

8 SUGGESTIONS FOR IMPROVING YOUR CHANCES OF SURVIVAL

From the experience of supporting cultural and creative startups

KATARINA SCOTT

In late 2009, the City of Lund was in the running for European Capital for Culture 2014. Part of the bid focused on the innovative and entrepreneurial nature of the city, in particular within the cultural and creative sectors (CCS). Even though Lund did not succeed in its bid, the plans for how the city would invest in the development of its CCS remained. A pot of money was put aside to initiate an incubator, a place where cultural and creative organisations and companies could receive the training, coaching and connections necessary to grow their ideas into sustainable, thriving businesses. At the same time, it was a place for traditionally non-profit arts organisations to find ways of diversifying their financial models and develop their resilience in view of fluctuating financial support and a changing world. This was the start of The Creative Plot (TCP), not only an oddity in the business innovation world, it was also new to the culture sector. Since then TCP has supported hundreds of ideas, projects, people and organisations using entrepreneurial methods with the aim of closing the gap between sectors and making creative people and organisations more sustainable and able to live on their dreams, ambitions and talent.

Along the way, we found that the similarities within the area of value-driven businesses are very big and sometimes not even separable. TCP has therefore expanded into supporting social entrepreneurship and sustainable and green areas. TCP has used the values of individuals, teams and organisations to create methods through which one creates rules, decisions and priorities, including how relations are nurtured - be it public, private or civil organisations. The thesis is simple: values are the driving force of people.

For TCP profit and gain is not a problem. It's a way to be able to invest according to your own values and purpose. One can choose to be an entrepreneur or not, but in order to be one, one has to accept that you will have to compromise and learn to speak a lot of "languages", cultural, social, entrepreneurial, business, policy, investment. It also changes another thing. You now have to expand from project time to "infinity", going from project to always building on the outcomes of your work: refine, adapt, add on, enhance and reinvest.

HERE IS SOME OF WHAT WE HAVE LEARNED TO INCREASE THE CHANCES OF SURVIVAL. WHY ARE YOU AND THE TEAM DOING THIS?

To be able to define your goals and use entrepreneurial methods to become more sustainable, you have to be able to define why you are doing what you are doing. And if you have a team, is this the same for everyone? What are your values? Are you in agreement about the 'why' question and can you find common ground? What will be the outcome, how do we handle risk, divide responsibility, share incomes and make decisions? It is also needed to be constantly revising and renegotiating since we change together with our circumstances.

Example. The sound technicians want the best sound and buy more speakers, musicians want to play interesting music, bartenders want to sell beer, producers want to have a sold-out concert, the grant giver wants inclusion and gender equality, the artistic leader wants a branding high standard and competitive artistic program. The visitor wants a good time with friends, beer and feeling safe. Find the commons!

SUSTAINABILITY IS LINKED TO DREAMS, DIVERSE SOURCES OF INCOME AND A LONGER TIMESPAN.

The difference between projects and sustainability is time. Your dream and vision need to be more than a string of pearls of projects ending at zero. To live longer, you need to do more than *start – do – stop and restart*. Especially within culture, we often work in projects ending at balancing at zero. To do the next project, we need to raise new money and resources. To be sustainable, you need a surplus that can be invested back into what you do. To solve this, you need to have a "business" with more than one source of income and think in longer cycles. So, what is your part of the local, regional, national or perhaps even international ecosystem? How can you get many different "legs" to support you. If you want to know how others do it, have a look at the statistics from Creative Lenses and the previous study of statistics from Trans Europe Halles (Creative Business Models report). There is a lot to learn from this and similar research (see end of chapter).

Example: We had a theatre company doing performances for children often on topics around bullying, immigration, gender and the social area. The focus, when this started, was to have a better uptake of the tours selling to schools. The key to selling more shows, developing better relationships with the schools and having a "product in-between" shows was educational material. Perhaps not a revolutionary idea, but when focused on, there had to be a lot of work and also, new skills were needed to create educational material at a professional level. Moving from just handing extra paper over at shows to access by the schools to accredited educational material, made the performances more sought after. And the educational material can be sold and have another life cycle other than the performance.

WHY SHOULD ANYONE BOTHER?

