

OVERVIEW

In the face of funding cutbacks, the decline of the 'social welfare' grant-aid model, changing ways in which people engage with arts and culture and express themselves creatively and the onslaught of the consumer society, this section looks at how citizens' arts and culture initiatives can sustain and fund themselves. While exploring this question of sustainability over the four years of the Creative Lenses project, a much-used term in present-day discourse kept coming up: resilience. Being resilient is not something new to the world of cultural initiatives. Without money, resources, or support, many projects survive on pure tenacity, passion and commitment. Creativity is not only evident in what they produce but also in every aspect of their operations. There are very few other sectors who have the same profile, except perhaps human rights groups, political activists or community development organisations. Anyone looking objectively at independent arts initiatives, particularly in their initial years, would conclude that they are irrational and have no hope of survival. But survive they do, against all the odds. But what happens next is the important question (and by next we are talking about 3-5 years after the founding of a project). In the business sector, a successful enterprise reinvests some of its profit into research and development and this investment grows with the growth of the business. In the arts and culture sector, success is often failure because as the demands and expectations on the organization increase, there is no commensurate capacity building. On a basic level, this is the question that Creative Lenses set out to address, collapsing the issue into the term 'business models. As we know now, just looking at business models is not sufficient when it comes to the sustainability of arts and culture but income and expenditure and ways of finding financial support is a key part of capacity building. As a result, this section addresses the topic of business models and also offers some direction on the resources issue itself, from both a theory and practice perspective. Paul Bogen draws on his long experience in working within arts and culture to raise the question of whether adopting the concept of business models for the sector could actually be detrimental. But he also challenges the sector itself (funders and practitioners) to justify support in a system that is moribund and complacent. Lucy Kimbell delivers insights and reflections on the topic of business models, their use and value for arts and culture organisations. An interview with the Dresden centre Zentralwerk reveals a successful, multi-million euro project built by volunteers through an alternative cooperative model. Katarina Scott draws on her considerable experience as an advisor and coach to name ways of improving the chances of survival for arts and culture projects. The case study of Nadácia Cvernovka comes at the idea of a business model from the social and represents business as a tool for social development. José Rodríguez presents ten innovations that can help organisations deliver on their missions. And finally another case study, this time from an organisation called P60 in the Netherlands, outlines how an organisation copes with funding cuts and moves through such a process of change.

ABRACADABRA!

"Creating and presenting art is not the same as making and selling soap"

PAUL BOGEN

In my thirty five years of working in the arts/cultural sector across Europe, the most interesting and exciting organisations I have come across or worked with have been anti-establishment, risk-takers, run by a maverick or eccentric director, were slightly (and sometimes very) crazy, had little core public funding, a clear vision, and often existed close to the edge but were an awful lot of fun! In contrast, those that played by the rules, had high levels of core public funding or were run more like a commercial business and had many paid staff, were risk-averse, institutionalised, had little idea of what they were, why they existed or where they were going and were pretty boring. This may seem rather harsh, but it goes to the heart of why I believe that adopting and promoting many of the concepts of and behind business models could actually be detrimental to the sector.

But the good news is, there are ways to improve, change and develop that can be adapted for every type of organisation in any set of circumstances. But the challenge is to understand your real purpose, situation and needs. Please let me explain...

SUSTAINABILITY

When the original idea for what became the Creative Lenses project was first discussed and developed, my primary interest and motivation was to try to explore and understand if arts/cultural organisations could be sustainable while at the same time staying true to their vision, values and purpose and to why they had started up in the first place. When I use the term sustainable, which has so many different meanings for different people, I use and prefer this definition by Adrian Ellis:

"Sustainable arts organisations are those which are artistically outstanding, serve their diverse communities with imagination and verve and are, at the end of the day, financially solvent".

I would add that sustainable organisations are also able to think and plan long term. I know that the latest terminology to describe sustainability is now 'resilience', but as with many other bland or fashionable terms used in the sector such as innovative, experiential, digital art and the all-encompassing cultural and creative industries, they can mean nothing and everything depending on whom you are talking to or with. So call me old-fashioned, but I am going to stick here with sustainable.

QUESTIONS, QUESTIONS, QUESTIONS.....

The impetus for my interest in Creative Lenses was also influenced by a long-standing list of dichotomies and questions. These included:

- Can original, excellent and exciting art be created while also seeking to earn a lot of money from it as a principal aim and purpose?
- Can an organisation successfully and without conflicts, run commercially-based business activities to earn income alongside the creation, production and presentation of art that is of high quality and true to the organisation's vision and values?
- Are there some areas of the arts, certain art forms and activities that for different social, economic, educational or artistic reasons can only exist if they are fully subsidised, and if so, should they be?
- What should be the purpose of public funding of the arts and is funding currently given to support art, artists, audiences, to educate, for the preservation of local or national heritage, to maintain the status quo or to decide upon what is art and what is not?
- Has a funding-dependent culture been created for some artists and organisations that can result in poor quality art, complacency, stagnation and no need to consider the needs of or engage with audiences (which are then often very, very low in number)?

