



AMA CONFERENCE 2015

# STAY CURIOUS



Birmingham Repertory  
Theatre and The Library  
of Birmingham  
21 - 23 July 2015

Redefining, reimagining and reinventing our relationship with the public

AMA Conference Report 2015: The Advanced Arena Breakout Collection

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The AMA conference 2015 brought together 650 inquiring minds to share ideas, insights and inspiration about our future relationships with audiences.

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**Conference Report written by:**  
Kate Feld and Nija Dalal

# Introducing The Advanced Arena Breakout Collection

The AMA conference 2015 brought together 650 inquiring minds working across the arts, culture and heritage sector to share ideas, insights and inspiration about our future relationships with audiences.

The keynote presentations were complemented by a range of breakout sessions that allowed delegates to look at the areas that interested them in more detail and at a level that suited them.

This collection brings you transcripts from the Advanced Arena.

The Advanced Arena included master classes and discussions for senior managers, heads of department, directors

and those of a similar level.

Further breakout collections are available from Marketing Essentials, Strategic Sessions and Fundraising and Development programmes.

Tweet @amadigital with your thoughts and responses to The Advanced Arena Breakout Collection #AMAconf

**Cath Hume**  
**Head of Programme**  
**AMA**

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The Breakouts took place at Stay Curious AMA Conference 2015 at Birmingham Repertory Theatre on Wednesday 22 and Thursday 23 July 2015.

# Be audacious: embedding digital experimentation

Carolyn Royston, Consultant

Ron Evans, Group of Minds

DK, MediaSnackers

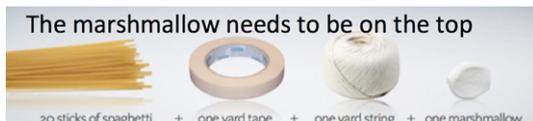
Chaired by Carol Jones

This session started with the [marshmallow challenge](#).

## Marshmallow Challenge

Your task is simple. You have 15 minutes to build the tallest free-standing structure using:

- 20 sticks of spaghetti
- 1 yard of tape
- 1 yard of string
- 1 marshmallow



**Carol Jones:** People who do well at the marshmallow challenge, thank goodness, are people like architects and engineers. People who do really badly are MBA students. The more senior the manager, the worse they are at this challenge. The people who are really good at this, apart from architects and engineers, are kids. Why are kids better? Because they naturally test and experiment and prototype. They are not jockeying for position and planning; they are actually working with their marshmallow from the get go and putting the spaghetti into the marshmallow, rather than waiting for that 'Ta-dah' moment when your huge talent just topples over.

The lesson that we need to learn from it is that you need to identify the assumptions in the project and the real customer needs and test them really often. It is about testing and prototyping, it is about experimenting, and working in different ways. That's a mechanism that can lead to some really interesting results.

That is something that we are really trying to champion in The Digital Marketing Academy and it leads really nicely into our first speaker.

We will have ten minutes from Carolyn, ten minutes from Ron and ten minutes from DK

and then we will get to the meaty part when we open it up to all of you to take part.

So over to Carolyn.

**Carolyn Royston:** I was asked to kick-off this panel session to really think about relationships and activity and how digital is. There are so many similarities in the way that you have to think about that activity. I think organisations have to think about new digital challenges that they are facing and I think there are two key questions digital is really forcing us to think about:

1. In what way do our organisations need to function and change? We can't carry on as we have been.
2. How does digital impact on our staff and the way that they work? The disruption is happening now and I think cultural organisations ignore this at their peril.

Digital used to be this thing that was an add on at the side of organisations. You had one or two people, if you were lucky, fiddling away at digital projects and desperately trying to integrate themselves into your organisation. More often than not it was forgotten about until it was often too late and very near the end of the project. It was like, 'Oh we need a micro-site' or 'Oh we need to do something digital'.

Now, only after a matter of a few years, you have digital sitting at the centre of all your activity. It is no longer possible to work in silos because in every area that we are talking about - whether it's audiences, commercial activity or infrastructure - digital is sitting firmly in the middle. It either has a very direct impact or an indirect impact on every area of activity. It is no longer possible for us to think about digital just sitting over there as a silo.

The challenge is how we make that critical shift from the mind-set that digital is a separate activity to where it is something firmly embedded across our organisation. How do we really change the mind-set so that we can embrace and transform the opportunities and move to a model where digital is fully integrated and we see it as something that we do as part of our jobs? For many of us sitting in the audience that will already be the case, but it will be really interesting to see how many of you think the rest of the organisation thinks that. How much does the rest of the organisation think that it is part of their job?

I think this is a really profound and critical shift so when I work with organisations, I try to help them to move from a place where they have perhaps traditionally been. I come from a museum background so we are talking glacial speed here. Change is not quick and technology is, so how do you make that shift happen more quickly and in a way that is keeping you relevant and up to date?

I have a model and there are many variations of this but really it is about a change in organisational culture and mind-set. I think there are four key areas:

#### Leadership issues

Thinking about leadership issues is really the starting point and leadership can come in all shapes and varieties. Somewhere in your organisation there needs to be somebody or a group who are thinking about digital and providing a vision about what it can do for your organisation. They need to think about how digital can help you connect with your audiences in new and different ways. They need to think about the impact that it has on the staff and the way that they work, and on your day to day operations and processes. They need to be able to provide that vision for the organisation in a way that helps people understand how it fits into their work.

#### Projects

Then you have to transform this into projects. Projects really help you achieve those things and they could be very small

projects that might have a very profound impact. There might be a very subtle shift in providing a different kind of service or providing a service in a new way or they could be huge. They are actually projects that are helping you to make that transformation.

#### Processes

You need to think about how to introduce new processes that are more and better suited to digital delivery. That might be from agile project management and thinking about new ways of collaboration. It might be about how to set yourself up so that your teams are more cross functional, particularly for larger organisations where that is often quite difficult and doesn't fit with the hierarchical way of working. It's also about making sure that you're really thinking of your audience and you are putting them first and being driven by what your audiences want and need and being set up to do that.

#### Digital confidence

The last key area is about building digital confidence with capacity. This is something that I really feel strongly about, particularly when I read reports like the Warwick Commission or Nesta Report that identify that as organisations we lack digital confidence or the skills to be able to fulfil our digital ambitions. There is never any advice on how you support your staff to be able to fulfil digital ambitions. I think this is a huge challenge for us and one in which I think unless it's tackled there's always going to be that gap between the ambition and the aspiration and the reality of what you can do on the ground. I think that's both in terms of having the right skills and having the right capability but also how you fill the capacity across the organisation.

I just want to close by saying really nothing that I have talked about here is about technology. For me, this is all about how organisations make that shift in terms of organisation mind-set and culture, in order to be able to achieve their digital ambitions.

**Carol Jones:** Now we will move straight over to Ron Evans, Group of Minds.

**Ron Evans:** How many people enjoyed the marshmallow exercise today? How many people weren't sure if they were going to enjoy that exercise today?

I would love it if you had this feeling in your job every day: the experimentation and the opportunity to play. Playing in your job is important.

We are all doing too many things and a lot of it is terribly busy work and it can take the life out of us. Anybody feeling that? When you have the opportunity to let loose a little bit and say 'I have a problem to solve here, I want to run an experiment' it can be immensely powerful. It can keep you going. I have seen it revolutionise people that were burnt out.

I have been a mentor for The Digital Marketing Academy for the first round and now for the second round. It is designed to help all of you. All of you are not in the Academy at the moment but those that are participating are designing experiments that are going to be released back out to the sector so that you know how they worked. The Academy is partially designed so that 1,000 theatre companies don't try to run the same experiment and spend all of their money and resources to find out what we can find out in a scientific way. It's the first time I have ever known that this has happened and it seems like all the cool stuff happens in the UK. Right? I am happy to be part of it but look towards it, it is going to be turning out some great case studies. There are things that went well and some of the things have been more difficult.

I want to talk to you for a minute about the idea of building stakeholderhood. This is one of the things that I ran into with a couple of my mentees. They were ready to do these experiments and then someone higher above them said 'should we really be spending our time doing this?' They encountered some resistance because, in order to have some space to do some experimentation, they needed a little bit of time away from regular stuff and it is hard to claim that time. It's a question about, 'How do we involve everyone so that they feel like they are part of this team and given the opportunity to do this experiment?'

I was working with a client and they were going through a technology change. I went in

to explain how this change of the ticketing and CRM system was going to work and benefit. On one side of the table I had a Marketing Director who had a sour face; he was unhappy about this. Directly on the other side was the Development Officer who also had a sour face and these two cut into each other for the entire time that I had this meeting. I had to step back with the Executive Director and say 'we need to do a little work beforehand here. We need to get everybody on the same page because this is not going to work.'

The Development Officer had the software that he wanted to use and that was it, 'We are not going to experiment with anything else. Why bother because this is what I want. If you try to change it, you are changing what I want. It goes against that.'

It took some work to sit down and sort it out and to say 'Hey this is what we've got to do. The Marketing Director can't even tell if you've already sent a fundraising email to this person because your systems don't talk to each other. People are getting three, four, five different emails from different departments in the same organisation and nobody is talking to each other. How does that make the patron feel?' We talk so much about centring around the audience and what the audience wants. Getting five emails doesn't work for me.

When we were able to sit down with everybody equally around the table, from the box office person up to the Executive Director, talking about what they would want the system to do for them that opened up experimentation. Finally those two started to smile at each other. It took about a month but we know some tactics that are meant to do that and sometimes we have to overcome that to build stable relationships.

I also want to talk about the idea of what I call gifting opportunity. How many of you are what I would call emerging leaders that have been involved in an arts organisation for five years or fewer? About half - great.

You are new. Wouldn't it great if your boss came to you and said, 'John I would like you to take the reins on this and come up with an experiment. How would you like to solve this problem? How would you develop the software? How would you run the

experiments? What kind of information would you like to know from your audience?' I would have loved that.

