Circus festivals. The European Federation of Professional Circus Schools (FEDEC)[10] founded in 1998, lists nearly 50 New Circus schools amongst in members, located across much of Europe.

Inspired by Dada, Futurism and Bauhaus, Performance Art was developed in the late 20th Century by fine artists, who in a rejection of traditional objects and markets, turned to their bodies as both the site and the material of their artistic practice. Often combining visual with performing arts, it is interdisciplinary, can be cscripted or spontaneous, is experimental and often examines and subverts the relationship between the artists and the audience. It is also always live.

Live Art, influenced by Performance Art and by artists wanting to break down the expectations, notions and conventions of traditional theatre, developed from the start of the 21st century. The term Live Art is not used to describe an art form but a process and practice of experimentation.

[10] http://www.fedec.eu/en

QUESTIONNAIRE AND SURVEY

As part of the research for this report 75 Arts/Cultural Centres' and Performing Arts organisations from 30 European countries completed a brief online questionnaire between October 2015 and February 2016 (this is included as Appendix 1).

The respondents included 50 Arts/Cultural Centres' and 25 Performing Arts organisations. Of the 50 Arts/Cultural Centres', 33 or 66% were Trans Europe Halles members, 19 were from Western Europe, 15 from Eastern Europe, 8 from Northern Europe and 8 from Southern Europe. There were a total of 59 respondents from the 50 Arts/Cultural Centres' who completed the questionnaire with 9 centres having two respondents. The majority of the respondents (75%) were the centres CEO's with the other 25% of the respondents being employed staff working in the centres.

The 25 Performing Arts organisations that completed the questionnaire included 16 organisations working in Theatre, 6 in Dance, 2 in Live or Performing Art and 1 in New Circus. There were 26 respondents to the questionnaire with one organisation having two respondents and 85% of the respondents were the organisations CEO's. 10 of the respondent organisations were from Western Europe, 6 from Eastern Europe, 6 from Northern Europe and 3 from Southern Europe.

As part of its Creative Business Models project (2015) Trans Europe Halles conducted a survey of 45 of its members, Arts/Cultural Centres' from 27 European countries. This survey produced the first information and insights about the programmes, activities, audience, business, funding, finances, governance and organisational profiles of the TEH members with the sample of 45 representing 74% of the total current membership.

The 45 centres that took part in the survey are considered to be representative of the current membership of the network in terms of governance, structure, location, size, activities and programmes as they included centres with a wide range of physical and economic sizes, building types, locations, programmes and structures. The results of this survey are included as Appendix 2. Section's 5 and 6 of this report (below) include the key findings and an analysis of the questionnaire and survey results.

ARTS / CULTURAL CENTRES' PROFILING

A. Key Statistics, Facts and Figures

1. Legal Structures
93% of centres have private as opposed to public legal structures

- 54% are Associations
- 22% are Limited Companies
- 18% are Foundations
- 2% are Co-operatives
- 2% are partnerships
- 2% are registered charities

82% of centres primary legal structure is not-for-profit, 18% are for-profit.
38% of centres have two or more legal structures; this is primarily in order for them to trade (such as running a bar or cafe), which requires a for-profit structure.
82% of centres have a board of Directors.
54% of centres have Board Directors receiving some form of payment.
49% of the centres have members.

2. Location
91% of centres are located in urban areas:

- 53% are located in the centre of urban areas
- 38% are located outside of the centre of urban areas
- 9% are located in rural areas

3. Buildings
Centres' buildings include both renovated former industrial, commercial, religious and military buildings as well as new buildings.

Former uses of buildings includes slaughterhouses, milk factories, power stations, warehouses, tobacco factories, city fortifications, film studios, tram depots, train stations, farms, sweet/candy factories, mills, churches and synagogues. As well as buildings, two Trans Europe Halles member's centres are boats or barges.

Centres' Buildings range from 65 to 73,500 square metres in size.

- 20% of centres' buildings are up to 1,000 square metres.
- 38% of centres' buildings are from 1,001 to 2,500 square metres.
- 22% of centres' buildings are from 2,501 to 7,000 square metres.
- 20% of centres' buildings are over 7,001 square metres.

Over half of the centres' buildings are publicly owned:

- 53% of centres' buildings are owned by the local, municipal or regional government authority.
- 42% of centres' buildings are privately owned by a landlord.
- 5% of centres own their own buildings.
- 58% of centres pay rent for the buildings.
- 42% of centres do not pay rent for their buildings and these are nearly all publicly owned with the municipal or regional authorities that own them giving in-kind public funding to the centres, through not charging a rent for the building.

4. Mission and Vision
88% of centres had a written mission or vision statement but only 68% stated that all of the key people in their organisation had a clear and shared understanding of why they existed. Although 82% of the centres' CEO's stated that all of the key people in their organisation had a clear and shared understanding of why they existed, only 53% of the centres' non-CEO staff agreed with this statement.

5. Programme
On average, the centres present 200 public arts events per year:

- 91% of these events are Performing Arts
- 9% of these events are visual arts

All centres programmes include some form of education or participatory activities such as workshops, classes, debates and lectures. On average, the centres programme over 200 education/ participation events per year ranging from just 5 to over 10,000.

54% of the centres curate over 50% of their programmes with the remaining 46% being curated by external producers, promoters and partners.

Between them, the centres' produce or present 13 different art form types and on average, each centre presents or produces 8 different art form types:

- 93% present or produce visual arts
- 84% present or produce music
- 82% present or produce theatre
- 78% present or produce film/video
- 60% present or produce dance
- 53% present or produce club nights/party's
- 49% present or produce new media
- 47% present or produce outdoor festivals
- 40% present or produce storytelling
- 29% present or produce crafts
- 29% present or produce comedy/ cabaret
- 24% present or produce circus/carnival
- 22% present or produce literature

24% of the centres present or produce 10 or more different art form types.

6. Activities
In addition to the centres' public arts programmes they also use their buildings, resources, skills and knowledge to trade in and offer a wide range of goods and services, which often play an important financial role in their business models.

84% of the centres either have a bar, café, restaurant, shop or commercial art gallery in their building:

- 78% have a bar
- 47% have a café
- 33% have a restaurant
- 24% have a commercial art gallery
- 22% have a shop

The catering services of centres are a critical part of their income producing on average, 20% of their non-mission related earned income, equal to the average public funding income.

83% of the centres rent out spaces in their buildings for a range of different purposes and activities, which also plays an important financial role in their business models:

- 67% rent space for conferences and seminars

- 62% rent space for arts/cultural events
- 62% rent space for private corporate events
- 62% rent space for training/education activities
- 49% rent space for artists rehearsals
- 38% rent out studios/ateliers for artists
- 36% rent out their media studios
- 31% rent out office space to other organisations or individuals
- 31% rent out their catering facilities
- 18% have accommodation in their buildings that they rent out
- 11% rent out retail space

The income from rentals produces on average, 34% of all earned income for the centres, which is higher than that for either public funding, for ticket sales and for catering.

83% of the centres provide and/or offer paid services:

- 51% offer training services
- 33% offer private events catering inside or outside of their building
- 31% offer production or project management services
- 24% offer consultancy services
- 13% offer marketing/PR/ communication services

The income from services produces on average, 6% of all earned income.

7. Audience

On average, the centres have a total of 74,500 audience/visitors a year ranging from just 100 to over 700,000.

- On average, the centres have an audience of 49,000 for arts/cultural events, which is 66% of the average total audience/visitors per year.
- On average, the centres have an audience of 8,000 for education/ participation events, which is 11% of the average total audience/visitors per year.
- On average, the centres have 17,500 visitors to their building who are not audiences for arts events or taking part in education/participation activities, which is 23% of the average total audience/visitors per year.

8. Staff

The average number of employed and paid staff in the centres is 19 but this ranges from zero up to 250. The average number of free-lance staff is 7 and the average number of volunteers is 19, ranging from zero up to 150.

- On average, 43% of centres' staff team are employed and paid
- On average, 16% of centres' staff are free-lance and paid
- On average, 41% of centres' staff are volunteers and not paid

40% of centres have 5 or less employed and paid staff.
45% of centres have 10 or more volunteers.

9. Stakeholders

When asked to rank their organisations key stakeholders in order of importance (with 1 being the highest and 11 the lowest ranking scores possible), the centres results were as follows:

1. Audience: 2.91
2. Staff: 4.07
3. Artists: 4.91
4. Local community: 5.07
5. Members: 5.45
6. Local/Regional Gov: 5.45
7. Sector partners: 6.02
8. Board: 6.02
9. Non-sector partners: 6.73
10. National Gov: 7.41
11. Sponsors/Donors: 7.51

10. Annual Budget

The average annual budget of the centres is €1.25 million ranging from €20,000 to €11.5 million. However, nearly 50% of the centres' have annual budgets under €200,000.

11. Funding – Contributed income

90% of centres receive some form of public funding:

- 79% receive municipal funding
- 62% receive national funding
- 44% receive European funding
- 41% receive regional funding

67% of centres receive some form of private funding:

- 51% receive funding from Trusts or Foundations
- 38% receive funding from private donations and/or crowdfunding

On average, 22% of all the centres income comes from contributed, public and private funding.

12. Earned income

78% of the centres total income is earned:

- 34% of earned income is from rentals
- 31% of earned income is from ticket sales
- 24% of earned income is from catering sales
- 6% of earned income is from sales of services

- 3% of earned income is from sponsorship
- 1% of earned income is from retail sales
- 3% of earned income is from cloakroom sales

Of the 78% total earned income it is estimated that 50% of this is from mission related activities and 50% is from non-mission related activities.
84% of centres receive some form of sponsorship.

13. Total Income

The combined contributed and earned income sources of the centres' is:

- Rentals: 26%
- Ticket sales: 24%
- Public Funding 20%
- Catering: 19%
- Sales of Services: 5%
- Private Funding: 2%
- Sponsorship: 2%
- Retail sales: 1%
- Cloakroom sales: 1%

14. Financial Performance

On average the centres made an annual profit or surplus of €13,500. However, 50% of the centres made an annual loss or deficit ranging from €4,000 to €215,000. The reason for these losses is often due to

the fact that publicly funded centres have to budget to break-even to comply with their funders rules or national not-for-profit laws. If a centre has an annual budget of over €1 million, just a 5% reduction in income or increase in costs would result in a €50,000 deficit with a break-even budget. And a 5% annual decrease in ticket sales can often mean just selling 5-10 less tickets per event or performance than budgeted.
The centres often cover these annual losses by a combination of late payment of creditors and cutting costs for the following year or years. Some may be able to borrow money in the form of a loan from their bank but this is often only possible if they can provide some form of security.

B. Perceptions, Innovation and Business Models

Although facts and figures are an important element of analysing the profiles of Arts/ cultural organisations, qualitative data and perceptions can enable a fuller and more rounded understanding of who they are and what makes them tick! Elements of the questionnaire produced for this report as well as interviews with the partners of Creative Lenses provided further insights into the profiles of both the Arts/Cultural Centres' and Performing Arts organisations.

When examining the value propositions of the Arts/Cultural Centres one question that this report sought to investigate is how do the key staff members perceive and view their organisations? Specifically, they were asked the question, 'when asked where you work by someone from outside the sector what is your most common response?' This question produced 18 different responses from the 59 respondents including an Urban Development Project and a Socio-cultural centre with education and counselling programmes. As one might expect the most common response was Cultural Centre, which was the answer of 61% of the respondents. In terms of describing the buildings, 86% of respondents said Centre, 10% said Venue, 2% said Space and 2% said Cluster. And in terms of describing what type of activity happens in the buildings or the main art-forms, 69% said Cultural, 22% said Arts, 5% said Community/Social, 3% said Music, 3% said Creative, 3% said Performing and 2% said Multimedia (some respondents used multiple terms). This shows that either the respondents have a wide range of terms to describe their organisations and/or they use terms that they think would be more understandable to those from outside of the sector? But on a Europe wide level there is not a single, accepted term that all use and that is universally understood even from within the sector.

The results of the question asking if all of the key people in the centres' organisation had a clear and shared understanding of why it existed shows that with just over 50% of non CEO staff responding negatively, many centres may not really know what their core purpose is, what they are and therefore, what is their value proposition? This may be further evidenced by the fact that only 68% of the centres had a clear, understood and shared mission or vision statement.

In terms of strategy and longer-term planning only 58% of the centres responded that they have a written plan lasting for more than a year and in the author's experience, many have no plan at all. Many only produce a budget for as long as they either have public funding confirmed for or on a project-by-project basis. And some do not even have a budget!