You need resources, time, funding and/or investment. It can be time that other people have to give to your idea, or materials that are needed, or a space to host the work, then funding and/or investments to make it happen. All money, people and resources come with a "tag". Why should they bother? Accept that everyone wants something back, be that a change in society, money, fame, inclusion or just fun. You need to understand who wants what and if it works for you, your values and goals. If you do

not know, then you need to find out. Stop guessing and ask. Make it clear and understandable. This is not marketing, it is customer relations, research, analysis of competitors, and being interested in your audience, partners and surroundings. All relations have a cost, even volunteers, so what resources are you spending to make this happen? As in, organising a thank-you party, training programmes for staff, free tickets, hiring/having someone to manage all of this and more.

If it's only you that thinks what you do is important or you are doing it for yourself, it's ok but it might be hard to find external resources. So perhaps making money on something else, "business", gives the freedom of doing what you want without anyone interfering. A perfect case for making your own investment ☺.

CASH IS EVERYTHING.

Most organisations, companies and NGOs that get into hard times do this because of running out of cash. Do not confuse this with costs. Cash is about being able to pay people and invoices. We often have to invest or spend money before it comes back. Like creating a theatre performance (rehearsals, building sets, rents etc.) and then selling tickets. Be creative in handling this. Renting, leasing, partial payments, long payment time, selling in advance. Never underestimate cash flow and be very pragmatic. The true point of monitoring this is not when you pay or make your accounting. It's when you make the plan, take a decision or put in an order.

Example: By including cash flow in planning for the upcoming new performance and with the knowledge of audience patterns, a company changed the number and days of their performances, together with the venue. Instead of playing the six planned performances in a row they changed to sets of two making it possible to get word of mouth going. This got more audience, made the planning of salaries easier and got other complementary things going in the venue making sure not to run out of cash.

RESOURCES AND SPENDING CUTS IS JUST AS IMPORTANT AS INCOMES.

Another way to take care of your business is to reduce costs and so reduce the level of income. So, if I can get marketing done by volunteers or by sponsoring, this counts just as much as finding more income. How can you make this happen? Combine that thinking with why anyone should bother and you might find a new partner or angle for your needs. Compare incomes with spending and your different sources of income. Ask yourself why do I need this money? Can I do it in another way? Why do we do this - tradition, lack of skills, demand from who? Can we replace or combine? Trading?

Example: A design company within a social entrepreneurship and sustainability focus adopted a theatre organisation's way of building and including audiences. The values were aligned with sharing and joining the movement. In this swap from customer to involved participant, storytelling was in focus, relations and the costs for advertising reduced to almost zero together with a faithful customer group who were now followers. The business model was changed.

BE AGILE AND PUT THE RIGHT PEOPLE IN THE RIGHT PLACE.

Find your way to being agile. This includes handling staff, cash, planning and partnerships. Creating

an agile way of working makes it possible to act fast to catch new possibilities or meet fast upcoming challenges. *Think – plan- do – analyze* in shorter cycles.

Look actively for when it works and find out why. It's in "when it works" you find solutions for challenges that also is motivation and gives energy. In this you also avoid shame and blame.

Use people wisely according to their skills, values and drives. To become sustainable you need to handle all parts of the organisation with the same consideration as you do with the creative content, art, idea and so on. Even tasks considered boring need to be handled professionally, like economy, accounting, staff, laws, planning, marketing, safety and more. To get a professional bar service, you need to handle it professionally.

Example: By seeing the bar as an important piece of the customers' experience instead of a need, professional people with education and experience were hired. This led to new ways of working, better negotiations for prices and less money spent on wrong products, together with increased sales. This could just as well be economy, marketing, web, or filming. Another example is not using professionals in filming material. Setting a camera at the back of the venue, documenting and then using this as material for sales is not a good idea. Always try to be as accurate with non-art matters, as you are with your art.

EVERYTHING TAKES TIME AND CHANGE IS NEEDED.

Accept that everything takes time. Building trust, strong relationships and networks is key to developing value-driven, sustainable businesses. Take the time to set values which include personal, team and organisational values. Set goals and create accepted rules, build a pragmatic structure for handling your organisational needs. The better foundations you invest in building, especially with your team, the faster and more agile you can become. Revitalize the foundations regularly. Repeatedly question processes, forms and "must haves" and remove, if necessary. Kill your darlings.

Almost every time someone joined the Creative Plot with an idea, project or business, they left with an altered one. Make time in your schedules also for reflections, examining of data and outcomes, creating and revising of goals and drivers for you and the team. Find your way to keep an eye on trends, new technologies and best practices etc. The key to success is to be able to adapt to the surroundings, needs and possibilities that occur. To be agile in thought, pragmatic but still with clear values and vision (why) to keep on track.