When I was an emerging leader we had to do all this GoFor stuff: go for this, go for that. When you are the new person on the block, you don't get to make any decisions. That's not what it's all about. We already don't get what we should all be being paid right? We can pay back folks by giving them some opportunity to be creative.

This job that you did this morning with the marshmallows was great. I love the landmark, the Eiffel Tower we had over here at the back. Thinking out of the box is incredible. If you are a leader in this room, think of this as an opportunity to give the opportunity to your emerging leaders. Let them take the reins; it is okay to spread it around. You don't always have to be the one making a decision. Being able to send that out to somebody else can be a very validating experience. I would also like you to focus on the end result. We could have built this marshmallow app today that allowed you to move digital pieces of spaghetti and play with them and do physics forces and wind speed and all this stuff. No, we just had real pieces of spaghetti and real marshmallows.

DK will probably back this up as well; sometimes you can't completely replace technology with people. Usually a technology solution is so that somebody doesn't have to physically do it. I look at that as a secateurs thing. I don't need a digital kiosk out in the lobby that asks people for their email address to find out if people will walk up to a kiosk and give them their email address. I could just put a body out there and see if that body has any effect. Instead of spending thousands, I spent a very small amount.

So think about it, where can I replace this digital idea that I have first with people? Do the experiment with people and if it works and it supports that, then you can go figure out the text.

Often people say to me, 'How do I get this system to talk to this system?' or 'I really want to do this.' I say 'What is the end result? What do you want to accomplish?' If you want people to be able to check in faster maybe you could just put a body at the door with the iPad app

that is already in your ticketing system and they can just do that. Done. That is part of thinking creatively. It is hard because we all want to solve problems. I am a tech person and dive in there with 'Whoa API can plug in to that.' No, what are we trying to accomplish? Zoom out. What does the person want us to accomplish? What value do you have there? It actually can save you a lot of money in a long time and it is fun.

In closing, our jobs are busy. We have a lot of things going on. Please embrace this. Embrace the DNA, embrace what we did with the marshmallow challenge, and think about yourself. When you go back and you are staring at your to do list and wishing for Friday to come, think about what you could do.

Did you know Google employees, get 20% of their time paid to do whatever experiment they want. That's hard to do in our realm but maybe we could capture a little bit of that spirit because they can enliven and bring you back to creativity.

**Carol Jones:** And finally over to D K.

**DK:** I am going to be a bit provocative. I am actually going to say you cannot embed and install experimentation. This is my tenth year of doing this stuff and I have been around a long time and it feels like that nowadays.

I am working with clients who still can't get around the idea that they have to change. There's a lot of text out there around this and my favourite one is the Clayton Christensen Innovator's Dilemma. If you haven't checked that out, check it out. It is a really simple premise that people who are successful in this world are successful because they have innovated or disrupted. That is true; we can look around in any sector and see disruption and innovation. The problem is when you innovate and become successful you don't want to innovate anymore because you are successful. That is when leadership and culture really rules.

Who here works in an organisation that allows them 20% of time to work on their personal projects like at Google?

We don't create systems and companies in the arts that invent disruption into what we do.

We create systems and companies to deliver stuff but we already know what we are going to deliver. We experiment around the fringes but baking it into the DNA is where companies are really succeeding.

A company like Zappos is a great example. Zappos is a shoe company and for a couple of years now they have really embraced holacracy as the main business model, by which they are going to go forward in transition. The company leader put a memo out and said 'we are going to be a holacracy driven organisation and if you can't get with this, please leave.' A sixth of the company left and said 'we don't want to play in that arena.'

Holacracy is basically a system by which you get things done based on the outcome that is needed. Someone is usually a leader within an organisation - a manager, department head, whatever. In holacracy you assign the best person to be a leader. It is kind of a mashup of a very flat system and meritocracy as well. It has got a lot of different ideas rolled into one but check out holacracy; there are better explanations than I could ever give online. Check out the work of people like Undercurrent, who are actually going into organisations and trying to change the DNA to almost like a software model - a lean methodology model.

These examples I've just mentioned are so few and far between that I have got to be that guy and say 'it is a nice idea to embed digital transformation but it is not going to work'.

There are other reasons why it is not going to work. There's a great guy called Steven Johnson who wrote a book called 'How Ideas Happen'. If you haven't checked that out then please do. It is really cool and he talks about 'The Slow Hunch', when we think of things that are catalysing, things that have just happened, eureka moments. If anything was to happen like that, they usually just slow burn. Anything transformational has to happen over a period of time with lots of players and it is all about collation and it is all about different ideas.

Looking outside the sector, what are shoe manufacturers doing for example? Is there anything we can steal from them or at least be

influenced by? That is the way we transform: by looking outside our existing industry.

The guy I mentioned, Steven Johnson, talks in his book about embracing diversity if you really want to be innovative and drive the organisation. It is about multi-generational and multi-faceted teams and very diverse ideas, whether that diversity comes from ethnicity or age or anything. It just has to be diverse in terms of outlook and experiences. Actually that is how you embed transformation and when it comes to digital I agree with Ron: technology only augments what you do; it very rarely replaces it. If it does other things take hold anyway and it only happens because of something called the 'adjacent possible'. You can only transform and reiterate an idea when there are other things in place to do it. That's how evolution happens.

One of the biggest barriers to transformation is management and leadership. The leadership doesn't want to change because that means losing their jobs or becoming obsolete. They have got to quieten their cleverness so that you can succeed. The cleverness is perceived sometimes and it is actually experience but now we live in a world that is very different than the one where the majority of that experience was gained.

I want to say that the only way to embed digital experimentation is probably by seeking forgiveness rather than permission. It is to go out there and break things, and that means literally breaking silos and expectations, and looking outside of your own industry.

**Carol Jones:** Thanks to all our panellists. I think D K might be able to remind me if I am right that Zappos, who he mentioned, have got a great social media policy - one of the best I have seen. I think it is just 'Have fun, don't feed the trolls and try not to fuck up'. That's their social media policy.

#### Q&A

**Lisa Baxter from The Experience Business:** I have no question. I just wanted to share a favourite quote that I use when I am in creative problem solving sessions. It is from John Cleese and he says 'If you want creative

people, you need to give them time to play.' It is just reiterating what you were talking about, so thank you.

**Carol Jones:** Thank you Lisa, other questions or comments? Don't be shy.

**Q. Margaret Henry from Audiences NI:** One of the things you talked about was ownership and getting everyone's buy in to try to experiment. One of the constituent groups that we have to get to buy in is often our board. Any thoughts about how you get the board's buy-in as well?

**A. Ron Evans:** It is really about getting everybody in the room. Normally the way that most arts organisations are structured, you wouldn't find a front of house person in the same room as a board member because a board has separate meetings and front of house has their meetings and they don't talk. In order to break down those barriers the front of house person needs to hear that there is a budgetary constraint. That's the board's job to safeguard the finances of the organisation. The board member needs to hear what the concerns are of the front of house person. Russell Willis Taylor spoke to us about being empathetic and understanding and walking in somebody else's shoes. You can't do that if it is abstracted because people are in different meetings. The idea of Zappos and a flat structure doesn't have to be the permanent set up for that organisation but maybe there's just a meeting that happens for these sorts of things where everybody gets to share why it is important to them. I have found that not only does that clear up any misunderstandings but it goes so far to making people feel like they are valued and that everyone has an opinion. Make everyone feel like their opinion matters, no matter where they are in the structure and you can accomplish some great things.

**A. Carolyn Royston:** I totally agree with you and I would add as well, often if you can demonstrate what you are doing and how it benefits the organisation and the people sitting around that board table, that can often be very powerful. It's also important to be able to have the opportunity to show what you are doing incrementally. Don't pitch an idea or present an idea then disappear for months on end and then come back with something that everyone

is slightly disappointed with. Demonstrating your progress along the way can actually be very helpful.

The third thing I think, if it is a tech project, is to really try to present what you are doing in a language that everybody in the room and around the table can understand. If your board are not very tech savvy it can be very alienating and they can be very dismissive. I think trying to present it in a language that they understand can often be very persuasive.

**A. D K:** I just want to pick up the last point about being tech savvy. Usually the board is of an age and maturity and personality that they don't really embrace innovation like this.

**Q. Carolyn Royston:** I don't think age matters does it, in terms of embracing?

**A. D K:** I have noticed it does, I have, I am going to be provocative. It doesn't have to. I have noticed when I go and visit boards, they do reflect that and it is horrible to generalise but I am doing it anyway. Again it is that idea of diversity. Can we say that boards have to be diverse in age?

You would have to have people experienced in the Profit and Loss sheets and everything else like that but equally they are not bringing a depth of experience and dynamism if they just come from a certain background and experience. I would just encourage diversity on boards in terms of age and experience as well.

**Q. Carol Jones:** How many people here have got people on their boards who are under twenty-five?

Yes, things are changing. I think a lot of boards now are actually looking for at least one or that kind of level of representation that reflects their audiences. It is slow change but it is changing.

**A. Carolyn Royston:** Can I just add one thing to think about with trustee boards? Often there are people who are, as D K said, sitting outside our sectors and bring a different perspective. They can often have a lot of influence on boards to generate change.

**A. Carol from The Roundhouse:** I was just

going to say that part of our board structure is that we have to have two people under the age of twenty-five on the board and that they directly influence the policy and the direction of the organisation. They also bring things from the wider youth network advisory panel so that issues that are raised and initiatives and projects come from that through the board and then get implemented through the organisation. We started out a VTI programme that is now fully immersed and embedded through the whole organisation with the local youth and that came from one of the board members directly so that is just an area of interest.

I think there is that whole concept as an organisation that yes we do fundamentally what we do but if you have an interest outside of that then bring it to the table because we are all interested in you being happy and fulfilled as a member of staff. Actually what that then does for our core business is that it makes it more relevant to our audiences.