When the Centres', questionnaire respondents were asked if they could describe the business model of their organisation 85% of centres said that they could. Unfortunately, the questionnaire did not then go on to ask them to actually describe it, as when the same question was asked in interviews, nobody was able to do so. This is because the theory and practice of business models, business model innovation and value propositions is alien and unknown to the majority of those working in the cultural sector. It is also because the term 'business' only represents the for-profit corporate world for many in the sector, which is seen as being the antithesis of what they are doing, why they are doing it and what they believe in.

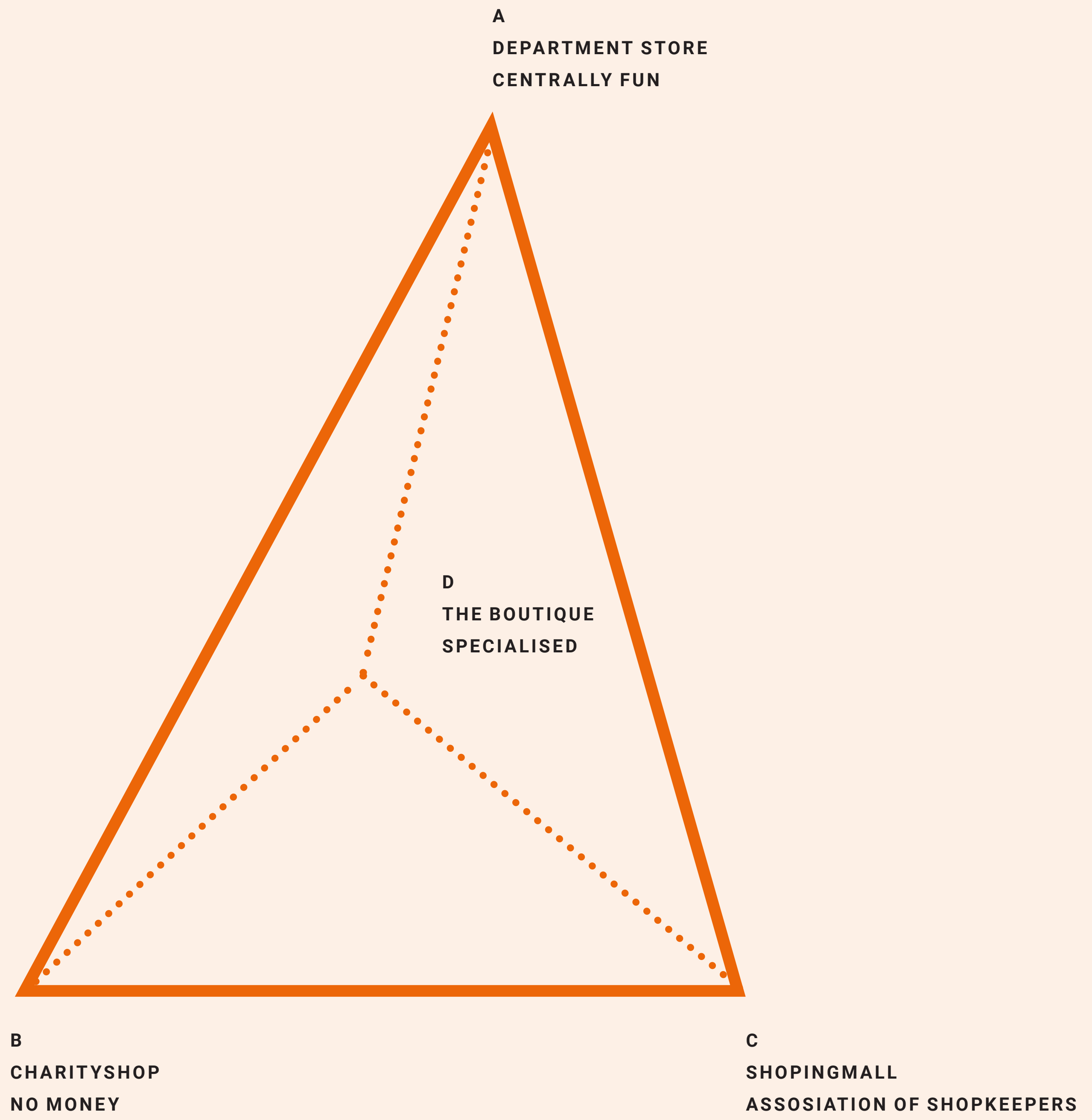
But the irony of this is that nearly all arts/ cultural organisations including arts/ cultural centres are constantly attempting to innovate their business models because they have to, quite often simply in order to survive. It is just that they do not know that this is what they have been and are doing and it is mainly not being done through a strategic and well-planned approach or methodology. Similarly, if you asked most of those working in Arts/Cultural Centres what was the value proposition(s) to their key stakeholders and customers most would have no idea what you were talking about. But if you asked them what are the benefits of their organisation and its work for their artists, audiences, users and funders they would most probably be able to give a detailed, articulated and clear response.

But even if arts/cultural centres are attempting to innovate their business models (even without realising this), as many do not have a clear mission or vision with shared values, beliefs and a core purpose, these attempts are often short-term fixes that do not last and are similar to placing small sticking plasters on a large wound.

C. Generic Types and Models

Although it is clear that non-governmental arts/cultural centres across Europe have major differences in terms of governance, organisational structure, building type, location and size, budgets, funding levels, programmes and audiences, there are also key similarities that could enable the centres to be divided into key types and models. The question is on what basis could and should this be done? For example, the criteria could be based on programmes/activities, governance and structure, building types and sizes, missions or funding levels (or a combination of all or any of these. Stuba Nikola, the current Director of Culture for the city of Helsinki (formerly the CEO of the Kaapeli cultural centre, Helsinki) produced the following model idea for the key types of Arts/Cultural Centres:

ARTS/CULTURAL CENTRE MODELS



In this model there are four key types of centres:

A. The Department Store
The Department store is a centre that is centrally run and managed by a single organisation. As with a retail department store there are different types of goods and services on offer to the public but they are all planned, financed, delivered and controlled centrally. Department stores often have a CEO/Director who is also the artistic director in terms of deciding the overall artistic and cultural strategy of the centre.

Department stores curate the majority of their artistic activities, usually through a team of programmers, curators and producers but can also allow external producers and partners to programme activities. The Department Store will also usually rent out spaces in its building either on a longer-term basis in the form of artists' studios, office or co-working space or on a short-term basis for artists' rehearsals and for public and/or private events. But often, the Department store will have policies in place that determine who can rent or hire space in their buildings and what types of events can be produced an presented by external programmers and renters. This enables the centre to ensure that all produced or presented events and activities are compatible and in-line with their core purpose, mission and values. For this reason, many centres will not allow and exclude certain forms and types of events and activities from taking place in their spaces.

The Department Store will often have one or two main art forms that they concentrate on and are most known for but will complement these with additional forms (the average for all Trans Europe Halles centres is eight). There will usually be a paid, core staff team supplemented by free-lance paid staff and some volunteers.

The department store will more often than not run and manage most of its services such as a bar and/or café, rehearsal rooms and media studios.

B. The Charity Shop
The Charity Shop can often be the model of how an arts/cultural centre is initially started, sometimes through squatting, occupying or finding a derelict building and just starting up activities in it with no or little finances or resources. But it can also be a centre where due to either a lack of available finances or for ideological/mission reasons, there is no paid staff and all of the work is carried out by a team of volunteers.

The Charity Shop may have a formal organisational structure but often this is informal with no official roles except those required for legal, governance purposes. Like its retail counterpart, artists, professionals and arts/cultural organisations often donate some of the services and goods sold and offered by the Charity Shop.

C. The Shopping Mall
The Shopping Mall is a decentralised centre where there is no single organisation controlling all of its artistic/cultural

programme, work and activities. A number of different organisations, groups and/or producers, renters and hirers determine the artistic programme and activities, which can often be very diverse and varied.

Sometimes the Shopping Mall has a governance structure where there are a number of key partner organisations represented on a board or committee (often the founding partners of the centre), others have a management or real estate company that is responsible for managing and maintaining the building but often still answerable to either a board or/and a membership.

Although the artistic programme and activities of the Shopping Mall are not centrally curated it may still control the type, form and content of what is produced and presented in its spaces through its mission and core purpose. The Shopping Mall will rent or franchise out most if not all of its services such as bars/ cafes, restaurants, shops and rehearsal studios to be run and managed by external organisations and businesses.

Due to the decentralised structure of the Shopping Mall, it is often the buildings resident organisations and/or partners that apply for and receive public funding rather than the management/real estate company responsible for the building. Where the building is publicly owned by the municipality, region or state, there may be a zero or subsided rent for it that is granted to the management/real estate company.

D. The Boutique

The Boutique is a centre that specialises in a particular art form or activity area and is usually smaller than either the Department Store or Shopping Mall. These centres, although still multidisciplinary, usually do not produce or present so many different art forms/activities and certainly not as many as the average Department Store, Charity Shop or Shopping Mall. For example, a Boutique may focus on New Circus as its core art form, which will make up the majority of its performance and education programmes but then also include some dance, theatre and/or music.

Most Boutiques have a centralised structure similar to the Department Store with a CEO/Artistic Director controlling a centrally curated programme, with the main difference between these two types primarily being the number of departments and size/scale of the centre and its activities.

With these models there is then a question to be asked if all known, non-governmental Arts/Cultural Centres can be placed into one of the four types or if there are additional, different models that should be included? It may also be the case that some centres are a hybrid or have the key features of two or more of the models? For example, a Charity Shop can also be a Department Store just having fewer resources and a less rigid or formalised structure. It is hoped that the extensive academic research that is currently being conducted as part of and by the two University partners of Creative Lenses will provide further insights into these questions on types and models of Arts/Cultural Centres'.

EVEN IF CULTURAL CENTRES ARE ATTEMPTING TO INNOVATE THEIR BUSINESS MODELS (EVEN WITHOUT REALISING THIS)**, AS MANY DO NOT HAVE A CLEAR MISSION OR VISION WITH SHARED VALUES, THESE ATTEMPTS ARE OFTEN SHORT-TERM FIXES THAT DO NOT LAST.**

PERFORMING ARTS ORGANISATIONS PROFILING

A. Key Statistics, Facts and Figures

The primary research on Performing Arts organisations conducted for this report only included the 2016 Creative Lenses questionnaire, so there is less data available and included in this report. As has been mentioned above, 25 Performing Arts organisations responded to the questionnaire and IETM has a membership of around 500 organisations and individuals. Therefore, the results from the questionnaire should be viewed with these figures in mind although they may be generally representative of the sector.

1. Governance
88% of Performing Arts organisations have a board of directors and 50% have some form of membership.

2. Mission and Vision
96% of Performing Arts organisations have a written mission or vision statement and 85% stated that all of the key people in their organisation had a clear and shared understanding of why they existed. 90% of the organisations CEO's stated that all of the key people in their organisation had a clear and shared understanding of why they existed, but only 15% of the organisations non-CEO staff agreed with this statement (however, there were only two responses from non CEO staff so this results may not be statistically valid).

3. Strategy
In terms of strategy and longer-term planning 77% of the organisations responded that they have a written plan lasting for more than a year.

4. Business Model
When the Performing arts respondents were asked if they could describe the business model of their organisation 73% said that they could.

5. Stakeholders
When asked to rank their organisations key stakeholders in order of importance (with 1 being the highest and 11 the lowest ranking scores possible), the results were as follows:

1. Artists: 2.36
2. Audience: 3.08
3. Staff: 4.36
4. Board: 5.18
5. Sector partners: 5.24
6. National Gov: 5.76
7. Local/Regional Gov: 6.00
8. Community: 6.40
9. Members: 7.46
10. Non-sector partners: 8.67
11. Sponsors: 8.86

B. Perceptions, Innovation and Business Models

As with the Arts/Cultural Centres', when examining the value propositions of the Performing Arts organisations one question that this report sought to investigate is how do the key staff members perceive and view their organisations? As with the Arts/Cultural Centres', the Performing Arts organisations were asked the question, 'when asked where you work by someone from outside the sector what is your most common response?' This question produced 18 different answers from the 26 respondents. This is not entirely surprising as the respondents included Theatre, Dance, New Circus, Live and Performing Arts organisations. However, there were still a wide variety of responses within these art form areas. For theatre, the most common at 50% of respondents was 'Theatre Company' although some included the terms 'independent' or 'contemporary' before Theatre. Other responses from theatre organisations included: Producing independent entrepreneurship, Intercultural and international exchange and Site and social specific theatre company working in rural areas.

The six dance organisations described themselves as either Dance Companies (again with either Independent, international or Contemporary inserted before Dance in two cases), a Platform for the support of contemporary dance and a Dance Platform. There were then three organisations that used the terms Performing Arts to describe themselves and these were the Performing, Live Art and New Circus based organisations.