Ask for help when needed. Most people like to help if you know what you want and why.

CLOSING AND STOPPING CAN ALSO BE A SUCCESS.

It has also happened that someone in The Plot came back apologizing for not wanting to continue or for wanting to close down. We always consider this a success. To close something opens the possibility for something else. Although all ideas are worth examining, there are key elements that need to be there for the idea to grow and the entrepreneur along with it. One cannot survive without the other. Sometimes one reaches a dead end, the idea is not taking off, the cost of holding on to it is greater than the benefits:

the idea can be too closed, difficult or impossible to share with others for whatever reason; keeping what you don't like, is not aligned with your values, or have no energy for, is not in sync and lacks or drains resources, people and possibilities. If it is the wrong timing for you in life or in time, come back to it at a later date when it is right. It's not a defeat to close/discontinue something; it's an opener for new things to enter.

IF YOU KNOW WHAT YOU NEED, YOU CAN ASK FOR IT – IF I KNOW WHAT YOU NEED, I CAN GIVE IT!

FOR FURTHER INVESTIGATION

The Creative Plot

<https://research.cbs.dk/en/publications/dont-sit-on-it-a-study-of-what-no-longer-can-be-called-incubation>

Cultural Entrepreneurship with social impact remote interactive experience Mexico – Sweden

<https://library.iated.org/view/CORTESVASQUEZ2018CUL>

<https://creativelenses.eu/> for references and tools arising from the Creative Lenses project.

<http://value.se/en/> for tools to identify, investigate and develop individual and group values.

<http://teh.net/projects/creative-business-models-for-creative-organisations/> Trans Europe Halls network for knowledge and tools.

Upcoming studies of entrepreneurial learning, Lund University, Sten K Johnson Center for Entrepreneurship will be published on futurebylund.se

NADÁCIA CVERNOVKA (Bratislava)

"The social enables the financial"

NADÁCIA CVERNOVKA IS A CENTRE PROVIDING SOCIAL, CULTURAL AND ECONOMIC SUPPORT TO ARTISTS AND THE PUBLIC IN A FORMER POST-INDUSTRIAL AREA OF BRATISLAVA. THE CVERNOVKA COMMUNITY WANTS TO IMPROVE THE PROSPECTS AND QUALITY OF LIFE FOR PEOPLE LIVING IN THE CITY AND THE AIM IS TO CONTINUE TO ENHANCE UNUSED URBAN AREAS, REVITALISING EMPTY SPACES THROUGH NEW CULTURAL USE.

In 1998 a number of artists began to rent cheap studio space in a former thread factory. From this the idea for Nadácia Cvernovka grew and in 2016 the founders, having established a foundation, gained support from the regional government. A 25-year contract was secured on a new building – an old school of chemistry – in the same industrial area as their first space, which, after a fundraising campaign, was renovated and is now fully occupied. From its humble beginnings, Nadácia Cvernovka has become a significant cultural and social point on the map of Bratislava.

Nadácia Cvernovka has a public space on the ground floor, with a library, a venue (250 seats), bakery and a shop for artisans. There is also a co-working space (25 companies and 15 freelancers), equipped with a café, Wi-Fi and crèche enabling those with children to become an active part of the community. The co-working space is also used to run events and workshops. In addition, Cvernovka manages artist-in-residence programmes and the rest of the centre is given over to artist studios. The community involved in Cvernovka is broad and includes people focusing on music production, painting, history, urban architecture, graphic design, photography, film, craft, science, philosophy, and more. The public programme continues to expand and evolve, but already includes three festivals a year (focusing on history, sustainability, and art).

It is worth dwelling a little on how Nadácia Cvernovka succeeded in realizing its vision because no one believed they could achieve their ambition, especially as they started out with nothing. When the new location was found in the disused school, early estimations from finance experts indicated that it would take approximately €2.5 million to renovate the space. Following six months of extensive fundraising and business planning, the founders secured €350,000 from an EU Social Investment Fund (TISE.pl) and €200,000 from a Slovak private bank. Another €250,000 was invested by a private company in the reconstruction of a new heating plant. The rest was provided through the commitment of volunteer work, discounts on materials and tenant investments. The overall investment at this point was €957,000. The next step in the story is a measure of the commitment the founders of Nadácia Cvernovka possessed.