**Q. Tim Wood from Rambert:** Maybe I am lucky but actually I haven't found real obstacles to try and be innovative in digital awareness. In fact the boards that I have worked with have all been really encouraging. More often they have recognised digital as an opportunity and they want to see it happen quickly. A bigger challenge for me has been that alongside that we have got a bunch of other stuff that we do that is measurably effective. The hard thing is what is it that we stop because we haven't got the resource to do all these things. Like I say, we value it and we can see that it is effective, so how do you decide to stop doing things to free up resource for something that is risky?

**A. Carolyn Royston:** From my perspective I think it's really about strategic priorities for your organisation and how those activities align with those. If part of your strategic priority is that you are going to be able to experiment and that you are going to want to look at bringing in a new service or whatever it might be, then how does the experimentation fit? What can you stop and how? There are lots of different ways of doing that. It might be incremental over a period of time or it might be dramatic. There are a lot of factors in there but at the end of the day those priorities have to be strategically driven. Otherwise they don't make sense.

**A. Ron Evans:** That is a good point: if you try to focus on everything you are really focusing

on nothing. I am sure your organisation looks at which is the most effective and ranks it all but at the end of the day, you only have so much man power.

I wish that every organisation had a restricted area for experimentation, like 1% of your budget that can't be stolen for anything else and can't be used for any existing marketing thing that has been tried in the last year. That 1% is sacred for experimentation for the organisation and there has to be some manpower to power it.

That's an ideal world. I know sometimes that is not possible but imagine a protected space to play and to try new things and to report those things to the rest of the sector. That is again the other part of it, so we can all learn from it. That is what I would love to see in that space.

**A. Carol Jones:** I think your point is really interesting and I share your pain. I think it is one of the biggest things that has come out across The Digital Marketing Academy from organisations. It's not that the organisations don't have the ambition or the will to experiment, it is juggling those strategic priorities that's the problem and there's no easy answer. The panellists have helped I think.

**Q:** It seems to me that a lot of artists and creators who work in arts organisations are actually subversive people. It always intrigues me that somehow or other we don't transfer the subversion over to the administration and marketing. It seems to me that maybe what we should be looking for is not what is holding us back but the ways we can find the friends and allies in an organisation. Who are the people who will make change because they will have to do it? They will have to implement it and if necessary could they do it in a subversive way, in which they quietly reduce their attention on something?

**A. Carolyn Royston:** I built a career on it. Basically, as Head of Digital of a national museum, that's what I did for the first few years I was there. Eventually we got noticed. It is a very difficult position to be in, it can be quite lonely and you have to be prepared to take risks. You have to be prepared for people to block you and to challenge you and you have to have the strength of conviction to see it through. A lot of our organisations, again coming from a museum background, are very

risk averse. The minute that you say 'let's try and do something differently', you get huge resistance to change. It is not an easy position but I think you are right, it is probably a hybrid of those things where you know you are doing some things undercover and then at points you come out and say 'Look what we've done'.

Q: Simone from The Wallace Collection: I think there's a bigger issue for organisations that are part publically funded. The Wallace Collection is funded through DCMS and I think a lot of senior ideas come from trying to make sure that all of our activity links to inspiring creative industry. That's what the government has decided is important and that's what makes us relevant in a way for their agenda.

I think there should be a little more confidence on a senior level to turn around and say to those powers that be 'Well that's important those objectives are there but actually we have got to go back to why we are here'.

Sorry that was a bit of rant, but I wanted to hear your thoughts on this.

D K: Can I join in? Yes, I agree. Get political and push back.

There's also a third way here, which nobody has talked about and it is taking innovation and outsourcing it in a sense.

I recently MC'd an event in Wellington called the R Nine Accelerator. It's to do with actual central government stuff and it's a lot of suits and a lot of public money being set aside and primed in a sense. Lots of individuals applied to go on a twelve week incubator to devise solutions based on the briefs and the problems brought to the public sector. It was the lean methodology approach: a twelve week process of incubation and acceleration about ideation and getting to a working prototype. I was MCing the event where they fed back to 120 senior officials in government to do with the ideas that they came up with. So there is another example of actually instead of embedding digital transformation or innovation, it is actually outsourcing it to a degree or creating a project that separates it a little bit.

I can imagine groups of organisations getting together and doing something similar, doing the lean methodology. You are kind of removing

the risk but then embracing the solutions when they are devised.

Q. Kate from Liberty Museum: I was just wondering if you had any advice for when you are trying to filter all of the ideas and creativity that there is in abundance in lots of people across the organisation, particularly around social media platforms? It is kind of overwhelming sometimes trying to work out what to prioritise.

Ron Evans: Specifically talking about the next flavour of social media, the first thing I'd look at is who's on the other end of that software. Am I trying to connect with them in some way and do they care about me or my organisation? The audience that uses that space certainly would have an impact on whether we wanted to be involved.

Don't be afraid to experiment, even if you don't have the answer. That is the whole point: if you try something out and it doesn't work then you can't figure out how to connect with those people who use the new flavour of the month. I mean there are no examples out there in the world that anybody else is doing it. Give it up, move on, and just say 'Hey, not all the stuff I try works'. You have to forgive yourself internally and not feel like you have to be perfect with everything. Really we only learn from failure. Try it out and see what you can do.

If you say 'We have twenty ideas that we could do', a really practical method I love is the dots on the wall approach. You give everyone ten pieces of sticky paper. You have all the ideas on the wall and you have to go up and put your votes on the ones you like best. You can talk about why there is a clustering and that type of thing. It helps people to get out of the words and get into the concept.

# It's not how big your data is... it's what you do with your data that matters!

Tim Baker, Baker Richards

**Tim Baker:** I am going to throw lots of stuff at you and hope that some of it piques your curiosity.

My company, Baker Richards, is about helping cultural organisations realise their commercial potential. We increasingly look at integrated strategy: pricing, loyalty and segmentation. We work with more than 400 clients worldwide. There's a huge range across Europe and the UK. We also work a lot in the US. We did have a US company that we sold to JCA. We still have a strong relationship that has given us a different perspective on the commercial side of running not-for profit arts organisations. That is what we are all about: return on investment.

We are also much more into software these days. We have a revenue management application. We created the platform for the Audience Agency's Audience Finder, the Data Warehouse. We are just getting going with another version for the Pricing Engine that will work across other ticketing systems.

Next week we are announcing a new piece of software called the Segmentation Engine. We are very excited by the software. Finally what we are able to do is learn from the analysis we have done in consulting and put it into your hands as users. There is so much more potential when you can do that.

My theme is 'It's not how big your data is... it's what you do with your data that matters.'

A couple of examples to start off. I really like twentieth century opera. I went to a brilliant performance in a major regional theatre on a week day. I got a follow up email, offering another event on a weekday for daytime dance classes. Really? It can't be that hard to work out that is not exactly what I was going for.

It is not just this sector. I also had a problem

with Fortnum and Mason. I shop there online about once a year for special stuff and they email me every day. They completely lost me - I just delete. In Seth Godin's terminology about permission marketing, they completely lost permission because they are not thinking about how to use the tiny bit of data that they have got.

There are other people that don't have an excuse. Spotify: I log on every day for them to demonstrate that they don't have a clue what type of music I like.

If you are having trouble keeping up with big data, you are in good company.

**We talk a lot about ROI but what about return on curiosity?**

I want to talk about bigger data, not necessarily big data. Anthony Lilly presented a really good paper here a couple of years ago called Counting What Counts. He made it very clear that many organisations are a long way from using any data in their decision making. How can we inch forward and be a little bit more sophisticated?

I also want to talk about coding and how it is the secret to insightful data analysis. Coding is the heart of good data analysis - especially in such a subjective field as the arts, coding provides the crucial framework.

Then I am going to talk about making the most of the data you have. The most comprehensive data you have is in your ticketing system. How do you make the most of that?

I really like the theme, but it set me thinking about what curiosity means. They do say that curiosity killed the cat, well it is not showing any sign of killing our cat. He spends most of his time sleeping but he does have an insatiable curiosity. If you open a door or a window he will go out of it.

It is really important to us as a company to encourage everyone in the company to pursue curiosity. We are all about the ROI and meeting objectives, but also when you spot something that looks like it might be interesting, let's pursue it and see what we get to. Most of the cool new stuff we have done has been by doing that, by letting people pursue their imaginations and see what they find.

Going back to return on curiosity. We have been working with Birmingham Hippodrome for ten years and we have been doing data analysis for them and looking at their pricing etcetera. They are constantly asking questions and welcoming our ideas. We worked on adjusting pricing, introducing dynamic pricing and membership strategy. They mull this stuff over and sometimes think it's good and pursue it and just as often it gets put on the shelf. But for me it is curiosity that drives these successful organisations. Boy, have they had some success. In ten years they put £12 million on their box office.

At the other end of the scale is the Mac - a tiny arts centre in Belfast. It opened after a lot of work about three years ago. Partly as a statement, they wanted a really radical pricing strategy. We developed an airline style dynamic pricing strategy. All performances are the same prices, starting at £12 and going up to £22. The allocation of seats is applied so they go up incrementally as demand increases but the rate of increase is geared to reflect the relative appeal of different performances.

The curiosity bit is that they haven't just done a hit and hope; they wanted to keep working, to keep developing the ideas and doing analysis, which we have done recently. We found that there were a number of performances where they were selling £12 tickets for too long. We used this and another piece of analysis to guide changes to price threshold. We reduced the number of seats at the lower price and accelerated more quickly through the pricing. This means we can maximise yield where demand is strongest. In most theatres throughout the UK it goes the other way around. They sell the best seats first and become a victim of

their success. The more seats you sell the more you force late bookers to buy cheap inventory and your yield goes down. That is the beauty of this.