From these responses it seems that for many of the organisations being (and being seen) to be independent, contemporary and/or international is important for them. As mentioned earlier in the report, 'Independent' means both artistic independence and independent from being state run and controlled, which is clearly an important issue for the organisations in terms of their identity and practice. 'Contemporary' is most probably included by some of the organisations when describing themselves to explain and make clear that either their work is new, a specific type/genre and/or to distance themselves from more traditional and conservative forms of the art form they work in.

C. Generic Types and Models

The Performing Arts organisations can be divided into building and not building based when examining their business models. Building based organisations primarily include theatres, venues and dance houses where performances are presented to the public. They often will also include rehearsal space and if they are a producing organisation may also have their own spaces for the construction of scenery and props and the making of costumes.

Building based organisations can further be divided into producing theatres and receiving houses. A receiving house does not produce any of its own work but receives that produced by others who may either pay a rental, are paid a performance fee by the receiving house or more commonly, have a box-office, ticket deal where each party receives a percentage of the ticket sales. A receiving house may also commission or co-commission a theatre or dance company to produce a specific show and premiere it in its theatre. A producing theatre presents its own work in its own space but may also be partially a receiving house and present the work of others as well as its own.

THE PERFORMING ARTS ORGANISATIONS CAN BE DIVIDED INTO BUILDING AND NOT BUILDING BASED WHEN EXAMINING THEIR BUSINESS MODELS. BUILDING BASED ORGANISATIONS PRIMARILY INCLUDE THEATRES, VENUES AND DANCE HOUSES.

Non-building based organisations will usually just have some form of office space for their administration work and will tour their shows to theatres, dance houses, venues, Arts/Cultural Centres' and festivals and may also present their work in a range of other locations such as schools, colleges, community centres, hospitals, prisons, care homes, outdoor spaces, site specific locations, on the 'street' and in other public areas. Small-scale, non-governmental touring companies usually have a small core team of only a few people (often one being the artistic director and one being the manager/producer/administrator), employing all or most performers, designers, artists, technicians and often marketing and PR staff on a free-lance basis with temporary contracts.

Some touring companies may have a building that also includes rehearsal space and many earn extra income from renting this out to other companies. Others may have a touring van or bus, which they may also rent out to earn extra income. The main forms of income for touring companies are performance fees, percentages of box-office ticket sales, annual or project funding, private funding from trusts / foundations and individual donations and sponsorship.

It is also the case that a producing, building-based organisation may also tour its produced work, being a combination of a producing theatre, a receiving house and a touring company.

Because of the relatively high cost of producing new work and the fact that small-scale performing arts tends to be presented in smaller theatres and venues, it is difficult to do this without contributed income in the form of public and/or private funding, particularly if all those working on and involved with the production are to be paid. There are some theatres and touring companies whose models work without the need for funding but these are often those working on larger scales (in terms of venue and audience size), charge higher ticket prices or produce more popular and more accessible work. Because of the high cost of producing new work it is now more common for organisations to co-produce, which can be done between two or more touring companies or between a theatre/dance house and a touring company. There are also examples of a larger number of receiving houses joining together to either co-commission or co-produce new work with a touring company.

REGIONAL DIFFERENCES

Both the results of the questionnaire and the survey show that for both Arts/Cultural Centres' and Performing Arts organisations there are regional differences in many areas. These differences are for a variety of reasons including political, economic and cultural history, governmental culture and funding policies and the current economic situation in a particular country.

How and on what criteria Arts/Cultural organisations in Europe should be divided into geographical groupings could be done in many different ways. For the purposes of this report's questionnaire results they have been grouped and named as follows, as this breakdown into four main groupings is considered to be most appropriate and relevant to the key regional and geographic differences of Arts/Cultural Centres' and Performing Arts organisations across Europe:

1. North (ern lights)
- Denmark
- Finland
- Norway
- Sweden

2. South (ern sun)
- Greece
- Italy
- Portugal
- Spain

3. East (ern former socialist block)
- Bulgaria
- Croatia
- Czech Republic
- Estonia
- Hungary
- Latvia
- Poland
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia
- Ukraine

4. West (ern former empires)
- Austria
- Belgium
- France
- Germany
- Ireland
- Luxembourg
- Netherlands
- UK

The key regional differences from the questionnaire results were:
- 69% of southern organisations had a mission or vision statement compared to 100% of northern, 94% of western and 92% of eastern organisations.
- 23% of southern and 53% of eastern organisations had a written future plan of more than one year compared to 80% of northern and 78% of western organisations.
- 68% of eastern organisations stated that all of the key people in their organisations have a clear and shared understanding of why they exist compared to 87% of northern, 77% of southern and 72% of western organisations.
- 62% of southern and 68% of eastern organisations stated that they could describe their business model compared to 93% of northern and 91% of western organisations.

In terms of the ranking of stakeholders all four regions ranked Audiences as their most important stakeholders. The main regional differences with the stakeholder ranking was:
- Northern, southern and western organisations ranked artists second followed by staff who they ranked third, whilst eastern organisation ranked staff second before artists who they ranked third.
- Local and regional government was ranked fourth by northern organisations, fifth by western and sixth by eastern organisations but was ranked much lower at ninth by southern organisations.
- Sector partners were ranked fourth by eastern organisations, fifth by northern and southern organisations but eighth by western organisations.
- Local community was ranked fourth by southern and western organisa-tions, seventh by eastern and ninth by northern organisations.

The key regional differences from the Trans Europe Halles survey results were:

1. Programme and Audience
- The northern and western centres present more events and activities than the southern and eastern centres and their buildings tend to be larger. In particular the northern and western centres programme about ten times more education/participatory events than the southern and eastern centres.
- Consequently, the northern and western centres have larger audiences and users than the southern and eastern centres, with around fives times more annual public event audiences, participation attenders and visitors to their buildings.

2. Staff Teams
- Western centres total staff teams average 78 people compared to 58 in northern centres, 26 in eastern and just 16 in southern centres.
- Approximately 60% of northern and southern centres staff teams are volunteers compared to 42% in eastern and 30% in western centres. Conversely, 53% of western centres staff teams are employed compared to 26% to 31% for the other three regions.
- 28% of eastern Centres staff teams are free-lancers compared to 17% in western centres but just 8% in northern and southern centres.

3. Finance and Funding
- 100% of northern and 90% of western centres receive some form of public funding compared to 78% of eastern and 70% of southern centres.
- The annual budgets of the northern and western centres are 10 times higher than that of the southern and eastern centres.
- Annual contributed income for the western centres was five times more than for the southern and eastern centres and double that of the northern centres.
- Annual earned income was twenty times higher for the northern centres compared to the southern and eastern centres. For the western centres it was fifteen times higher than the southern and eastern centres.
- 89% of northern centres total income is earned income, compared to 75% of western centres, 58% of eastern centres and 52% of southern centres.

AUDIENCE DEVELOPMENT

Interviews on audience development were conducted with representatives of the Creative Lenses, Arts/Cultural Centres' partners as part of the research for this report. The questions each centre was asked were:

1. What do you understand by the term Audience Development?
2. Is the term widely used in your country by the sector?
3. Does your organisation have an annual marketing / communication or PR strategy or detailed plan?
4. Has your organisation ever done any Audience Development processes or projects? If yes, what?
5. Has your organisation ever done any audience research? If yes, what and when?
6. Does your organisation have a membership of friends scheme for audiences/users to join?
7. Do you have a database of your audience / users? If yes, using what software or application?
8. Have you ever involved your audience in deciding on and/or planning your programme or activities?
9. Do you have at least one member of your team who is specifically and only responsible for marketing / Communications / PR?
10. Has anyone in your team ever had any Audience Development training? If yes, what and when?

What is Audience Development?
Most of the centres had a good and shared understanding about what audience development was. Specific responses were:

- Organising activities, which are connected to the needs of our existing and potential audiences with the aim to develop and to increase our ongoing relationships with them.
- Its about finding new audiences and enriching our product to serve our audience
- Maintaining existing audiences – give them content which they're interested in, keep our current audience interested and Reaching to new audiences – lure new audiences with interesting content.
- Thinking beyond marketing/selling tickets e.g. an educational programme.
- It's about building a strong enough audience for each programming strand in order to make them viable.
- Audiences that we could attract.
- To define audience target groups.
- Understanding the needs of the public and combining this with our own needs to make the end result profitable for both.
- Knowing our audiences and their wishes.
- Identifying our existing and potential audiences.

One respondent also quoted Arts Council England's definition of Audience Development: 'The term audience development describes activity which is undertaken specifically to meet the needs of existing and potential audiences and to help arts organisations to develop on-going relationships with audiences. It can include aspects of marketing, commissioning, programming, education, customer care and distribution.'

Is the term widely used in your country by the sector?
The responses to this question were varied with the Italian, Greek and Finnish centres, saying that is was not widely used in their countries whereas the Slovakian centre said that it was now a 'hot issue' issue in their country. The Dutch centre said that it was widely used and known in most of the sector but not within popular music. The UK centre stated that the term was well known but quite generic.

Does your organisation have an annual marketing / communication or PR strategy or detailed plan?
Only one of the six centres had any type of annual marketing / communication or PR strategy or plan. But one other centre stated that they had an organisational 4-year plan that included marketing.

Has your organisation ever done any Audience Development processes or projects? If yes, what?
None of the centres have as yet done any Audience Development processes or projects.

Has your organisation ever done any audience research? If yes, what and when?
Two of the six centres have done some form of audience research over the past two years in the form of questionnaires and registering profiles of their different audiences. One of the centres does research of their existing audience every two years and has also done research about the composition of their audience market based on the mosaic models of fourteen model groups.

Does your organisation have a membership of friends scheme for audiences/users to join?
None of the centres has a membership of friends scheme for audiences/users.

Do you have a database of your audience / users? If yes, using what software or application?
Three of the six centres keep a database of their audience and this is done on either/or Excel and MailChimp. One has a database of 14,000 users.

Have you ever involved your audience in deciding on and/or planning your programme or activities?
Two of the six centres have involved their audience in the planning of their programme or activities. In one case this is through specific programme or activity groups an example being the decision to have their bar run by students. The other centre also uses audience groups in the planning and organising of some of their activities, which are co-production events between the centre and the audience group.

Do you have at least one member of your team who is specifically and only responsible for marketing / Communications / PR?
Three of the six centres have at least one member of staff specifically responsible for marketing / communications / PR. Two of these are full-time and one is part-time assisted by two trainees. One other centre plans to recruit such a position the near future.

Has anyone in your team ever had any Audience Development training? If yes, what and when?
Only one person from one of the six centres has done any Audience Development training and this was two years ago.

Other responses and issues that were raised during the interviews included:

- Are organisations equipped to develop their audience efficiently?
- Do organisations even know that they should do it?
- Do some organisations only consider Audience Development to tick (funding) boxes?
- Public funders now pay more attention to audience numbers than to the development of audiences.
- The whole issue of audiences is more important than it used to be in our thinking and work.
- Culture funding has become more focused on audiences and the needs of the public than about the quality of the art.

NONE OF THE CENTRES INTERVIEWED HAVE AS YET DONE ANY AUDIENCE DEVELOPMENT PROCESSES OR PROJECTS

ABOUT THE AUTHOR

With thirty-five years experience working in the sector, Paul is an arts and culture producer, project manager, consultant, fund-raiser and trainer, developing and delivering his own projects as well as working for a wide range of public and private clients across Europe. He is a co-director of Olivearte Cultural Agency (Ireland and UK).

Currently, Paul is managing Creative Lenses, a 4-year, €4 million Creative Europe large-scale project to research and develop new Business Models for the arts and cultural sector, directing and delivering Escalator, a capacity building and professional development programme for the independent cultural sector in Slovakia, delivering audience development education programmes for Rijeka2020 and Kaunas 2022 ECOC'S, developing a long-term strategy for Kulturfabrik cultural centre in Luxembourg, financially managing a children's theatre, large-scale Creative Europe project and acting as an advisor to another €4 million budget, large-scale Creative Europe proiect. Paul is also the financial manager for NIE Theatre Company (UK).

Paul's past work includes developing a new culture centre in Helsinki, writing culture and creative economy strategies and policies for European municipalities, producing a festival with 250 artists on a ferry in Copenhagen, delivering a three-year culture business, capacity building programme for cultural organisations in St. Petersburg, Russia, and developing culture tourism for a residential arts centre in Italy. Paul is also a fundraiser had has obtained over €8 million in European project grants since 2010.

Paul was President of Trans Europe Halles (the European network of independent cultural centres) from 1999-2007, an assessor for the European Commission Culture Programme 2007-13, has been a board member of six arts and culture organisations and is a fellow of the Royal Society of Arts.