BUSINESS MANAGEMENT THEORIES AND CONCEPTS

The danger with overly using and embracing management theories, concepts and methodologies is that they may look great on paper, in a classroom, at a conference or on a PowerPoint presentation but often have little or no relevance and applicability to the real world and day-to-day realities of working in the sector. They can also be given more importance than they deserve, becoming too fashionable with policymakers and funders, often seen as similar to the "miracle cure" elixirs of nineteenth-century America - as the solution to almost everything. Some try formulaically to study and understand the models of successful organisations and then replicate what it is that makes them different or special hoping that this will work for them. But creating and presenting art is not the same as making and selling soap. Attempting to reproduce other organisations' models by a simple "copy and paste" does not work when it comes to the arts. Locality, cultural traditions, history, environment, culture policies, legislation, economics, demographics, climate and national, regional and local politics are all particular and unique to each organisation and artist, affecting, shaping and influencing how it or they work and operate. And originality, expression, creativity, values and views cannot be taught or learnt through studying management theories or models. They are what make each successful work of art, artist and arts organisation unique and particular. There are no simple recipes or models for this, which is just as well, because if there were, how bloody boring it would all be!

Many business management concepts originate in the USA. They are then first exported to the English-speaking countries such as the UK and eventually make their way to mainland Europe and the rest of the world. In Europe it is often only the French who attempt to resist this Anglo-Saxon,

management invasion, fighting from the commune barricades until the last man or woman is left standing. The first use of the term 'business model' can be traced back to the USA in 1957¹, although its current usage and form mainly developed in the 1990s during the dot.com boom. It was established as a concept and tool for the for-profit, corporate business world and as the financial journalist and author, Michael Lewis said, "all it really meant was how you planned to make money"². So why are we embracing, exploring and attempting to adapt the concept of business models in and for the not-for-profit arts/cultural sector where for the majority of us, the very reason we chose to work in it was because we were not interested in merely making money and thought that other objectives, values and purposes were more important?

NEOLIBERALISM AND THE ARTS

Neoliberalism has been developed into the dominant global economic and social ideology that believes in the total power and wisdom of the market, advocates that competition should be the governing principle of all human activity and has created a consumer society where success is measured by what you have rather than what you do, and failure is purely the fault of the individual, regardless of education, social background, location, religion or race. "So pervasive has neoliberalism become that we seldom even recognise it as an ideology. We appear to accept the proposition that this utopian, millenarian faith describes a neutral force; a kind of biological law, like Darwin's theory of evolution."³ Developed in its current form in the USA from the 1970s onwards⁴, neoliberalism and its globalised free-market, low-tax, anti-trade union, privatisation and flexible labour-markets doctrine has been, "adopted by states, including the remaining few that claim to have superseded capitalism, of which China is incomparably the most important"⁵. And since the 1980s, the arts/cultural sector has not been immune from the effects and omnipresent influences of neoliberal ideology and economics. From 2008, funding for the arts has been decreasing in most parts of Europe in real terms with organisations and artists told by policymakers and funders in many countries that they should become more business-like, earn more of their income and place audiences first - embracing neoliberalism's mantra of 'the wisdom of the market'. The arts/cultural sector has for some time now been placed in the same 'box' as the creative and cultural industries (CCI's) by policymakers and politicians, nonsensically placing not-for-profit arts practices and organisations alongside the film, fashion and advertising industries.

A DYSFUNCTIONAL FUNDING SYSTEM AND FUNDING DEPENDENCY

What is currently called funding for culture in many European countries is in fact, funding for art projects, organisations and artists to create, produce, present or distribute arts activities and primarily, for the running costs of arts organisations and their buildings. It is not funding for culture, which if it really were, would be and look very different. And funding policies and systems across much of Europe are mostly out of date with funding decisions nearly always political and usually not transparent.

Far too many arts/cultural organisations in Europe have what I call a funding-dependent culture. They receive too much subsidy, which in some cases can be up to 80% of their total income. This is particularly the case for governmental institutions in many countries and non-governmental organisations in some of the richer countries. Funding is, more often than not, given to these organisations not because they are

necessarily doing exciting, essential or high-quality work, but because they have always had funding, are good at lobbying and know how to schmooze with the right people. With too much funding, earned income becomes unimportant, so audiences also can become unimportant, as it makes no real difference to the bottom line if 50 or 500 people attend an event. Audiences are often ignored, patronised or blamed for low attendances, and some organisations' artistic directors have even told me that their low audiences are because "they are stupid and do not understand art". These funding-dependent organisations financially rely on grant income for their very existence and, more often than not, only plan as far ahead as they have funding for. Far too many arts/cultural organisations in Europe do not invest in themselves. If they receive a grant or have any excess income, they usually spend it all on activities with no revenue being kept to invest in their people, infrastructure, physical resources, R&D or to maintain as a reserve.