Indeed the following year after that, they had much better control of £12 seats and a much faster acceleration of price so that there is a much better impact on overall income. This is only one small part of what they have been doing, but the dynamic pricing strategy helps them to realise the potential of what they are doing when demand is strong. That has contributed to a remarkable 51% growth in revenue in the larger auditorium in the last year. The point is about actually following your pricing strategy through and adjusting it.

Getting into bigger data, the opportunity offered by the three Vs - volume, variety and velocity - is huge. There are very few organisations really getting to grips with this. I don't think that we as a sector should be beating ourselves up. I think it is peculiarly challenging in the arts to do data analysis.

First I wanted to explore some ways in which we can bring together different data sets. This is all still internal transaction data. As ever, we are coming at it from a point of revenue. We are looking at an integrated income strategy and the way that admission and ticketing, ancillary sales and affiliation (my umbrella term for membership and donations) all fit together. The pricing and the marketing strategy for all of these things affects each other. Catering is an intrinsic part of corporate hospitality for example. Merchandise can be linked to repertoire. Decisions about pricing are one element that effects the other. To make effective strategy you have to make the linkages between these different things. That integrated strategy needs to be informed by integrated data.

We have done a couple of projects with San Francisco Museum of Modern Art (SFMOMA). This is really big scale and very large numbers of members. The analysis that we had done for them was trying to work out what the value of friends' membership was. There was a real concern that it might be undermining the value

compared to what the ticket purchases might be. We did the analysis and found that \$2.6 million was spent in membership. When we then looked at how many tickets they had purchased, the equivalent was only \$1.8 million. They were actually spending a lot more on memberships in total than they would have done on tickets. The average price for tickets was actually higher.

Interestingly, they had a lot of members who didn't seem to actually attend. One of the reasons for this was that San Francisco is really snobby about its coffee and apparently SFMOMA had a cafe on its roof terrace, which is very sought after, so they had people joining as members so that they could go to the coffee shop.

It causes you to think slightly differently about what membership is about. We also looked further beyond that and found that the average store spend was higher because they got a small discount on the shop. We calculated that difference and found that the total additional income from members was about \$1.1 million.

A simpler one would be the Royal Academy of Arts. We looked at ticket sales by joined members. We saw a huge increase in memberships around the 2,000 ticket sales mark. In talking through with them what this is, we discovered this is the summer exhibition. When the number of ticket sales gets to a certain amount, the queues get really long. People join to jump the queue. People buy £90 membership to avoid queuing for a £12 ticket. It just puts a different perspective on why people are buying membership. It shows the benefits of combining the data.

We worked with Birmingham Hippodrome around ancillary income and the way they bundled things: transaction fees, friends membership costing, calculating margins etcetera. We helped them bring this all together. I want to highlight Pantomime Packages. There are a wide variety of offers to meet different segments. We looked at tickets issued and total ancillary income from bars, catering and restaurants. The relationship between them is spend per head. There appeared to be a maximum spend per head that you can't exceed. We

never really got to the bottom of that. What we did find was quite a large number of performances that had very high tickets sales but weren't doing the business on ancillary income. Actually it was their pantomime that was underperforming in catering. When we looked further, they realised that the standard catering offer was not going to work for the families so they developed that panto package.

We did a huge project for The Metropolitan Opera at the end of last year. There were over a million customers on their database. First we segmented their customer base, then cross-related that to the number of donations that we were picking up. There is a correlation between more frequent attendance and a greater number of donations. We were able to look at the value of that, which was very significant. But this was the first time that the data had been presented in a way. Although the States are very far ahead in fundraising in many ways, they still have the same problem that the development department doesn't talk to the marketing department and vice versa. This type of analysis actually got them talking and they realised the mutual dependence they have.

I have to confess, I have shoe-horned this one in because it is one of my favourite case studies. It's Malmo's Dance Theatre. The reason I like this is that what we have been able to do is combine some data analysis with consumer psychology and behavioural economics. We have done a lot of work about how you can use consumer psychology in pricing. I love this because we combine the two and it works. The analysis was of their subscriptions. We looked at the number of subscribers by the number of performances that they were coming to. The majority of subscribers were at low levels; they weren't encouraging people to go for the whole series of performances. We also looked at repeat bookers. We highlighted high-frequency repeat bookers who weren't subscribers. There weren't massive numbers - about 200 - but one of the beauties of subscription is the effect of selling so many tickets to a small number of people has an exponential effect. We were sure that there was potential if we could find an attractive offer. The previous subscription

offer was in some ways a bit basic and wasn't really telling you what they wanted you to do. It was a pick and mix subscription with a premiere and a Thursday club.

One of the key concepts in behavioural economics is joint evaluation. It is about actually structuring things; you decide what you want to sell and surround it with things that make it look better. We did this by coming up with four really clearly defined subscription offers starting with what we wanted them to buy which was the Gold, which was for the entire season. We made it an incredibly good offer. They were much more focused on volume than income. The point of this is about how much better Gold is than Silver and Bronze. That is the joint evaluation bit of it: at 50% off you would be stupid not to go for Gold compared to the alternatives. The Diamond is a higher priced one. That is a decoy - a really high price that makes the total price of the Gold look cheaper. It is done a lot in handbag shops. You will find there is one ridiculously expensive one in the middle. The intention is not that anyone will buy that. It's just that it makes all the other ridiculously expensive handbags look better.

Like I said, it works. The vast majority of new sales were at the Gold level, increasing the number of subscribers and tickets sold. It more than doubled the tickets sold to subscribers, which was equivalent to a 9% increase overall. There were a number of other pricing changes that contributed to a 40% increase in the gross box office.

### Making sense of data using coding

I think that effective data analysis is quite difficult in the arts. It is not anything to do with statistics. As I think that I have demonstrated, there is good data available. The biggest challenge is the subjective nature of the product and the decisions about the purchase. I was at a conference last year where someone was presenting the notion that the arts are just like Tesco's. Apart from my immediate reaction - 'please no!'. Could you imagine if the soul deadening Saturday Tesco experience were repeated in theatres? We would all be really screwed. The point is that the arts is anti-Tesco's: it is not a commodity, it is always

different, unique and subjective experiences. That is what makes the data analysis difficult. Unpicking that is why I think that a creative use of coding, of data creates a framework for understanding how your inventory is being purchased and also what your customers are doing.

One of the most advanced examples we have of this is an approach to repertoire coding for orchestras that we have developed for a number of clients, including the LA Philharmonic. You have to make an assessment of each programme, not just the works. What is the piece that is going to make people want to go to that and how do you score that? How does the rest of the programme affect that? Does it make it more attractive? Then there's the artist - this is sometimes a difficult conversation with orchestras because they have to understand that artists make very little difference, apart from a few. Except of course for the LA Philharmonic this was a particular challenge because their principle conductor is Gustavo Dudamel, the superstar. You aggregate these together and it creates a score for each performance that they produce.

We then did some analysis. There is a correlation between the score of the repertoire and the sales. Their issue is this much greater volatility at the bottom end - less popular concerts can sell really well but a lot of performances sell much worse. The margin they are dealing with is how close to 95% capacity they can sell. It is important for them to do this. What was this volatility? We tried to understand where it was coming from. We used the repertoire coding in a different way to understand the behaviour of their subscribers.

In the USA, a very liberal ticket exchange is common. I know a theatre in Boston where you can phone up the day after and say, 'I didn't make it last night; can I have another ticket?' It is about long-term value. LA Philharmonic have a really open ticket exchange policy but when we did the analysis of which performances they were moving out of and in to we found that they were buying their Friday series and ditching all the difficult music and moving into the popular. The problem is that this is where all the volatility came from. Rather than all

the volatility spreading out across all the season, the spare inventory was the crap seats on the unpopular performances. It is the most difficult inventory to sell. This led to them changing their exchanges policy. The exchange is still free but subscribers are subject to variable pricing. If you want to exchange into a more popular concert you have to pay the difference for a higher price.

They are now using the repertoire scoring to balance their seasons to make sure they have the right mix and to set their prices. They introduce variable pricing for individual ticket sales and exchanges.

Another project we are doing for the City of Birmingham Symphony Orchestra is designing a custom segmentation. In the customer record they are actually able to summarise the repertoire choices of a customer and use it to find people who have a low average repertoire score, so they are interested in niche and difficult repertoire.

I think there is huge potential to be explored out of repertoire scoring. We have something for classical music that really works. We have been trying it with opera and it is a little bit more difficult. I am slightly daunted about doing the same thing for drama. If anyone fancies working with us on that, we would be very interested.

One of the things that the LA Philharmonic have picked up on is that very often people in an organisation know what appeals and what doesn't. What we are trying to do is operationalise their experience so that you can provide a statistical analysis on the hunches of the General Manager. I think there are a lot of applications around forecasting, pricing, budgeting, segmentation, allocating marketing resources, copy writing - but forecasting in particular. The inescapable problem with forecasting in this sector is that you can create a model based on what has happened in the past but you always have to relate it to the future performances that are nothing like what you did before. This provides a subjective means to make that link, to make forecasting slightly less difficult.

I want to talk about and the project we did for The Met where we are establishing

forecasting as a part of a pricing action matrix. It's quite a sophisticated and dynamic pricing strategy that they will be able to implement over time. We used the forecasts to identify five tracks of performances - track one we expect to sell 90% of capacity or above, and that goes on plan C - the most expensive with the most seats at high prices. Then at key monitoring points for every performance, from ten weeks out, we are going to assess the sales against the target trajectories to focus on the tactics we've developed with them. You can do dynamic pricing, which is about very targeted prices in particular areas of the auditorium, or partner offers that are about discounting and volume. Rush is the equivalent of standby. The most contentious thing in opera houses is releasing holds.