After studying film and theatre at Reading University, UK, Paul started his professional career as an actor, comedian and DJ. Realising he could not act (and was not that funny), he quickly moved into theatre management and finance.

After managing two UK theatre companies, a Polish theatre company (that included living in Poland for a year under martial law), The Kings Head Theatre, London and producing commercial shows in London's 'West End' theatre, in 1989 Paul became the director of The Junction in Cambridge, the first purpose-built arts centre focused on youth culture in the UK.

Paul opened the Junction, developed its multidisciplinary music, theatre, dance, new media and education programmes, produced three international festivals, the world's first digital mural and built a new, €10 million theatre in 2005.

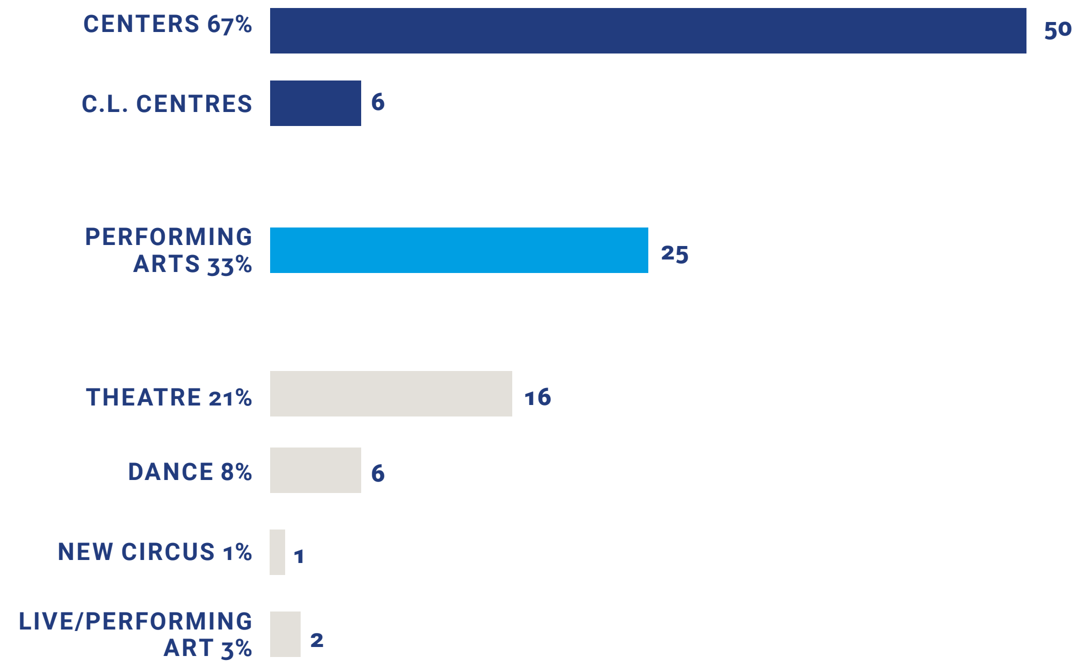
Paul lives in Qala on the island of Gozo.

APPENDIX

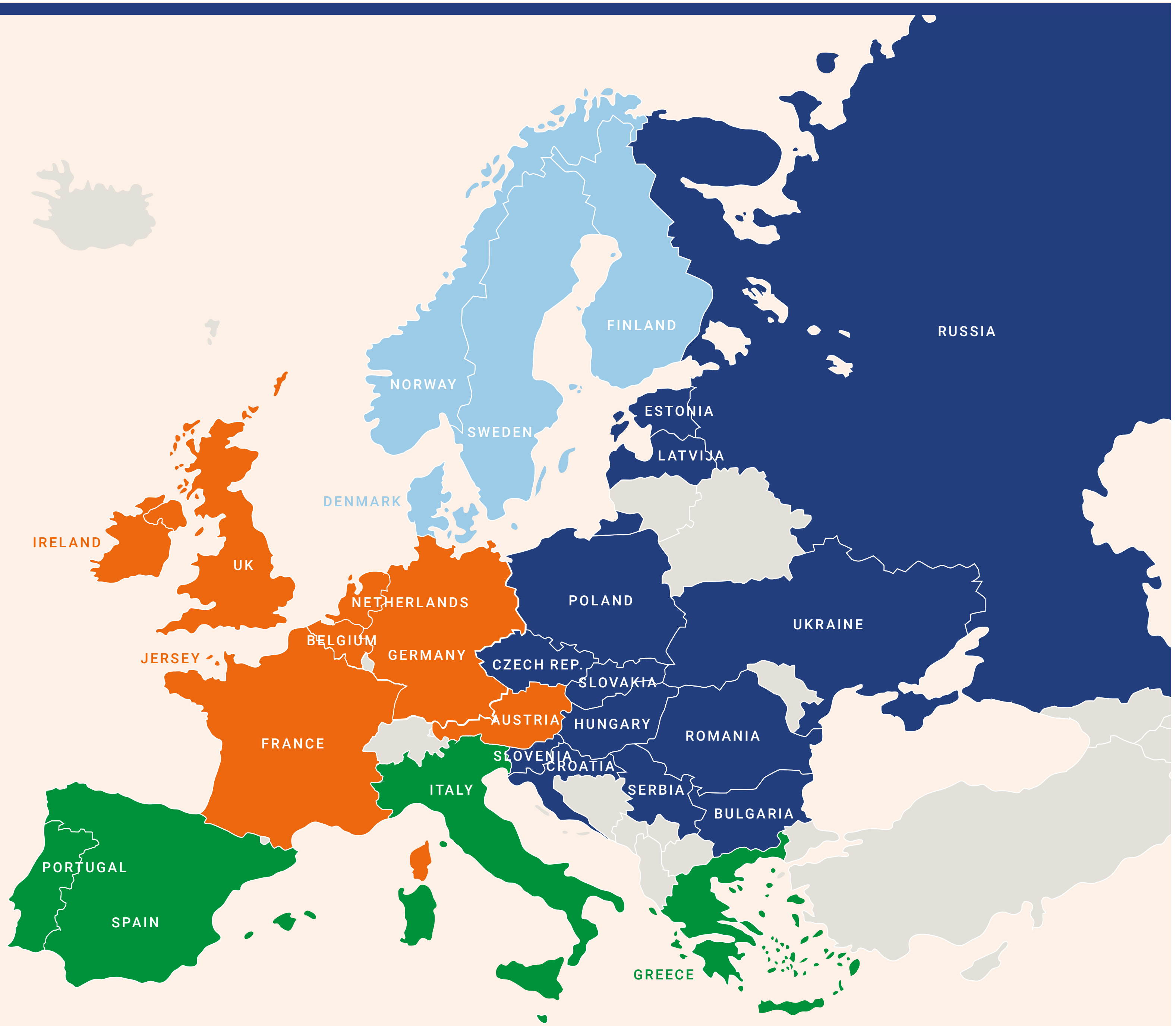
DEMOGRAPHICS

TOTAL SAMPLE

ORGANISATION TYPES



30 COUNTRIES REPRESENTED IN THE SAMPLE



COUNTRIES, EUROPEAN REGIONS & DATA

NORTH (ERN Lights): **14**
8 centres, 6 performing arts

- Denmark 1 Centre, 1 PA org
- Finland 3 Centre, 1 PA org
- Norway 1 Centre, 1 PA org
- Sweden 3 Centre, 3 PA org

SOUTH (ERN Sun): **11**
8 centres, 3 performing arts

- Greece 2 Centre, 1 PA org
- Italy 3 Centre, 0 PA org
- Portugal 2 Centre, 1 PA org
- Spain 1 Centre, 1 PA org

EAST (ERN ex Socialist Block): **21**
15 centres, 6 performing arts

- Bulgaria 0 Centre, 1 PA org
- Croatia 1 Centre, 0 PA org
- Czech Rep. 3 Centre, 0 PA org
- Estonia 1 Centre, 0 PA org
- Hungary 0 Centre, 1 PA org
- Latvija 1 Centre, 1 PA org
- Poland 1 Centre, 0 PA org
- Romania 1 Centre, 0 PA org
- Russia 1 Centre, 0 PA org
- Serbia 1 Centre, 0 PA org
- Slovakia 3 Centre, 2 PA org
- Slovenia 0 Centre, 1 PA org
- Ukraine 2 Centre, 0 PA org

WEST (ERN ex Empires): **29**
19 centres, 10 performing arts

- Austria 1 Centre, 0 PA org
- Belgium 1 Centre, 1 PA org
- France 4 Centre, 1 PA org
- Germany 3 Centre, 1 PA org
- Jersey 0 Centre, 1 PA org
- Ireland 3 Centre, 2 PA org
- Luxembourg 2 Centre, 0 PA org
- Netherlands 1 Centre, 1 PA org
- UK/England 4 Centre, 3 PA org

50 CENTRES...

6
CREATIVE LENSES PARTNER CENTRES

59
RESPONDENTS TO THE QUESTIONNAIRE

9
CENTRES WITH MORE THAN ONE RESPONDENT INCLUDING 4 OF THE 6 C.L. PARTNER CENTRES

33
TRANS EUROPE HALLES MEMBERS = 66%

CENTRES SIZES RANGE (NO -S) FROM 100 TO 73,000 M²

37
OF THE RESPONDENTS WERE THE CEO'S = 63%

...AND 25 PERFORMING ARTS ORGANISATONS WERE IN THE SURVEY

11 TOURING THEATRE COMPANIES	**4** THEATRES	**1** RECEIVING HOUSE	**4** TOURING DANCE COMPANIES
1 DANCE HOUSE	**1** DANCE PLATFORM	**1** TOURING NEW CIRCUS COMPANY	**2** TOURING LIVE/PERFORMING ART COMPANY
16 HAVE BUILDINGS FOR PUBLIC PERFORMANCES	**24** PRODUCE WORK	**9** RECEIVE OTHERS WORK IN THEIR BUILDINGS	**1** JUST RECEIVES OTHERS WORK
26 RESPONDENTS TO THE QUESTIONNAIRE	**1** ORGANISATION WITH MORE THAN ONE RESPONDENT	**22** OF THE RESPONDENTS WERE THE CEO'S = 85%	

25 PERFORMING ARTS ORGANISATIONS

16
HAVE BUILDINGS FOR PUBLIC PERFORMANCES

9
RECEIVE OTHERS WORK IN THEIR BUILDINGS

1
ORGANISATION WITH MORE THAN ONE RESPONDENT

24
PRODUCE WORK

26
RESPONDENTS TO THE QUESTIONNAIRE

22
OF THE RESPONDENTS WERE THE CEO'S
= 85%

JUST 1 RECEIVES OTHER'S WORK


PHOTO: VILLAGE UNDERGROUND IN LONDON, UK

STATISTICS

48% OF ALL THE ORGANISATIONS HAVE MEMBERS:

_49% CULTURAL CENTRES

_50% PERFORMING ARTS ORGANISATIONS

92% OF ALL ORGANISATIONS RECEIVE SOME FORM OF SUPPORT FROM THEIR LOCAL/REGIONAL GOVERNMENT:

_92% CULTURAL CENTRES

_92% OF PERFORMING ARTS ORGANISATIONS

48% OF ALL THE ORGANISATIONS HAVE MEMBERS:

_49% CULTURAL CENTRES

_50% PERFORMING ARTS ORGANISATIONS

84% OF ALL THE ORGANISATIONS HAVE A BOARD:

_82% CULTURAL CENTRES

_88% PERFORMING ARTS ORGANISATIONS

77% RECEIVE SOME FORM OF SUPPORT FROM THEIR NATIONAL GOVERNMENT:

_76% CULTURAL CENTRES

_88% PERFORMING ARTS

84% OF ALL THE ORGANISATIONS HAVE A BOARD:

_82% CULTURAL CENTRES

_88% PERFORMING ARTS ORGANISATIONS

THE QUESTIONNAIRE
QUESTIONS

WHEN ASKED WHERE YOU WORK BY SOMEONE FROM ANOTHER SECTOR OR INDUSTRY WHAT IS YOUR MOST COMMON RESPONSE?