Another definition of sustainability in the not-for-profit sector is that an organisation is only financially sustainable if its core work will not collapse, even if its external funding is withdrawn. If this were applied to the subsidised arts/cultural sector in Europe, practically all organisations would have to be considered to be unsustainable. And while there was a quantitative increase in public funds for the arts in Europe up to the crash of 2008, there was not a proportionate quantitative increase in funding sources. Over the past thirty years, the number of funding sources has not increased at the same rate as the needs, or as the ever-growing number of organisations. Perhaps there are just now too many artists and arts/cultural organisations across Europe trying to obtain a slice of an ever-smaller cake, operating in many countries where the population is actually declining? And perhaps a society only really needs and can sustain a finite amount and level of artists, art production, events and activity? As John Knell said in his 2005 paper 'The Art of Dying' for Missions, Models and Money⁶, "(If) it is determined that a vibrant cultural community is more likely if we have fewer better-funded organisations – so be it...the sector urgently requires transformation – not the snail-paced professionalisation of a dysfunctional system that we are currently witnessing." It is now far too easy to call yourself an artist even if you have no training, no exciting ideas and no audience. This is the result of neoliberal ideology and policies that have created the gig economy and heralded the cultural and creative industries as the panacea for everything from youth unemployment to urban deindustrialisation.

I am not against all funding for the arts, but it needs to be clear and transparent to all why and how it is being given, for whom, for how long, to what purpose and based on what criteria. It also needs to be not too much and not too little, but enough to encourage, support and develop rather than to cause stagnation, inertia, demotivation or paucity. There also needs to be a level playing field across all of the art forms.

So, if having too much funding or embracing neoliberal-inspired management concepts designed for corporations are not the solution to being sustainable, successful and authentic to your vision, what is? What anyone might tell you, there are no magic wands out there that will answer all of your questions or solve all of your issues. It is hard because if it were easy, everyone would be able to do it. It is supposed to be hard and to take a lot longer than many would wish. But this is what makes it exciting, challenging, motivating and satisfying if and when you have accomplished whatever it is you set out to achieve. However, it is not all doom and gloom and based on past experience of what has and has not worked for others as well as lessons learned from many, many of my own failures,

what follows are some ideas, proposals, tools, tips and tricks to consider. As with all advice, accept or reject them based on your experience, values, situation and circumstances.

CHARACTERISTICS OF A SUSTAINABLE AND SUCCESSFUL ORGANISATION

Working with and for many different types, sizes and forms of arts/cultural organisations, I am continually attempting to analyse and assess what the characteristics of those that I consider successful and the most sustainable are. This is not in any way an exact science or based on any form of academic research, but for what it is worth, here they are:

- It knows its purpose, why and for whom it exists and what it believes in
- It strives to be artistically outstanding, producing and presenting work of high quality
- It knows where it is going, why and how it will get there
- It has the right people who share the same values, who are skilled and self-motivated
- It loves audiences!
- It is not just creative in art, but in everything it does
- It has a diverse revenue model and is not overly funding-dependent
- It has strong management & financial skills, tools, resources & knowledge
- It embraces and knows how to take, assess and manage risk
- It invests in itself, its art, artists, audiences, users, its own people and its future
- It embraces change, learning, partnership and collaboration
- It knows how to communicate and especially how to listen
- It is dynamic, challenging, energetic, exciting and most importantly, FUN!
- It has more income than costs!

FIND AND WORK WITH THE RIGHT PEOPLE

If you want to start up a project or organisation, then start with who you want to do it with and for, why you want to do it and then what you want to do - rather than where, how or when. And find people who share your values to do it with. Most internal conflicts in organisations are caused by people having opposing values, so this why it is best to always start with the people! Get that right, and then you can achieve almost anything! For existing organisations, when bringing new people into it, try to ensure that they share and embrace its and your values. And if you are having problems, first make sure it is not a people problem rather than due to other reasons. How do you find the right people? Ideally go on a camping holiday with them somewhere where it is constantly raining and cold for a week, but if this is not possible then ensure that the recruitment process includes a lot more than a CV and a thirty-minute interview.

HAVE A CLEAR VISION, VALUES AND PURPOSE

Apart from not having the right people with shared values, the most common reasons that organisations fail or are dysfunctional is because they do not have a clear vision, values or purpose. This is the case for start-ups as well as those that have been in existence for many years and it continues to surprise me how many organisations I come across that cannot tell me why they exist. Although it may seem obvious, you need to know what your purpose is and for whom, what it is you want to achieve and how you are going to do this. And your vision, values and purpose must be shared and understood by everyone in the organisation at all levels as well as by your key stakeholders. One tool that I can recommend to assist in creating or reviewing your vision, values and purpose, is the Vision Framework from Jim Collins, which can be found on his website at jimcollins.com.