Then we create a matrix for them that shows each of the tracks, how many weeks before the performance, and the range of sales expected. The colour coding shows if you are on track one and you are on track. It is dynamic pricing all the way. How can we maximise the income? But if you are on track five it is about volume. This is one of the speculative things. Things can change track. If things are selling much better than expected you could move it up. The way we are doing this is we have built target trajectories that you see this in the dashboard. This is what they are using to drive sales. A green up arrow means move it up a track. No arrows means should be on track. Red arrow means down. The orange and yellow are keep it on watch.

Turning to segmentation and how you can make the most of the data that you have, it was Alan Brown who brought this piece of work to my attention. Jankelovich and Meer were the originators of psychographic profiling back in the 70s. 30 years later they did a review and were horrified by what was being done. Organisations were basing their entire strategy on profiling and forgetting to look at how much money they would make as a result of doing this. That is making it really clear that behavioural segmentation is absolutely fundamental to segmentation. Other segmentation systems are available but I think that ideally you need these different dimensions. Understanding behaviour has to be the starting point. It

also needs to be dynamic - people have different motivations at different times that drive the choices they make. Also, if you are going to characterise people according to their behaviour then every time they make a transaction their profile changes.

I want to introduce the concept of summarising customer behaviour. People have heard of RFV analysis - recency, frequency and value. I first learned about this from Stephen Cashman at an AMA event about twenty years ago. It's a very simple way to segment your database based on their frequency, recency and value. You attribute scores to each of the variables and then rank people according to the highest and the lowest. You can find your most valuable customer down to your least valuable. The ranks can be combined into segments.

Now the sneak peak, which is to announce our new piece of software - the segmentation engine, which can do this automatically. It is an online application that can take all of the data and create a recency, frequency and value segmentation. It is actually RFVV because it is recency, frequency, ticket value and donor value as well. You have the choice about how you rank people.

We have decided to split it into deciles - you can rename them into something more intuitive. There is going to be a huge range of analysis variables so that you can target your activity. The key point is that this is not about targeting the usual suspects - decile one or two. The interesting ones are three, four, five and six. How do you learn about them to generate more income? Where's the potential?

There's a theme of summarising behaviour, but we are trying to do that across a range of single variables as well. In most systems it is easy to find people who have booked early, but what we are trying to do is find people who on average book early. What we are doing is finding the average: the number of customers who on average book a week before, right down to over 100 weeks out. Then it allows you to cohort them and name them. You can then output the tag, send it to your database or ticketing system and then

use it in analysis and selections. The first version will have sixteen variables and three different segmentations.

The reason I want to share this with you is related to some of the exciting stuff that is coming on with what we can do with it. It is about operationalising some of the more advanced analysis.

Thinking about advanced applications of this... The first is to create a relatively simple segmentation and then use that in flow analysis, which is an advanced form of churn analysis - picking out the people who went three plus times in 2011/12, finding out where they came from and where they went to. It is a really good way to understand the path of behaviour of customers.

Working with English National Opera, we created a simple behavioural segmentation based on long and short-term frequency. How many times did they come in a year? How many years have they come? Just by combining those two things you get quite rich information. We have combined that with the Audience Agency's Audience Spectrum and have then created indexes to see particular behaviours. There are some interesting things about what I like to call the loyal infrequenters who only come once a year but keep coming back and how they are likely to be Commuterland Culturebuffs.

This is really pushing it out now. We are using a statistical technique called clustering to combine about 50 different behavioural variables out of the ticketing system. The clustering is a dimension reduction technique. It finds the most important variables - in this case frequency, yield, discount, recency and time of booking - and then finds statistically significant combinations of behaviours to create segments. We have, for example, segment four as the high-frequency, high-yield, low discount, been recently and book very early segment. It is not very big but they are the most valuable customers. There are often some very interesting and surprising clusters that come out of it. The software will be able to deliver it so you are going to be able to build a segmentation based on behaviours and then have it dynamically update. That means if someone starts attending

more frequently, they will move segments automatically.

The clustering analysis behind that is quite intuitive. My favourite number in all of it is the average seasonal value of the super frequent, very low yield, very high discount, recent, early booking customers. That's a weird description but we actually know these people. We have been talking about these bloody customers who know all the deals and they wait to the last minute and they know where to sit, and they buy the cheapest tickets, and they are a pain... No, they are not. They are the single most valuable segment.

That is a really big nugget that you can get out of this kind of thing and it led to this initiative that we have created for ENO called Secret Seat. This is about allowing a way for people to buy a cheap seat but they don't know where they are going to sit. That in our terminology is the value fence. It means you can allocate the seats on the day of the performance so they can control how many seats they sell at the cheap rate and they can use this to dress the house, which is a big issue when you have 3,200 seats.

#### A few practical applications

We did one of these projects for Opera Australia. They wanted to identify the first timers most likely to return and become frequent bookers. It is really difficult. I don't think we've quite gone 'no you can't' but there is a definite sense that one piece of data is not enough. You need at least one more transaction to triangulate the first one. The second booking is the key trigger. But we did find that those who were slightly more likely to book in advance, slightly less likely to attend a musical, and slightly more likely to attend at the weekend were slightly more likely to come back. I hope they found this useful in itself. It's about saying, don't give yourselves grief about these people. Wait until they come back. That is when you need to strike.

We like big challenges. We had a big challenge with one of our long-term clients in the States, Center Theatre Group Los Angeles. They have three auditoria: the Ahmanson, which is a big Lyric Theatre, the

Mark Taper Forum, which is a drama house and in another part of town the Kirk Douglas Theatre. They have a massive database across these three venues.

They said 'we have got the low hanging fruit for the Mark Taper Forum, which is the inner core who are coming frequently. We are interested in the next group out. How do we identify and target them and develop the strategy around that?' They were interested in the outer core: multiple, single ticket bookers at the Mark Taper Forum - a combination of attenders at the MTF only and some who are subscribers at other venues. They were very specific about how do we get this segment to move up?

Again we used the cluster segmentation approach to do this. Basically you could see the description according to the combinations of behaviours, we had some analysis to understand their behaviour a little better and then looked at the implications. Then there were some really simple actions coming out of that. For the mid-price subscribers, basically don't rock the boat. Target for specific things. They only attend once a year but pay high prices. This is about exploring what they see and targeting. It is all about location, not discounts. Increase for party size. Then you have the lapsed customers and then the discount junkies so hold off on them and make them a deal when you want.

Next up is the London Coliseum, a very large venue. Their problem is what we might call the sticky inventory. They can sell really well a lot of time, but it is about difficult operas on weeknights in specific parts of the auditorium that are not quite so good. We realised when we were talking about this spare inventory that if you're only selling 70% of capacity what are the 30% of seats that you are not selling? You need to understand that inventory in order to know who you're going to sell it to. We realised that the variables that describe spare inventory are the same as the variables we are describing to segment the customers. If we cross-tab one against the other you can go 'OK, for this season coming up, we've got a lot of signature operas on a Wednesday and Thursday with spare inventory in third and fourth price in the Dress Centre', and

then you can find the segment who tend to buy that kind of inventory. This is the really speculative bit, this is the bit we want to get to but we are very excited about it. We think that it has massive potential.

## Q&A

**Q. Robin from the Mercury Theatre:** I am very interested in the tracks you showed. I do this a lot and I have been accused of fatalism, whenever we have a show on a low sales track. Have you encountered that? Do you have a reply I could give?

**A:** Get real?! That is a really big challenge in this sector actually. There is this attitude of we are putting on this work and we want people to see it. The immediate reaction when looking at sales is that these shows are doing really badly and that is where I need to spend my money. It is just wrong. Actually you need to spend the money where you are going to get a return but that is a really hard conversation to have.

**Q. Simone from The Wallace Collection:** When I left the RA they were moving towards the idea of looking at previous shows to inform future shows. We had done a show, Bronze, and everyone thought it was going to be a failure. As the audience came through the door, there was a beautiful sculpture, and our social media channels buzzed. The ticket sales kept going up. The word of mouth really affected things. I worry about forecasting sometimes and doing a similar show that might not have that same impact.

**A:** That is about having a creative approach to the coding. It is not a commodity. It is using your knowledge to say it was not successful because it was a metal. It's for people like you to say what was important was the social media buzz.

All of it only takes you so far because we are working in the arts and it is all subjective, not cans of beans.

**Q: Simone from The Wallace Collection:** How much confidence would you put into forecasting for art shows in the future for an organisation like the academy or the V&A or Tate?

**A:** The difficulty you have got is very few data points. You might have four shows a year but even across a five year period you only have twenty data points on the relationship between the products and the sales. There is so much other noise.

We have had real struggles with opera forecasting for exactly these reasons. Whereas theatre is easier to do. There is a continuum. Yes, you have to reflect the creativity of the product in the forecasting.

**Q. Caroline Dooley, Scottish Chamber Orchestra:** You were talking about the frequency of attendance versus frequency of donations. Have you done any analysis on how frequently you should ask and the level of the ask as well?

**A:** Not yet. That is a crucial element. In terms of segmentation, one of the key dimensions to that segmentation is your marketing. By the way that you market to people, you create segments. If you have a subscription scheme then you have created a segment of subscribers. Equally, those asks are an aspect of how you have segmented your customer base.

# Big data and the cultural organisation of the future

Chris Michaels, British Museum

**Chris Michaels:** I am going to talk to you about the digital transformation of the British Museum and ask what data means in that transformation.

## How do you do digital transformation?

There is so much questioning of what that can and should do for that space. While I have strong views, this is really to have a dialogue and talk about what is going on elsewhere.

I am going to start by talking about what our vision of digital transformation is. Digital, for the British Museum, means the ability to tell the history of humankind to all of humankind.

I was brought in during March last year with a clear brief to take a step back and ask 'why should we do this?' Of course we have been doing digital stuff for a long time: the website since 1996, collections and databases. We are in this space but no one really asks what it means. For the British Museum it was a question of why does this museum exist at all? What was it created for in the year 1750 and how does digital help that?