Centres: 'explaining where I work':

- Cultural Centre
- Cultural Venue
- Cultural Space
- Multi-Cultural Centre
- Multimedia space for contemporary culture
- Socio-cultural-centre & education & counselling programmes
- Creative Cluster
- Urban Development project
- Open Laboratory
- Arts Centre
- Arts Venue
- Arts Space
- Arts & Congress Centre
- Arts Centre & Creative Industries incubator
- Arts Centre & Music Venue
- Performing Arts Centre
- Music Centre / Venue
- Community / Neighbourhood Centre

Centres 'Words' by Frequency

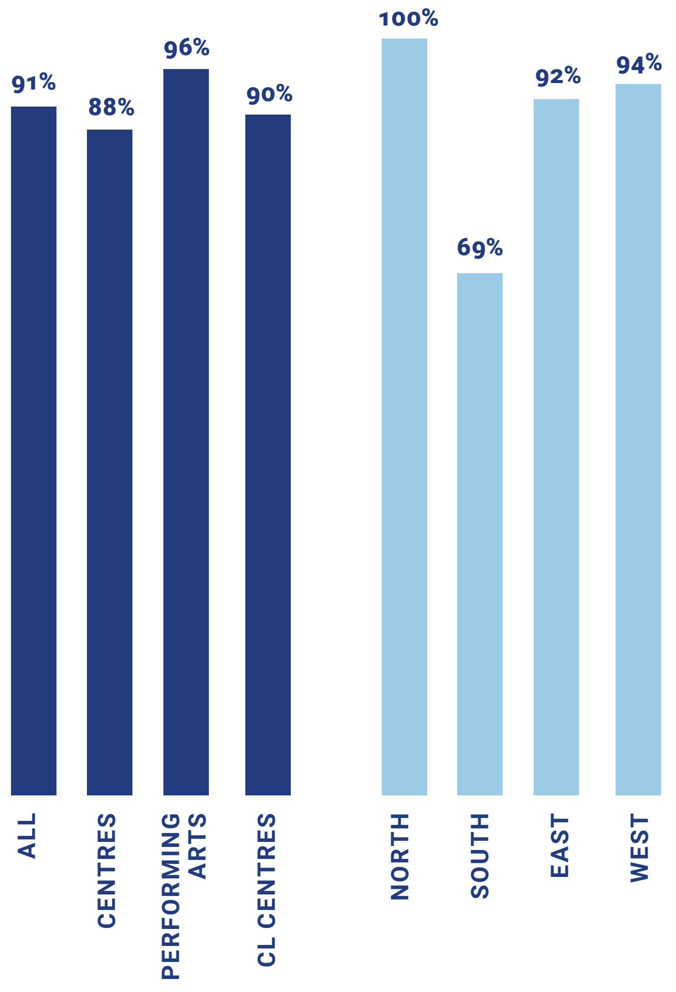
WHEN ASKED WHERE YOU WORK BY SOMEONE FROM ANOTHER SECTOR OR INDUSTRY WHAT IS YOUR MOST COMMON RESPONSE?

Performing Arts 'where I work'

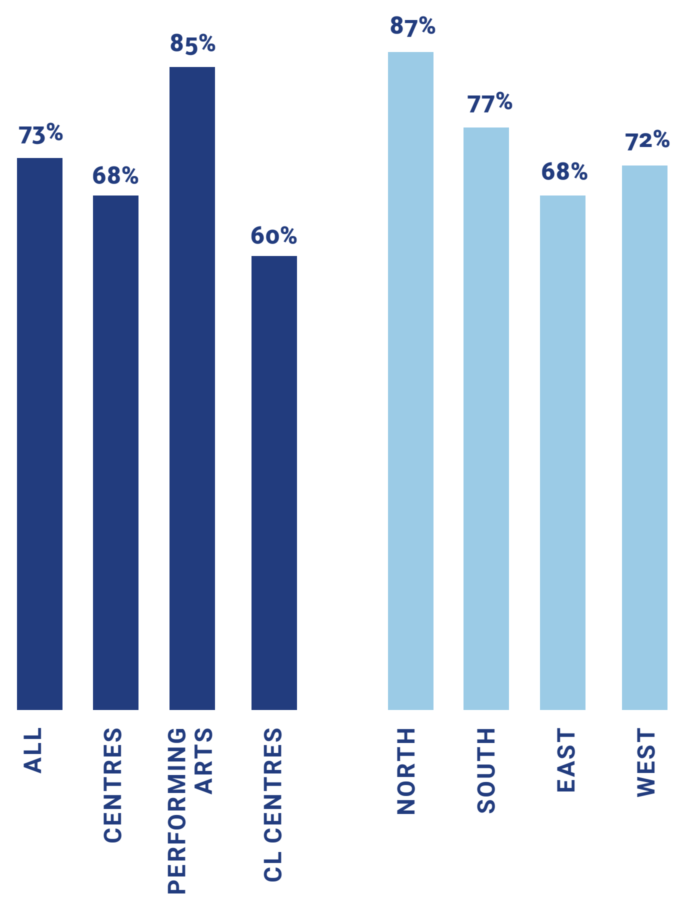
- Theatre
- Independent Theatre company
- Contemporary Theatre company
- Theatre group
- Young People's Theatre
- Site and social specific theatre company, working in rural areas
- Receiving Theatre
- Receiving House
- Contemporary Dance company
- Independent & Interna1onal Contemporary Dance company
- Dance Venue
- Dance Platform
- Laboratory
- Performing Arts company
- Independent performing arts production company
- Producing independent Entrepreneurship
- Intercultural and independent exchange

Performing Arts 'Words' by Frequency

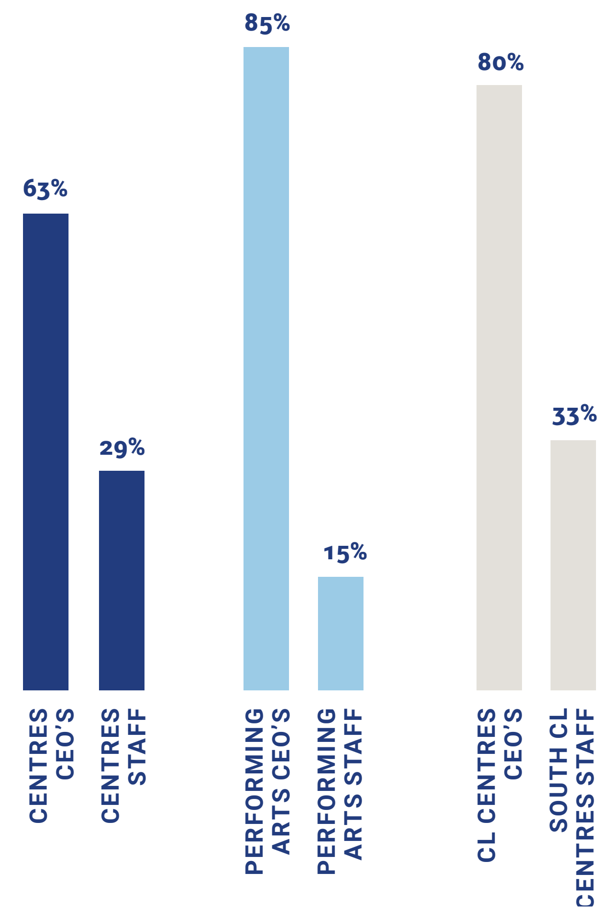
DOES YOUR ORGANISATION HAVE A WRITTEN MISSION AND/OR VISION STATEMENT?
BY TYPE AND BY EUROPEAN REGIONS



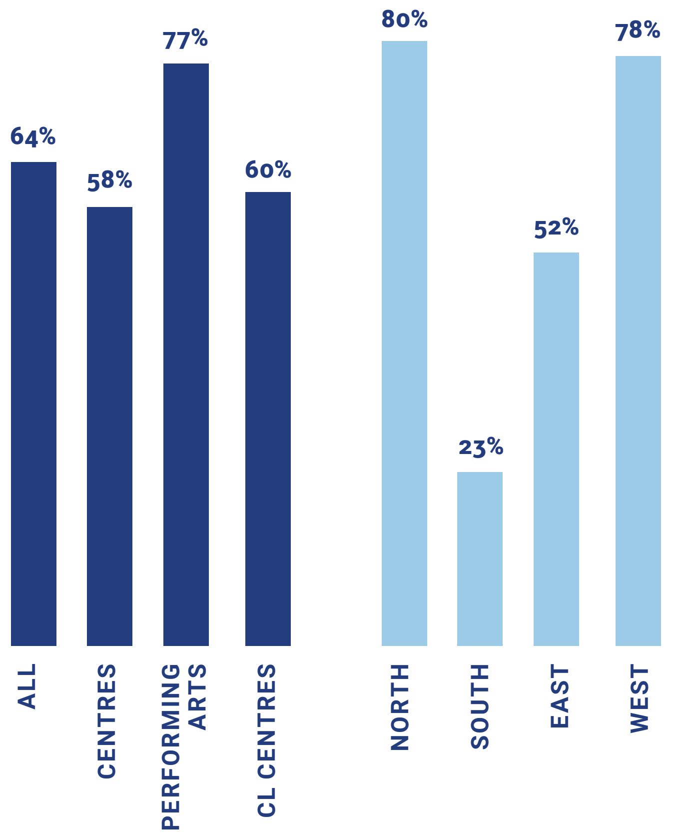
WOULD YOU SAY THAT ALL KEY PEOPLE IN YOUR ORGANISATION HAVE A CLEAR AND SHARED UNDER-STANDING OF WHY YOU EXIST?
BY TYPE AND LOCATION



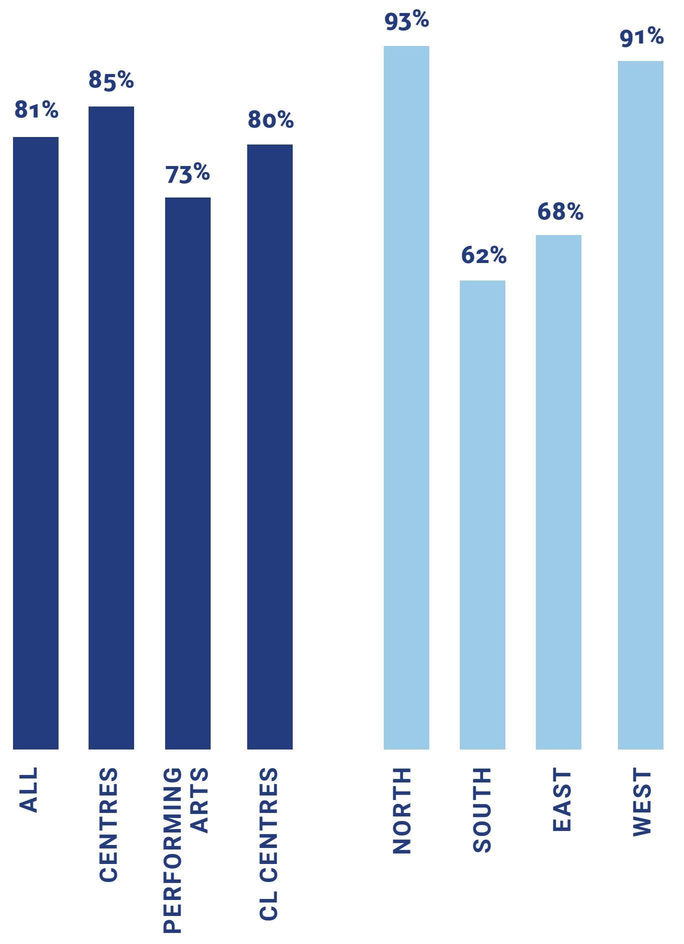
WOULD YOU SAY THAT ALL KEY PEOPLE IN YOUR ORGANISATION HAVE A CLEAR AND SHARED UNDERSTANDING OF WHY YOU EXIST?
CEO'S VERSUS STAFF ANSWERS BY TYPE