DEFINE WHAT YOU MEAN BY SUSTAINABILITY AND SUCCESS

If you want to be sustainable, you first need to define what this means for you. You should also determine what success means and would look like if and when you achieve it. As with vision, values and purpose this should be done organisation-wide with as many of its people involved as is possible. When defining sustainability, do not just include finances, funding and income, but look at all areas of your work and operation such as activities, audiences, artists, buildings and people.

EVALUATE AND REVIEW

Take the time to review, evaluate and develop your organisation. This is essential to do at regular intervals, if you are about to embark on a large-scale project or if you are in some form of crisis. See this as a 360-degree health check of your organisation where every area is evaluated and examined. It is best if you do this with external assistance that can facilitate and mentor the process. My work colleagues and I call this exercise a Stock Take and a wide range of tools can be used in its methodologies such as mind mapping, open space, future workshops, design thinking as well as SWOT, PEST and TOWS. Making the time to do this review is essential even if it means having to reduce your activities temporarily.

PLANNING

Have some form of a plan such as a long-term strategy. Some of the best plans I have seen are only one-page long. Quality and clarity are not defined by length or volume. Strategic planning is the process of identifying what you want to achieve and then making decisions on allocating the required resources, time and people to do this. Plans should support and deliver the implementation of your vision and long-term strategy, which ideally would cover 3-5 year periods. One way of looking at a plan is that it is a route map of where you want to go, why you want to go there, whom you will go with and how you will make the journey. Don't try to reinvent the wheel when planning, but use the experience and knowledge of others who have been on similar journeys. And if it is possible and feasible, acquire external assistance to assist in the process. This could be a peer-group friend working in another organisation just as well as a consultant. When planning, be realistic rather than overly optimistic and always under promise and over deliver. Don't rush, don't overcomplicate, keep it simple, keep it clear and remember that less is more!

FINANCES AND INCOME

Have more than one main income source and try to spread them as widely as possible. Ideally, no single revenue source should represent more than 40% of your total income. Having two primary sources of income is not enough - five income sources each providing 20% of your total revenue would significantly reduce and spread financial risk, although this is difficult to achieve. Use the income spectrum tool⁷ to evaluate your current income types and sources. And if you are not good at and hate doing finances, find someone who is! They do exist.

BE FEARLESS, TAKE RISKS AND EMBRACE LEARNING AND FAILURE

Take risks, embrace failure and be a learning organisation. Don't be afraid to fail as the best learning comes from making mistakes. The reason most people do not have the jobs that they really want is that they are afraid to apply for them.

MAKE SURE IT IS FUN AND DON'T SETTLE

Finally and most importantly, If you are not enjoying what you are doing, stop it and do something else. Life is too short to be miserable, and if you wake up most mornings not wanting to get out of bed and go to work, it's probably time to make a change or even close down your organisation.

“Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do. If you haven't found it yet, keep looking. Don't settle. As with all matters of the heart, you'll know when you find it.”
*Steve Jobs Speech at Stanford University 2005*⁸

- 1 On the Construction of a Multi-Stage, Multi-Person Business Game by Bellman, Clark, Craft, Malcolm, Ricciardi. The Rand Corporation 1957.
- 2 Michael Monroe Lewis is an American financial journalist and bestselling non-fiction author. He has also been a contributing editor to Vanity Fair since 2009.
- 3 George Monbiot, How Did We Get into This Mess, Verso. From Guardian article 15.04.2018.
- 4 Neoliberalism as a 20th century economic philosophy was developed by two Austrians, Friedrich Hayek and Ludwig von Mises in the 1930's as a response to the Great Depression, the rise of Nazism and the failure of Stalin's socialist planning. In the 1970's, economists including the Americans, Milton Friedman and James M. Buchanan modified and extended Hayek's and von Mises's theories into what we know today as neoliberalism. It was first fully adopted on a national scale by Chile under the military dictatorship of General Pinochet. In the 1980's the right-wing governments of Margaret Thatcher in the UK and Ronald Regan in the US aggressively championed, developed and delivered neoliberal policies.
- 5 D. Harvey, 'A Brief History of Neoliberalism', Oxford: Oxford University Press (2005), p. 84.
- 6 http://www.culturehive.co.uk/wp-content/uploads/2013/10/23974643-Art-of-Dying-John-Knell-2005_o.pdf
- 7 <https://knowhow.ncvo.org.uk/governance/getting-started-in-governance/nonprofit-income-spectrum.jpg/view>
- 8 <https://youtu.be/D1R-jKKp3NA>