Back in the 1750s, the museum was founded with a mission. Its role was to go out and advocate and tell the world what the history of mankind was. In the 1750s, they did that in a simple way. They built a big building. They got 61,000 objects, put them in that building and gave away tickets. People got a ticket through the post, they turned up and gave it to the housekeeper, Mary Bygrave, and they came round and at the end they tried to give her a tip. They weren't allowed to because the museum was going to be free for everyone forever.

Those principles have always remained the same today but the number of people keeps on increasing. In 1753, it was 5,000 a year, not very many. 6.8 million people come through the door last year. It is the

number one visitor attraction in the UK, even though we would never call ourselves a visitor attraction in public. 15 million used the website and 30 million-ish came into contact with the books and TV programmes. It is a lot of people - but it is not everybody.

The museum's mission is to talk to everybody. The internet's opportunity is to give us the power to talk to everybody for the first time. Some time in the next twenty years, the whole of mankind will get access to the internet. That is a brilliant opportunity for an organisation like the British Museum to talk to the whole world. Question is, how are we going to do that?

The digital strategy is simply figuring out how to tell stories to billions of people. To do that we have to set some short-term goals. We are on a five-year mission up to 2020 when we have to change utterly the core matrix by which we run the organisation. We put that in simple terms: Reach, Engagement, Money.

Reach is about changing from talking to tens of millions to hundreds of millions of people. It requires changes in the way we think, the types of media we create and the type of work we create alongside it to get to that scale of dialogue with a huge audience.

Engagement means changing the way we market: our databases, our social media profiles, the opportunities we have had to talk with our audience. We have small email databases, millions of people on Facebook and Twitter. That's small numbers. It's brilliant work to get there, but it's not as big as it should be. We need to engage with tens of millions of people.

Money. The Government spending review is in November. It is coming. We know what is going to happen to the baseline of our finances. The baseline for DCMS is 40% by 2020. We know the economics of our organisation is going to shift. There is going

to be less money coming in. We have to figure out how to get more money coming in from the things we can do ourselves. The beauty of a museum like the British Museum is that we get money from three places - the government, philanthropy and from the money we make ourselves. I have to believe that we can do more in the money that we make ourselves and more to stimulate philanthropy through what we do in digital, to account for the change that we know is going to come from government.

Then it is about setting themes. This is where we will start to talk about the role of data. One of the reasons I wanted to come into this sector was that I felt it was a moment in time where what digital does matters hugely to what cultural organisations can do. The history of this is about saying, mobile really matters for a physical space and a type of place where people come in through the door. They come from an engagement with you that starts outside and then takes place inside the building.

That didn't matter so much in the past. Before people used to read about you in a book. They might look at you on a website on a computer that is locked to a desk. Today, that is not the same. Even then when they get to your organisation, they are then in a space where they didn't have computers in their pockets before. Now we bring the supercomputer with us. That changes the way we operate in physical human spaces - particularly in museums and galleries. It is another layer of interaction that you have between you and the objects that you have in the collection. It also enables you to do your e-commerce transactions within the physical space you have. For those of you who run theatres, your box office is the physical desk. Well, I can stand in front of that desk with my mobile phone and buy a ticket, possibly at a cheaper price. Mobile really matters to help us interact with consumers in the way that they want to be interacted with.

Social media for me is about empowering us as a sector to take control of our own destiny. We have all been reliant on people like the BBC to tell our stories beyond the walls of our organisation. For all the books we put out, the TV, and the amazing radio

documentaries we do with Radio 4 we are dependent on other people to tell our stories. We are losing an opportunity for a dialogue with our audience. Social media gives us that. It gives us the potential to control the stories we tell and for that massive global scale. There is no mistake that the people who are going to take the internet to the world are the social media networks, because they are going to have the biggest story-telling opportunity at scale.

Critically, all of this stuff that is happening in mobile and in social is opening up the big data space for the cultural sector for the first time. There is a journey. Big data is a terrible name given to something to describe what it is but it doesn't describe anything at all at the same time. The truth is it doesn't mean anything. It is a meaningless term. What it implies and enables is the most meaningful thing because as you are creating information about your customers, as you are understanding the patterns of behaviour of what happens in your buildings, you are creating information that can be compared, analysed, and which gives you stories to help you understand what you do and why things work the way they work. Big data is a thing that has the potential to utterly transform the way cultural organisations work. We are going to tell a story in the next five years that shows how that happens.

### What does data mean to us?

There are three strands around it. One is understanding the past - why did things happen the way they did? Mankind is extremely bad at learning from its own mistakes. Hegel said 'The trouble with history is that no one ever learns from history'. But we have to keep doing that. We all talk in marketing about evaluation, but it could be absolutely escalated by what data and analytics can do by giving you more power to take things that you couldn't compare before, different sources of information, by ramming them together and releasing new truths.

It allows you then to influence the present. We are at a point where you can start to report in real time what is happening in the organisation and why. We put Wi-Fi in the museum for the first time in April. It is

a big, complex infrastructure project: 91 galleries, 13.5 miles of cable that we had to dig through 4.5 foot thick marble granite walls to get it through. But it allows us, once we have our analytics in place, to see what people are doing at scale, live and on-demand in the world we live in. It is a totally new thing for us. All we can do otherwise is empirically observe people and that is not accurate when you are making decisions that have financial impact. Which galleries do you close that day? How do you change the timing of your ticket availability? Those decisions are enabled by being able to see through data what is happening in the place that your work. That is an important understanding that is only becoming available to us now.

Critically, you will get to the end and as you start to do analysis in more detail you will start to be able to predict the future. I would say that - I can't speak on behalf of other organisations - museums are not great about forecasting what is going to happen in 6 months' time. We are not brilliant at forecasting ticket sales for exhibitions. We don't know how many people are going to come through a museum in a year. We don't know enough to be able to make forecasts precise. But those forecasts matter. They matter about how the museum makes decisions about spending, about marketing budgets. If you don't really know how many people are going to turn up, how do you really know how much money you should spend on marketing? You get into a world of very imprecise decisions. Then when the person comes and says we've got to cut our budget, that is when it is decided to chop the marketing budget. If you don't know what it achieves, of course it is going to get chopped. It is the historic law of chopping: you sack the HR guys and cut the marketing budget because those decisions are not made accurately. If we can predict the future, we can start to make decisions that count and start to understand what the future really holds for us and then start to make business decisions that make things better.

That is what data means. I am trying to understand what the British Museum looks like as a body of data and as a connected system. I start from a massive body of fragmentation. We have all these different

products, services, things that we do as a museum simultaneously. We run websites, social media channels, audio guides, five shops, box office online and on the phone and face-to-face, email, we run collection search databases, we have a public Wi-Fi that tries to prompt people to do the things we want, online stores, digital signage, visitor services and all the education services that we run. Some of those do amazing things but if I try and track one member of my audience between any two of the places then I lose them instantly. Who are the people on my email list who are also my followers on Facebook? Who are the members who also take their schools to our education offer? Frankly, we have no idea.

I think across the sector, when you look at different correspondences between different parts of your ecosystem, we might all say the same thing. We don't know how it all fits together. That fragmentation is ultimately costing us money and it is costing us great customer experiences. I get from different organisations, numerous different emails telling me slightly different things about what is happening in our buildings. Because those services could be siloed, messages come out in different ways. All that is doing is confusing me. If it is different from what your retail people are saying in your shops, you just lose the chance for great experiences for your audience, and we are losing opportunities to sell.

Where are we going to end up? By understanding how it fits together we are going to try and get to a unified system. The word that gets used to describe this is 'omnichannel experience.' This is a hot topic across retail particularly. How do you join it all together? If you are John Lewis or the Apple store, these premium retailers, then what are the connection points that connect you between online and offline? Who are you, the guy who likes to shop on their iPad, walking into their store, connecting with them via email? How does that all fit together? How do they give you a personalised shopping experience that makes it the best thing in your life and ultimately generates more revenue?

Of course it is not going to be exactly the same in the things that we do. Omnichannel

for theatres, museums, and libraries is not going to be exactly the same. But there is a sense of being able to connect the dots together to make sense of what this all means and to make it more efficient in a way that works with our audiences to give them the best experience possible. Partly that is about the systems and the tools and technology, partly it is about culture. We come from siloed cultures. I can say that as a newcomer, different bits of the organisations hold very strongly to different bits of what they do. Only when you break through those silos are you going to get the opportunity. At that point your customer's experience is going to be better. They will want to give you more money as a result.

That is the vision. That is what we have bought into as a museum and what we are working to as a five-year plan.

I am going to describe how you start to do that digital transformation as a practice act. To put that in context, we are into year two of a five-year process. I can't tell you how it is going to end up.

Digital transformation for me is working through four discrete steps. One is the piece we did last year, building the context: working out how the museum needed to put a structure of things together to enable the transformation. Two is making it real. How are we going to make this better? Then next year we are going to move into scalability and sustainability. Then at the end we will loop it all together and make this brilliant data-driven system.

Context. It is about six different areas. One is you have to set the vision. What does digital mean for the British Museum? How many of you know what your vision of digital is and what it means for your organisation? One or two people out of 120.

**A:** I work for Rambert, a dance company. It's fundamentally a very analogue thing making dance. Our digital strategy is to experiment in the same way that we create art, how digital can interact with that in a meaningful way for our audiences.

Brilliant. Thank you.

Two people out of 120. That is slightly worrying. I will put that in context. I sit on a body, a cultural enquiry run by the BBC and King's College looking at the role of partnerships in the cultural sector in the UK. One strand of that is looking at what digital partnerships are. It doesn't surprise me that hardly anyone in the room can say what their digital strategy is. There is a clear gap in this part of the world about understanding the meaning of digital. It is going to have to change. If you look at DCMS, it is intensely focused on what the digital focus is all about. That is what they think has got value for the future. We are going to have to justify our stories, why we do what we do, through digital because the people who give us our money think that digital is the most important thing of all. None of us have really started talking at a government level about the role of digital. There is a worrying moment of risk here when we haven't figured out what it is going to mean.