DOES YOUR ORGANISATION HAVE A WRITTEN FUTURE PLAN OF MORE THAN ONE YEAR?
BY TYPE AND BY EUROPEAN REGIONS



IF ASKED, COULD YOU DESCRIBE THE BUSINESS MODEL OF YOUR ORGANISATION?
BY TYPE AND BY EUROPEAN REGIONS

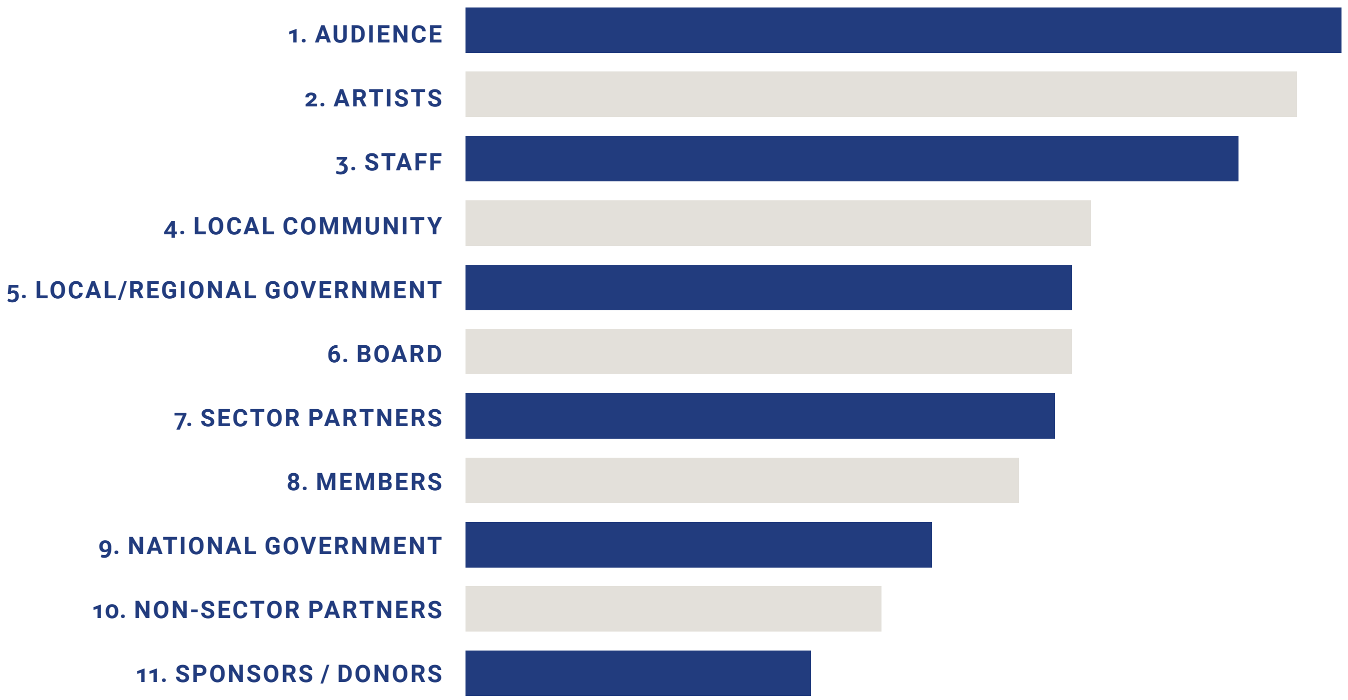


STAKEHOLDER QUESTION

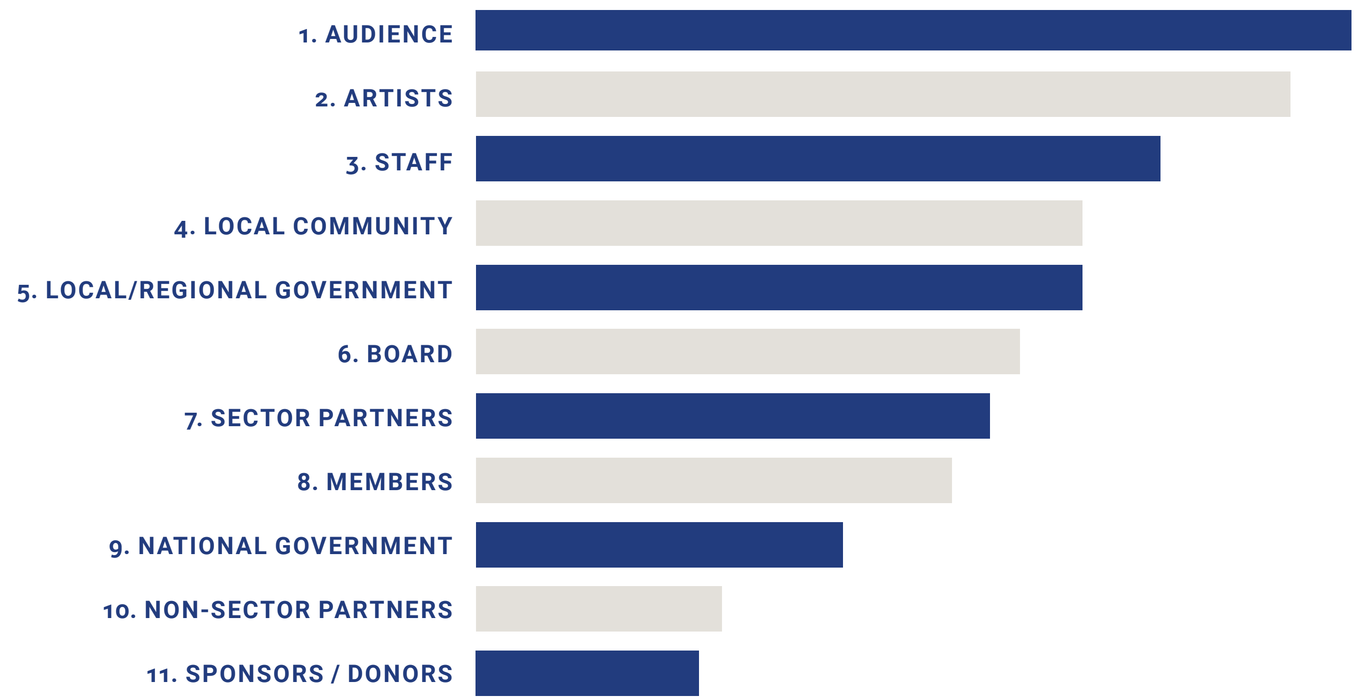
WHO DO YOU CONSIDER TO BE YOUR ORGANISATIONS KEY STAKEHOLDERS?
PLEASE RANK IN ORDER OF IMPORTANCE

A stakeholder means any person, group or organisation that has an interest in, a concern for, can affect and/or are affected by your organisation and who, without their support you would cease to exist.

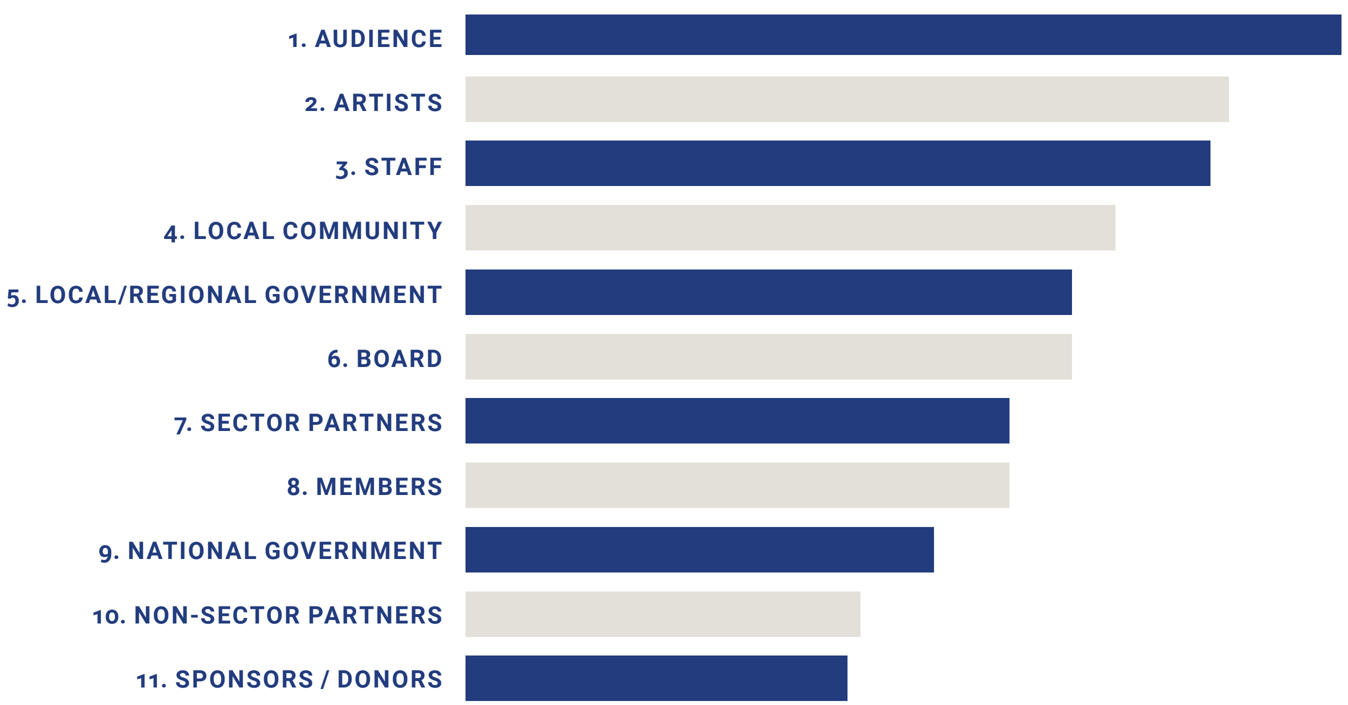
STAKEHOLDERS RANKING: ALL SAMPLE



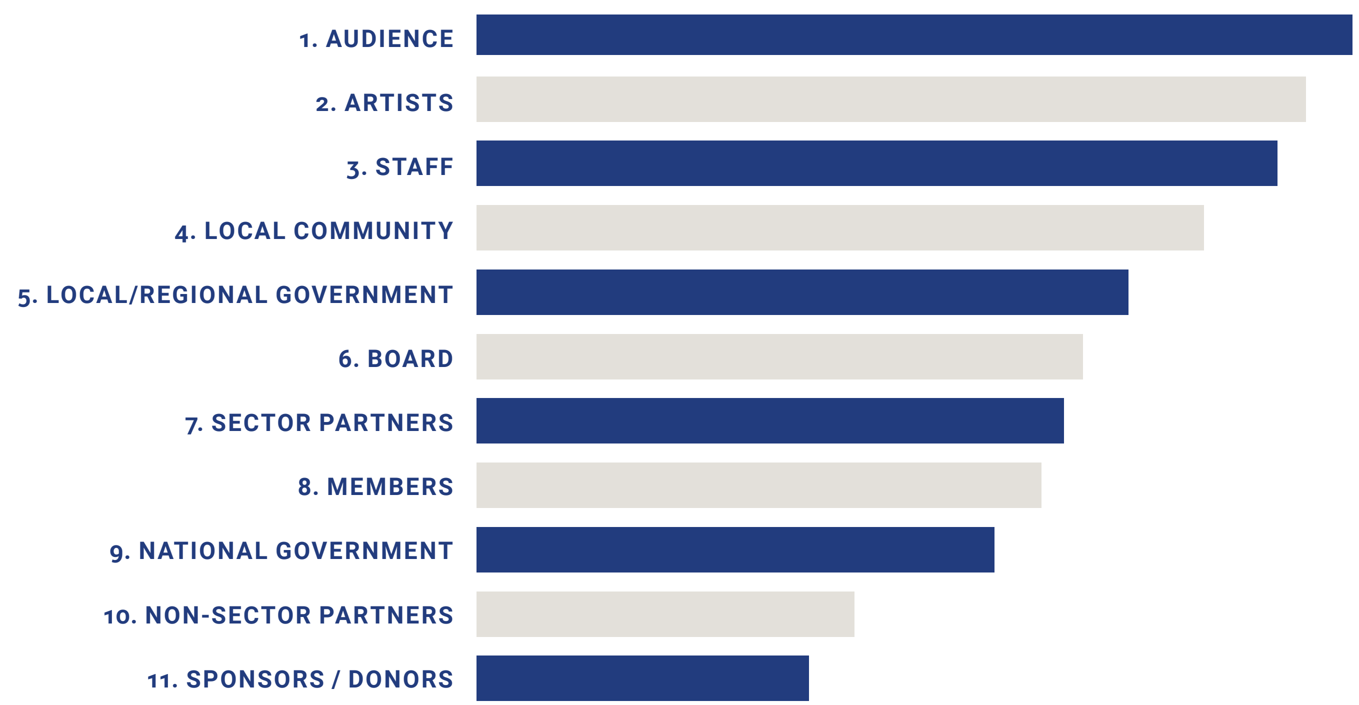
STAKEHOLDERS RANKING: PERFORMING ARTS



STAKEHOLDERS RANKING: CENTRES

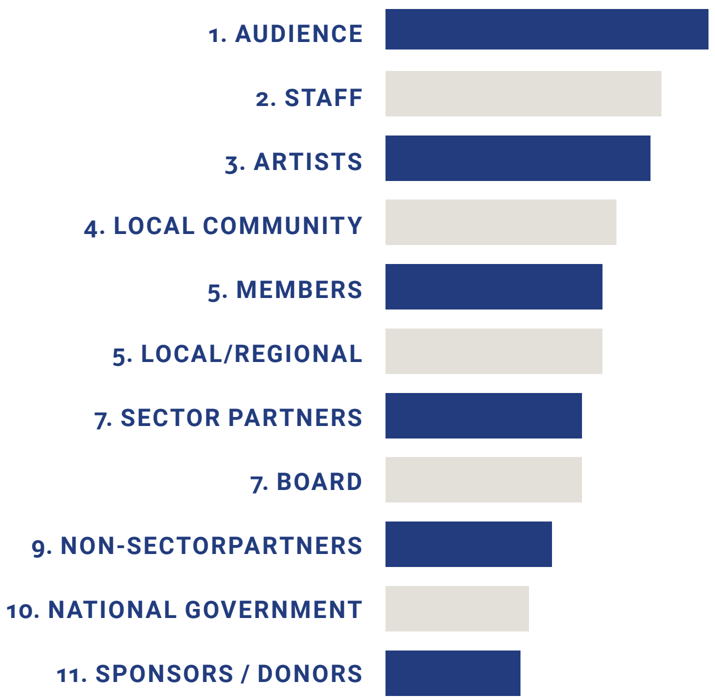


STAKEHOLDERS RANKING: C.L.CENTRES

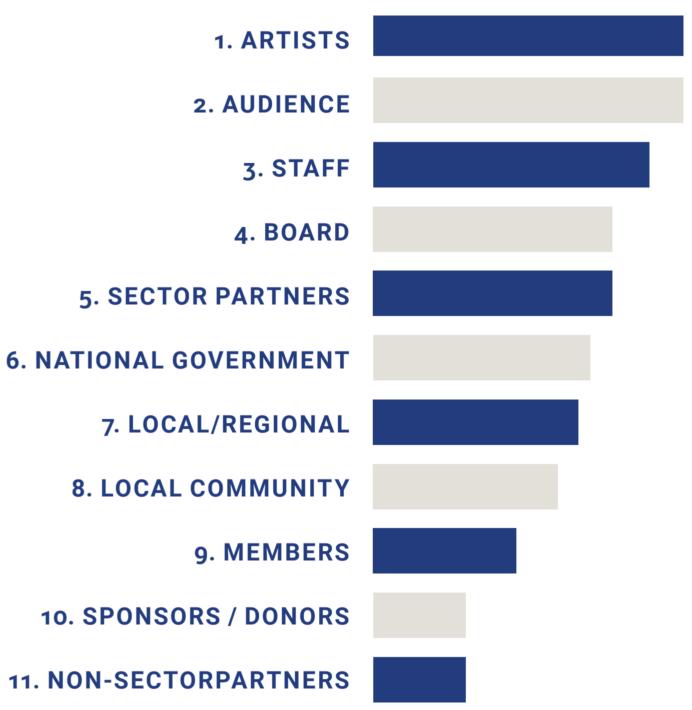


STAKEHOLDERS: CENTRES & PERFORMING ARTS

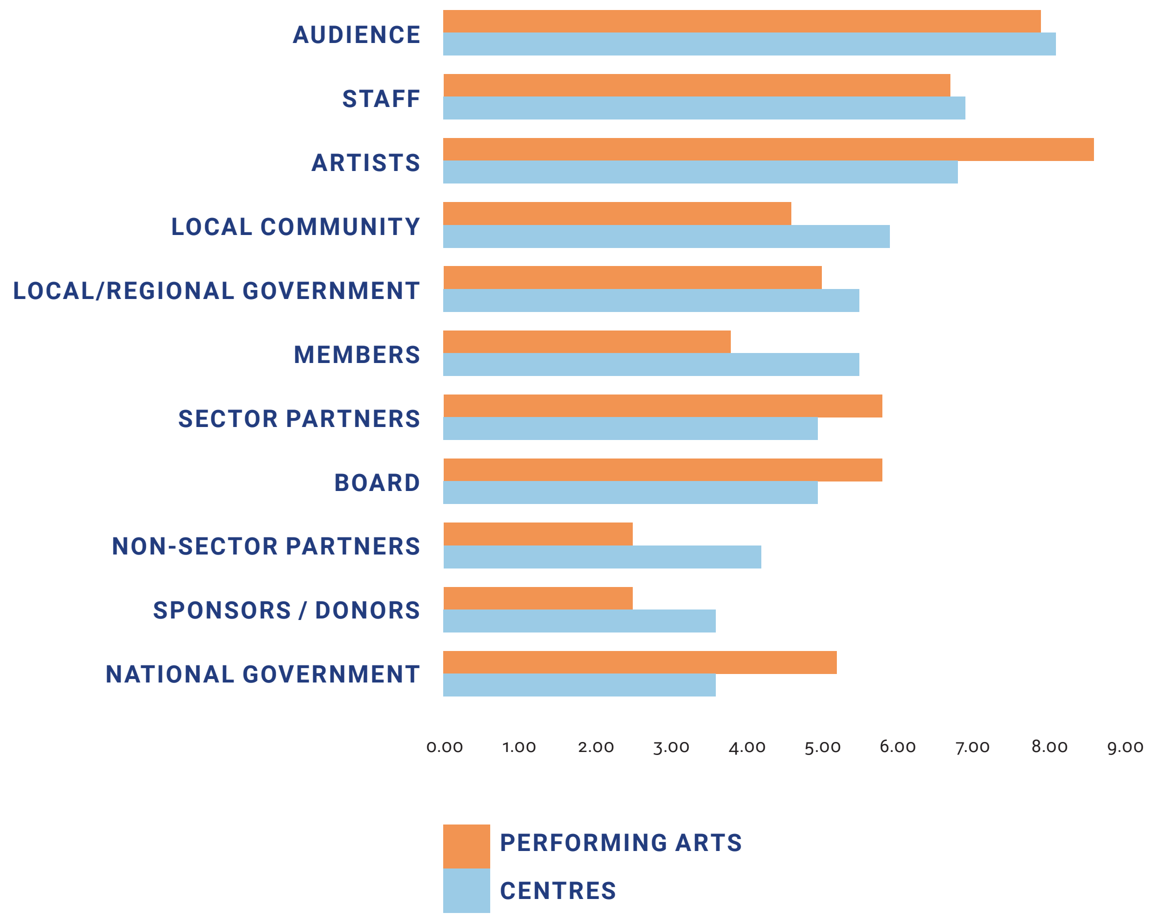
CENTRES



PERFORMING ARTS

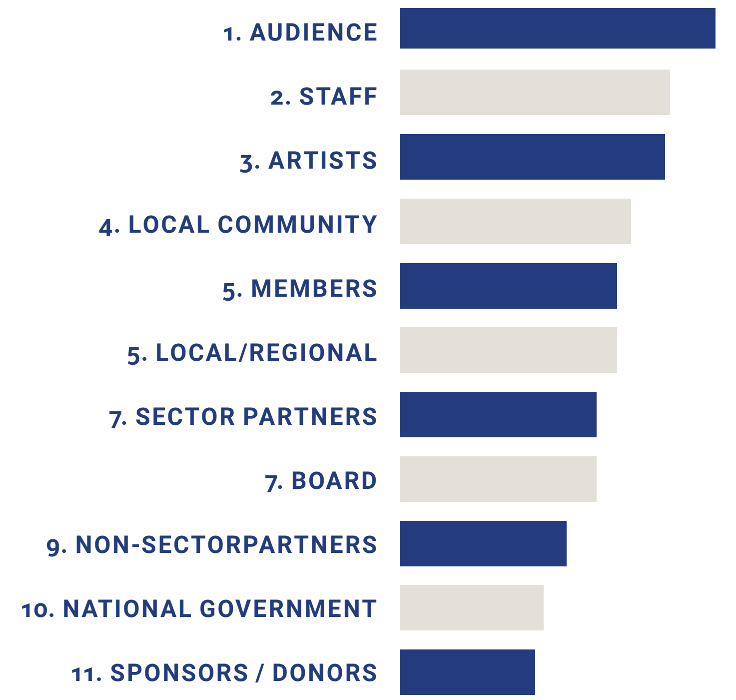