I am not saying that because we have a vision, we have solved that problem. We have to make that vision a real thing but at least we have one sentence that we can describe it in.

Alongside vision, you put the goals in place: reach, engagement, money. Putting money in place, getting the right people, finding partners to work with and working out what the media thinks about you.

Context is really a pre-data phase. When I came in, I sent all these emails to people saying send me your sales figures, get access to Google Analytics. It was a completely waste of time. The data you have is going to be terribly dirty. 70% of your email list is going to be junk. You may not have stored your ticketing data properly. The data you have is going to be full of holes. It is going to suck but everyone has to go through that process of at least understanding what you have got. We have been doing a big process of going back and understanding what we have got, mapping it out and making lists. We know it is holey and we know what those holes are. When you are looking at context, don't worry about it too much. Don't get too much into the detail; you are going to get distracted by worrying about how bad it all is.

Then as you construct vision, the critical point for me is going for universal. The arts and cultural sector sits on such amazing things but we are leaving the big picture stuff to these Silicon Valley dudes. Zuckerberg is connecting the world. Sergey and Larry from Google are organising all the world's information. Jeff Bezos is making the everything-store. Don't leave it to these people. We are the sector that has Shakespeare and the Rosetta Stone. We have much better stuff than Amazon does. We have the most amazing things in the world so why are we leaving it to these people to have the big vision of what mankind means? We have the stuff that is what mankind means, so we should have the big vision about what digital can do.

### Goals

Our goals were set between me and our chairman. He was the CEO of Unilever. Unilever you think knows stuff. He said do everything in ten. When you are setting goals, don't say we want to get 7.4 million people onto our email database, just say 10 million people. You want to make money, say £10 million or £100. Fundraising, say you want to raise £1 billion. Just do it in units of ten, not because it is going to be true but because the act of aspiring to a big round number is something that will make a difference to people.

Here's the hard bit. To do transformation, you are going to have to go through a period of time where you lose money by investing in it. Before I came here, I was CEO of a venture capital backed mobile company. The economics of venture capital are very simple. You invest in a company for about five years. In the first three years, you expect to lose a huge fortune. That is the only way, through investment, you can make things better. For us digital transformation will mean investing in new systems, different types of people, and going out and experimenting with things that will fail. Failure does come with fiscal cost. Change to make things better culturally; you are going to suck it up so you can win later.

One of the core things I had to do last year was to rebuild how the teams worked at the British Museum. I had to take the best

of what was there and bring in the best of things from outside. The thing I learnt during that is that there is a perfect 50-50 blend model that you can try and aspire to. If you are going to make changes, you need people who are the life-blood of the organisation, who ARE the organisation. You also need to bring in some stuff from outside.

Where are the pricing and optimising managers in the cultural sector? Who is there in the detail of ticket-pricing every day, changing things to make those tickets sell as hard as possible? I don't think those people exist in the sector because, practically, the skillset you need doesn't exist in the sector. That is not to say that those people don't want to work in arts and culture. They do. When we put out an advert for a data scientist, we had 20 brilliant applications: nuclear physicists working in CERN, people in the government sector doing brilliant things with public data, people from commercial businesses who don't want to do that anymore. Those people want to come and do stuff with the most amazing things in the world. When you understand what those skills are, people outside are desperate to work in this sector. They will take the pain of the pay cut - an average 25% pay cut for the people I brought in from outside to work at the British Museum. People want to do this. They love this stuff.

### Partners

You have to build partners. Talk to everybody. Get out there. 99% of the conversations are a total waste of time but go and do it. Talk to everybody in any technology company within a 50 mile radius. Talk to them because until you do you won't know what mutual and shared value you can create. You will start to unlock opportunities and that starts to change things.

The fun part was trying to work out what the press would think about us starting to do things in digital. We launched the British Museum in Minecraft. It was a fun thing to do, kind of on a whim on a Tuesday afternoon. It was launched by a member of my team with pink hair. It got onto the front page of the BBC News. We launched some 3D stuff that got us onto the front of the

Independent website. We then started doing things on Periscope. It gets our story out.

What I really wanted to find out is: What is the story the media is going to tell whatever we do? The answer is 'fusty old museum does sexy tech stuff'.

Overall, it took about twelve months to build context. I joined on 3 March last year and started doing strategy. I went to the board in July with a framework. We did a five-year financial plan in August. I started rebuilding my team in September. Critically, in November we bought some technology that is going to enable me to do the things I need to do in the next eighteen months. We launched the new department in January and finally put them all in an office in the same place in March. That is a twelve-month process, going from nowhere to somewhere.

Next up, I've got to make it real. That is all I am trying to do this year. I am trying to make people within the organisation, outside, and all the stakeholders, understand what we are doing and why.

### Process

Go fast and break things. Wreck it Ralph should be everyone's hero in digital transformation because he smashes things up. Breaking things is an important part culturally about what has to be done to make things better. In the course of the next eighteen months, broadly every technology system or media operation we have in the museum will be broken up and put back together again. We are trying to do it in as coherent a way as possible but some of it is slightly incoherent. There are lots of things happening at the same time in different directions.

Delivery at this point, culturally, is the critical thing. In the three months since we launched the team, we have done a lot of things very fast. We have launched new audio guides. We launched public Wi-Fi. 15% of the people who now come to the museum are using it. They are signing on with their email addresses and we are building scale to our marketing capability very fast. We have done amazing things with Periscope: three broadcasts and a whole programme coming

this autumn. Culturally, it starts to shift the institution a bit. Doing something sexy and new, doing it very quickly and making a success of it starts to shift people's attitudes and behaviour.

We have done a huge amount around big data: auditing and understanding what we have got. At the same time, we are giving the website a massive haircut. The same page that launched the site is still there twenty years later. Websites are not historical objects. They are things to be used by people for a reason. We launched gallery digital programmes. We launched a product development process called Lean, which is a great way of working from a user-centred point of view to get things made. It is all about doing it quickly because I work in a complex, siloed organisation with thirty-five different departments and I want to do stuff that touches all of them in some way and thereby touches all of their audiences.

Culturally, there is a kind of attitudinal thing that needs to come with change. It is different in this sector to how you might do it in a corporation. In a past life, I was given a similar task in a TV company. TV companies have four different divisions focused on different bits of the world. Each one is run by a brilliant person, each of whom hated the others and was very protective of their revenue streams. The British Museum isn't quite like that, not quite as feudal. There are some elements of feudal but you have to be a bit nicer. You have to smile at everybody. My metaphor for this is that in the canteen you are the kitten, smiling at people and being nice to everybody, but when it comes to behind closed doors with the people who have the money then you have to be fearsome. They don't want to give you the money necessarily. They want the justified business case. My team and I work extremely hard at getting our details right when we have to go and get the cash or significant things changed. That is a big attitudinal thing. The world doesn't owe you change. You have to justify and do it for yourself.

Data-wise, we are in the phase of trying to understand how the past worked. Why did we only sell 100,000 tickets for exhibition x when we thought we would sell 200,000 tickets?

There are three things we are bringing together. One is about static datasets. It is much easier to analyse datasets that aren't changing any more than it is with live data systems. You are trying to pull together your ticketing data system, your CRM, and if you are doing that in live data there are sensitivities and lots of issues to address. If you are doing it with CSVs of stuff all of that disappears. You can play much more openly. You can then introduce elements of surprise. If we look at, why do our electricity bills end up what they are? You might look at your website data to understand why there was a huge influx of people on day 220 of the year that then shows that all the lightbulbs blew on day 222 and that cost us twenty grand. The surprise is the way that you can combine things together in ways that you wouldn't have expected to before.

At this point, you are telling 'versus stories' - stories of x versus y. We thought we were on channel x, this is what we thought we were doing but actually at the time this was happening. If I take a story about Pompeii, one of our most successful exhibitions of the past five years, it was a superstar blockbuster exhibition. It was everything a museum dreams of. One of the things we didn't plan for was it exponentially increased the traffic to our website, spiking it at 2 million people. What happens when you spike a website is that you get a drop off in a slow curve. All of those pages are ranking higher; all of them get a few more people looking at them each month. We didn't plan for that to happen. So you tell a story: this happened, the exhibition was a great success, and this was great but then this happened and it wasn't great as a result because now what happens is that all my website traffic is dropping off. You can only explain it if you understand the connection. Something that was good causes something that was bad.

We're getting to the end of my period of changing things and looking into the next six months. We are going to launch new multi-media guides - the core commercial lifeblood for a museum. We are going to do some stuff with smart watches that will do interesting new things. We are going to keep on going with Periscope. It is giving us a chance to tell stories to global audiences

instantly. We are going to launch a new collection site.

Here we are at the end of stage two. Now I am starting to talk about the future. If you don't have a digital strategy, do you know what you're doing in digital next year?

For us, we are going to go to scale next year. Getting scale means being able to get incrementally bigger and being able to do it sustainably. Our Finance Director looks me in the eye every month and says 'When is it coming? When do you just stop spending money and move into the point when you are making money and we have a nice sustainable thing?' I promise you, it is coming by December.

To get to scale we have to rebuild the core, take the core services and make them better. Then we are also going to move into other markets and capitalise upon them. We are not going to be reinventing wheels. On top of that there is innovation.

For the British Museum I think that looks like these things:

Core is website, collection, search, e-commerce, ticketing, audio guides. Adjacent, there is an amazing amount of things that we haven't really done that other people do brilliantly: mobile apps, e-books. Of the 1,800 books that we have published, not a single one of them is available in digital format. Then there's digital projection for the cool things that happen in the galleries and crowdsourcing that many people have done in the cultural sector. We have never done that. Digital customer services. We won a number one award on TripAdvisor in the UK but we never really responded to any of the 25,000 reviews that have been left with us. That makes me very sad and they shouldn't give us the prize.