STAKEHOLDERS: CENTRES & PERFORMING ARTS

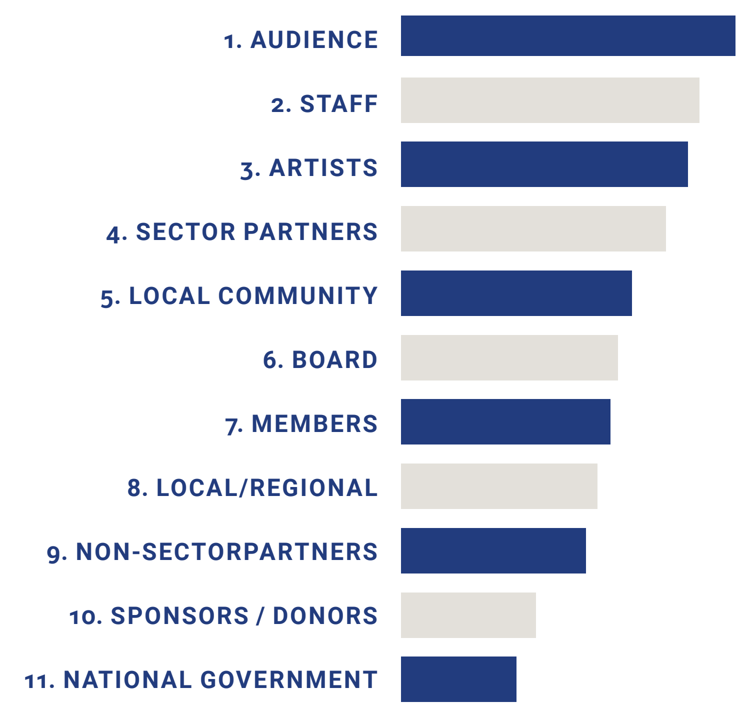


STAKEHOLDERS: CENTRES & PERFORMING ARTS

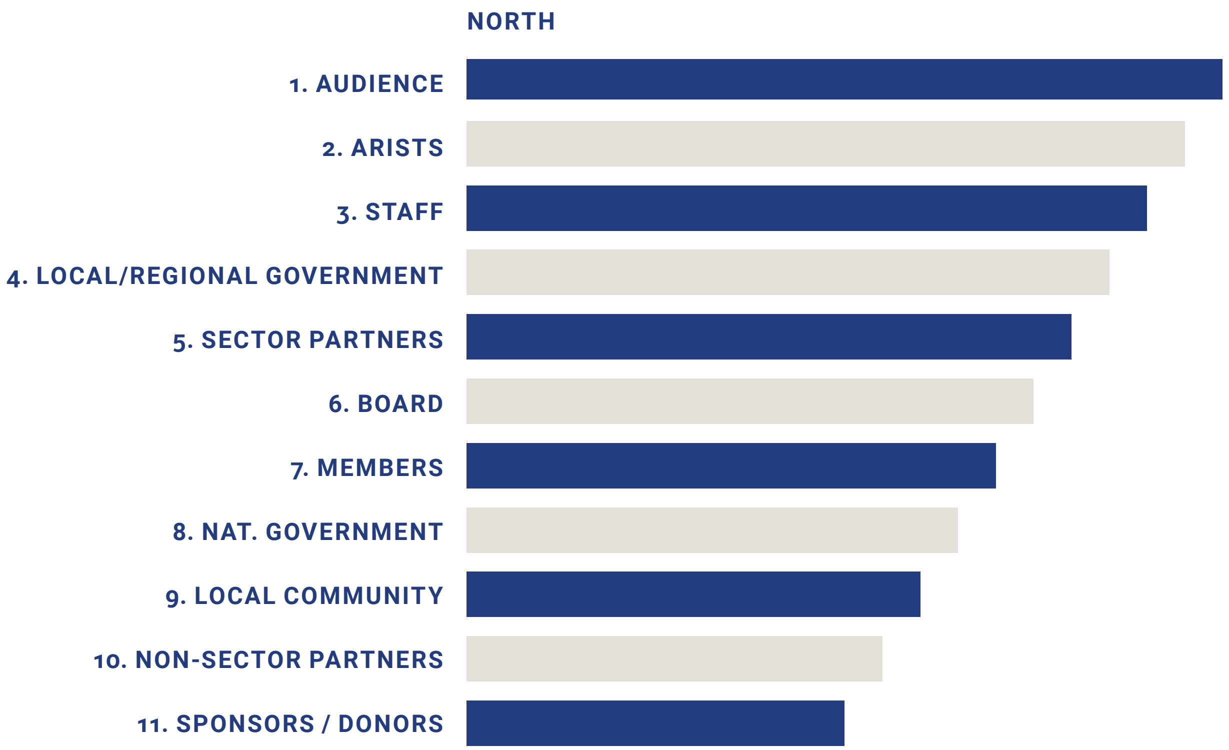
CENTRES

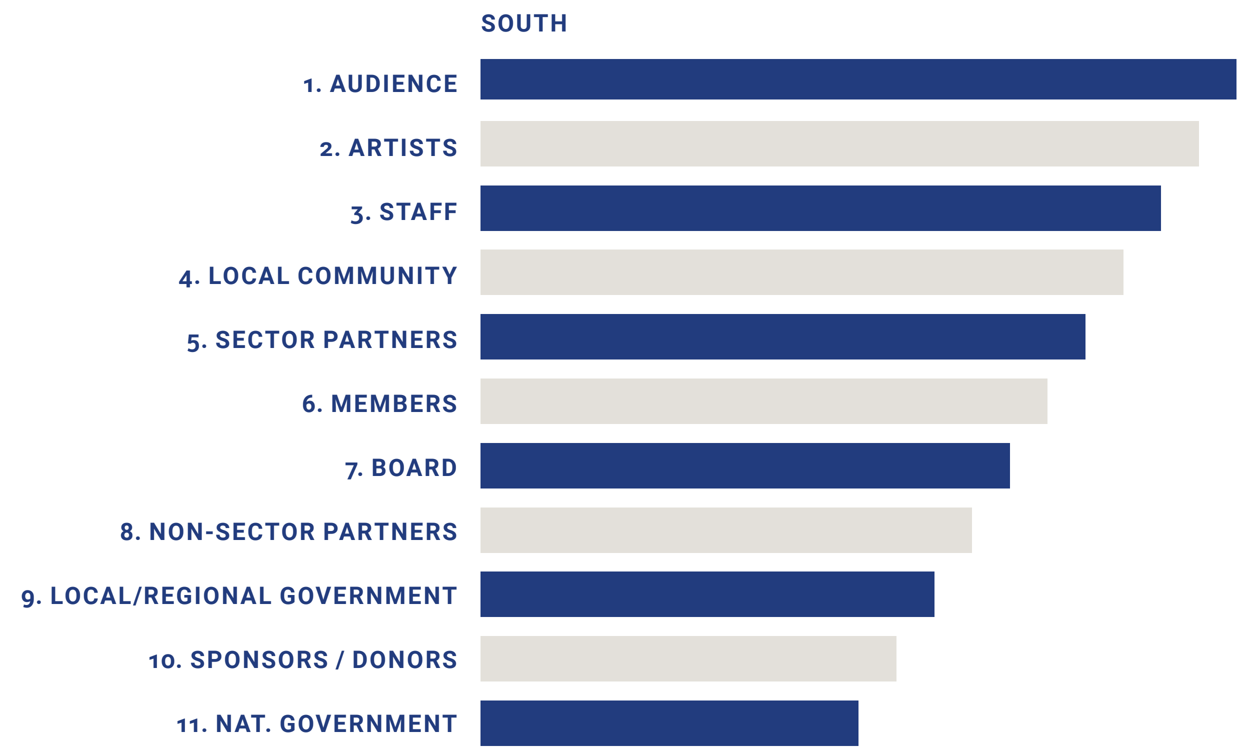


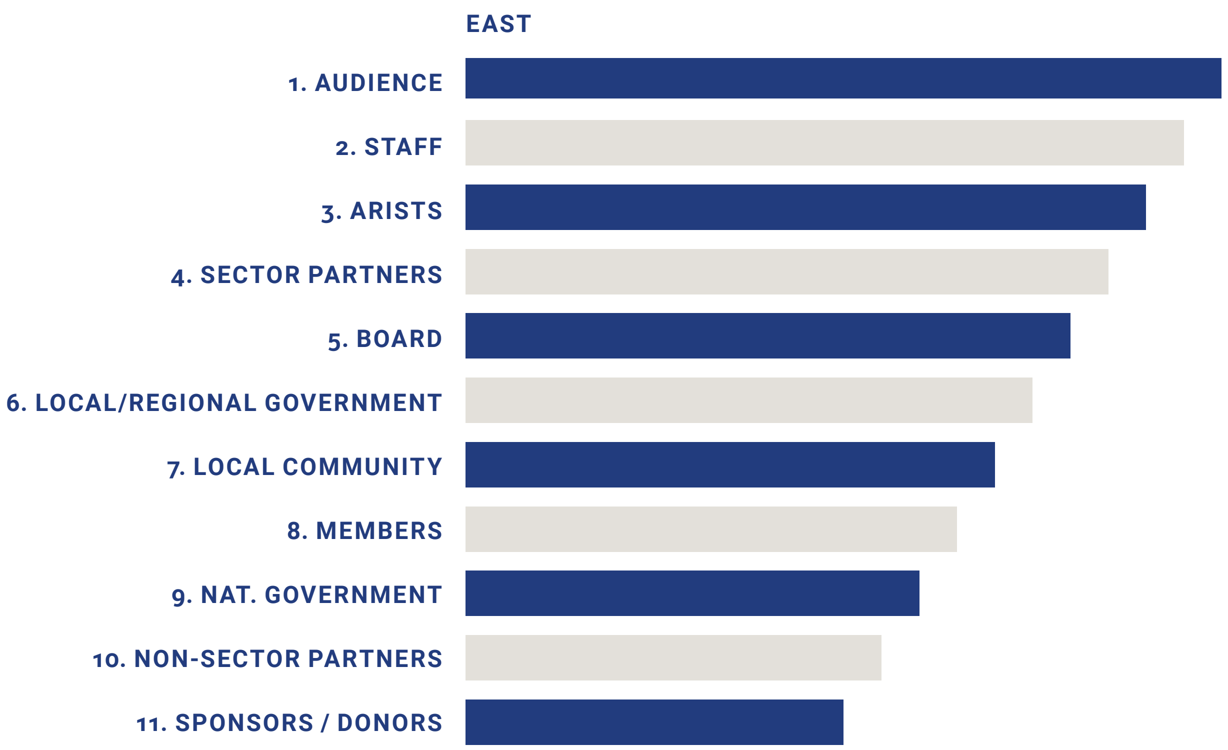
C.L. CENTRES

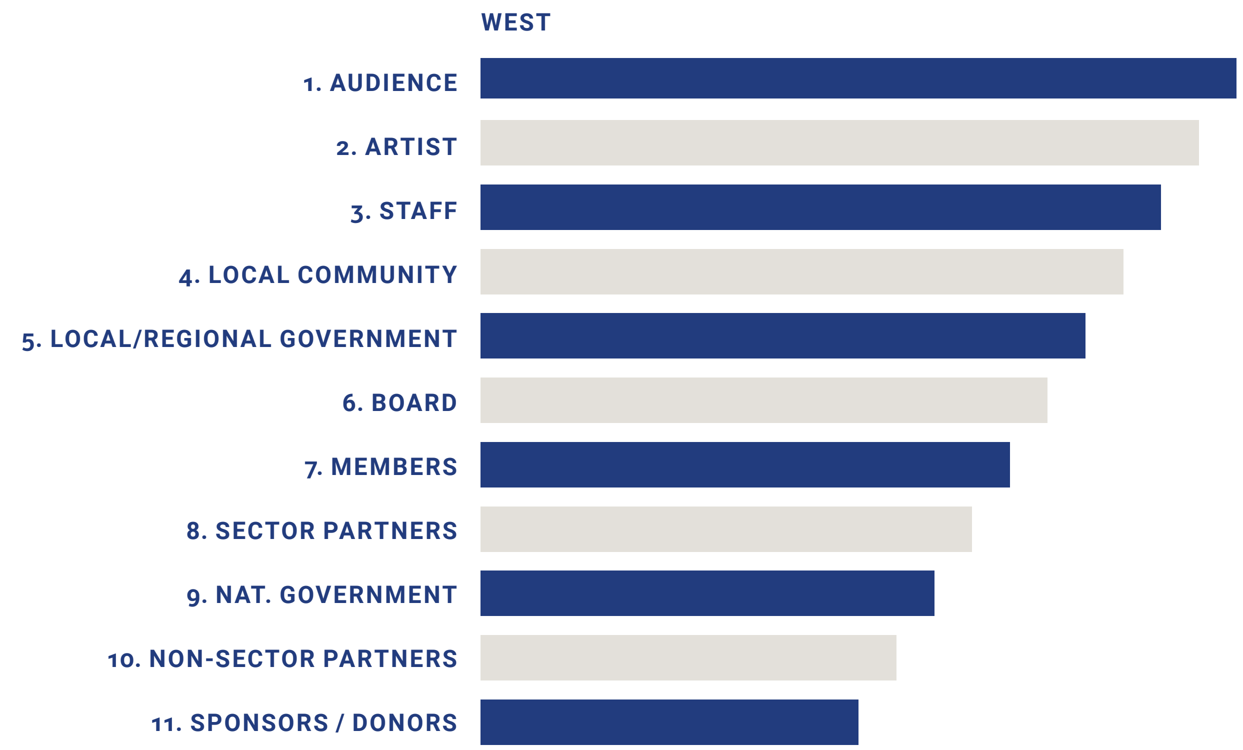


STAKEHOLDERS RANKING: BY REGIONS

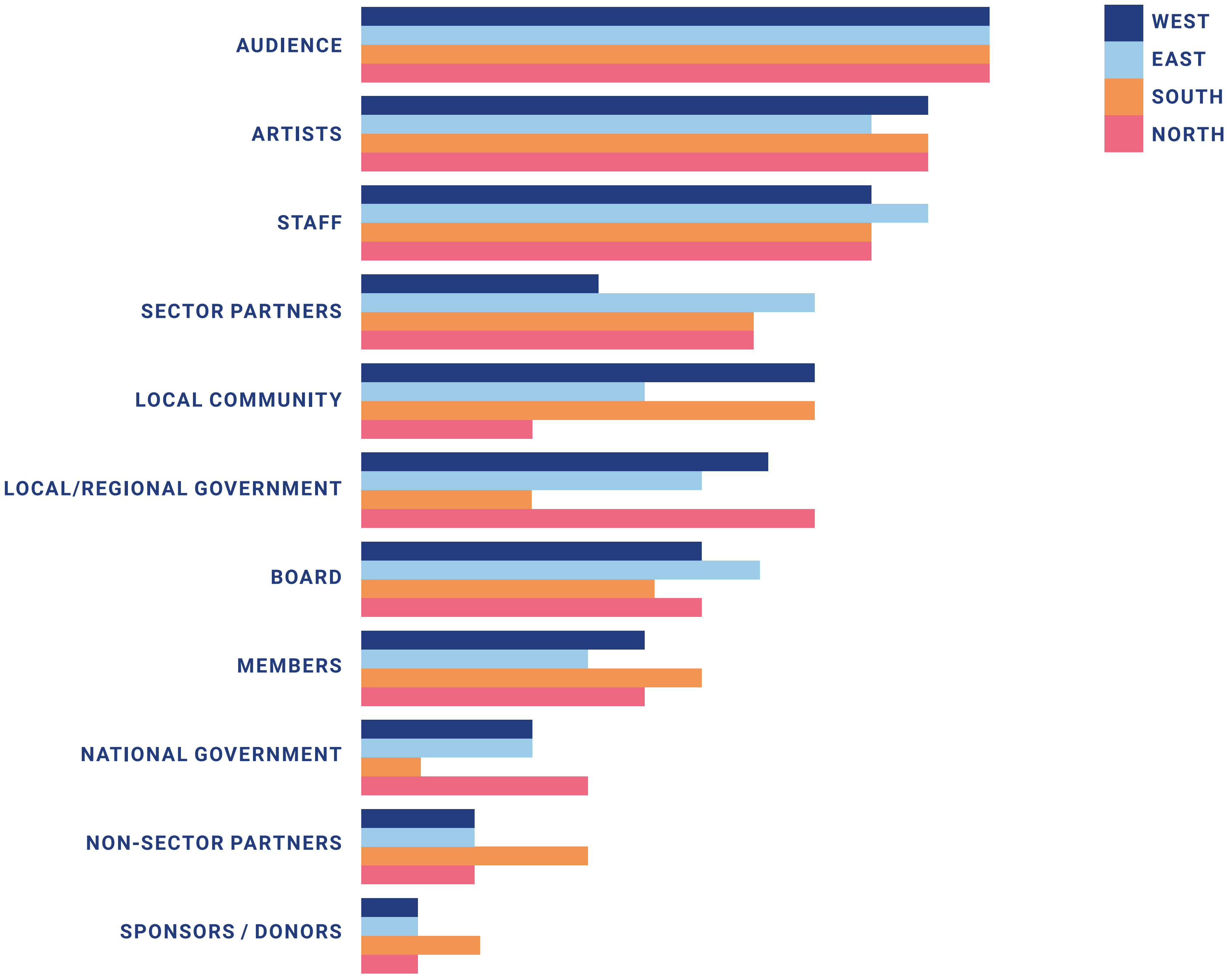








STAKEHOLDERS RANKING: BY REGIONS



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