Innovation is wearables, 3D printing, Virtual Reality. There are lots of brilliant things out there. These could transform what we do but they probably won't, not at this point. We have to play in those spaces because they are all super fun when we have lots of cool objects in the museum like we do.

To get that to work you have to think how

things knit together. How I am working in the next six months is to build different business models in different spaces. We can say 'Here is one thing. There is a piece that is about the audience that comes to the museum. How do they plan how they get there? What do we do in digital marketing that helps bring them in? What do we offer them in terms of mobile apps, audio guides when they are there? How do we get as many of them as possible to transfer to our commercial proceeds and services? How do we loop them into a marketing relationship that lives forever?' That is a unified piece that serves the needs of that audience.

Alongside it there is a very different piece. The museum is one of the largest academic institutions in the UK, the largest outside the university sector. We have to do what we do for that research audience and it is completely different to what we do for the audience who are turning up as a visitor.

Alongside it is the media piece. What do we do that gets us as many TV documentaries made about the museum as possible? What do we do in terms of video and audio production? How do we make our licensing businesses as effective as they can be? They are all different things.

This only works if you are not building departments, you are building business models. They matter because they say 'this is the problem and solution of what I am trying to do and why. These are the audiences I am trying to serve. This is why I can do this better than anyone else and these are the metrics of success'. We use a business model method called 'business model canvassing'. You have to be able to capture your principle that says 'I am trying to build a business that is profitable.' Even if it is not, you try and build a business that knows where its money comes from and knows where it goes to. I am not just trying to build cool creative things; I am trying to build businesses that work.

On top of that, we are going to build a road map - a structured and sustainable plan that says Q1 next year we are doing this and to keep on building. The role of data here is to keep having a feedback loop coming back into the institution. For everything that I do

every day I have to be able to say this is the impact and show that and tell a story about that. I have to visualise the present in real time.

By this time next year I will have an analytics system in place that pulls together twenty-three, thirty, fifty different data sources for the museum and presents them through comparative KPIs, and shows how things fit together.

One of the things I found disappointing looking into what other cultural bodies are doing around analytics is that they aren't making their KPIs comparative. They are just showing individual bodies of data. There are examples of dashboards in other institutions that show you how many visitors you have, how many tickets you have sold, how many donations you have received, but they don't critically show those things in comparison to each other. This stuff is only meaningful if you can understand how those things fit together; you have to do those things in contra-distinction to each other. Otherwise it is just visualisation, information that you can report anyway.

On top of that is having a culture of optimisation. When I was in the mobile space, the guys who do bundling for that were all from the games industry where you optimise relentlessly to make it better. If any of you have played Clash of Clans or any of those games, the guys who make them change them ten times a day every day. They tweak them over and over again to keep focusing on what makes it better than it was before. There is never a static experience, it is always improving.

On top of that, evangelising. We are keeping on going out and telling the story of what this all means. We are celebrating success but also celebrating the failures that come out of it.

Then on top of that, you are going to get a model of how growth works. Today I think this is what is going to get growth for the museum. We are going to business models that make sense, we are going to keep on making our business models better, making our technology platforms better. We are going to keep integrating more data, making

the products more user-centred and testing to make them make sense. We are making digital marketing more targeted toward people and what they need. We are going to be more commercially focused so that we keep on being more efficient in our costs and we are going to keep on getting better partnerships that scale. I think that is the truth but at this point I am still a year ahead of that so I don't know.

The underlying idea behind this comes from a thing that Jeff Bezos did when he set up Amazon. Check out Amazon's supply wheel for growth. He said, 'I am going to keep on making my custom experience. I am going to all the time make the Amazon website better. I am going to keep on running down price. I am going to keep on adding more products. And I am going to cycle them all together. Doing that relentlessly all the time, I am going to be the biggest shop in the world.' That has worked and that process is one where you build the system and you have to keep at it.

A data-driven system is where I want to end up. My question is, I get to the end of 2017/18, am I now ready for predictive analytics?

You are a genius by this point. You put all this stuff together, your systems are integrated, your processes are working beautifully. Now you can genuinely start predicting how the future is going to work. At this point I end up back where I started. I should be able to have connected all these systems together, got the processes in place that connect them all up. I should be able to say 'We want to launch an exhibition in 2021, want to do it in this space, these are all the variables around it, what is it going to sell? I want to do a deal with a TV company. I want it to be on Netflix. How many people are going to watch it? How much money do I need to put into the marketing effort?' It is to get to those points. What is the exact spread of merchandise I need to put to maximise my income? What messaging needs to go through my Wi-Fi system, that is converting 10% of people who come today to buy tickets? Getting to that point is where I want to be by early 2018. That is the point where we can predict what the future looks like. Hopefully, if I have built it

right, I will know what omnichannel means, everyone will know what it means. Then we will really understand the power of what data unleashes.

### Conclusions

Go for a vision. That is the crucial thing. It is sad that virtually no one in this room can say what the visions around digital are for their organisation. That has to change. It needs to be big because it deserves to be big in this sector. We sit on the most amazing things in the world. Why are we not trying ambitiously to make the best of this? Build it off data. It is only data and connecting it together that is going to let you really get this right. Build business models. We run businesses. They do amazing, creative, cultural things but these are businesses. Through that I genuinely believe that we can transform the sector around it.

### Q&A

**Q. Emma from Harrogate Theatre: At the risk of sounding ignorant and asking you to unpick the jargon, when you say omnichannel, are there data companies creating that kind of software that can integrate all the different outputs?**

**A:** From the biggest to the smallest. At the biggest end of the spectrum, a company like Adobe. One of the things that has happened in marketing systems in the last five years is a company like Adobe trying to put together all of the technologies that run an efficient marketing operation in one suite. Adobe Marketing Cloud contains content management, building website and apps and that kind of stuff, digital marketing tools for running digital media campaigns, social listening, an analytics platform, tools testing and targeting different things, and they pull those all together. They were the first to do it. HP, Oracle, the big tech companies have been doing the same.

That is the big end of the spectrum but underneath it, from free or almost free to use stuff you can compose exactly the same system. If you wanted to do testing and targeting, there is a system that is free for very small stuff called Optimizely. It works

on top of your current websites and enables you to say 'if I move a button two inches up or two inches down, do I sell more?' It will run that in parallel. It then shows you that data, it automates it and keeps moving it around until it finds the sweet spot. There are lots of those kinds of tools that are free or near-to-free. In many ways, it is the fear factor of using it, rather than the systems. They are beautifully simple and easy to use, because they have to be.

**Q. What do you think is going to happen with Periscope?**

**A:** I think it is the thin end of the wedge. Live social media is a very big and interesting area. There are a lot of things in that space where doing things live on social media seems to matter to people more, somehow. It connects people to something in a nicely intimate way. It breaks a boundary that whatever other media you do can't break. The intimacy of being very close to a curator and an object is very powerful.

There is a live audio equivalent called Mixlr. We will see more and more of these. It has got the TV industry absolutely terrified. The football rights guys who are selling rights for £10 million a day are terrified that people are going to walk in with their phones and start streaming. It is good that they are scared. We can use that opportunity to our advantage.

**Q. Do you see us, within our careers, getting to a point where your department doesn't exist anymore because it underlies everything that everybody does, constantly?**

**A:** Yes. I used to work in book publishing and I was the first person at Harper Collins with digital in my job title back in 2006. Digital then just meant digital marketing. They don't have a digital department anymore but the guy who ran digital now runs Harper Collins. There is a well-trodden path in our industries where digital comes in, you build the department, you then disseminate the knowledge, and then your leadership has to understand what it means, then you can move forward with that. Ultimately, each new generation that comes into the workforce understands digital better as a native. I was using Facebook within a week of it being

launched in the UK, but I am too old to use Snapchat. Not a single person I know is on Snapchat. Each new generation is more immersed in that, you don't need to build the same skillset in the workforce in the same way. We are still a long way from having the tools and techniques and methods in place. I am not worried for my job today but I want to be worried about it in about five years' time. If I get to the end of this and I feel that I need to do today what I am doing now, then I haven't done my job properly.

**Q. In the museums and gallery sector, I am interested in how digital interacts with the curatorial part of the organisation. Could you talk about that in the context of this project?**

**A:** One of the core strengths for us is around gallery redesign. We have said that every time we develop a museum, from day one, we should be questioning what digital can do in that context. We budget for it, but also so that we can be in the dialogue. I have only had positive experience with that. The curators that I have worked with are totally embracing that opportunity. I think it is not incumbent on the curator to come across to the digital side of the river; it is incumbent on the digital guys to go to the curator side and see how digital can help. For example, what amazing things can digital projection do to kind of put back together broken stuff? We have a lot of broken stuff in our vaults. Digital projection can put the nose back on a statue. You have to find the angle of the conversation that makes what the curator wants to do come true. That messiness of what interpretation looks like, that's a longer question to solve because it seems to sit between four or five groups and digital becomes another voice in that. If you do it in a unifying way, that is the best thing.

**Q. Could you offer advice for an organisation where digital sits in the Comms team and we do everything else as well? We are at the point where we don't want people to think of digital as a separate thing. How do you change that culture when you have people who resist digital because it is going to add to their workload?**

**A:** I come back to the first thing I said, come to a vision of why it is important that you can express to people. That has made

my job a million times easier. There was a difficult conversation I had to have with one of our curators about a technology project we wanted to do that was going to impact significantly on their work flows. The good thing about being able to rely on a vision is that you can say, 'we have to do it because it fulfils our strategic need' and then justify it against that strategic need without having to get into any of the operational detail of exactly what is going to happen every day. It unlocks some of those moments. Otherwise you get lost in the detail of it and then the argument is lost. If the argument is 'we can only make things better because...' then people are more willing to suck up the pain because you can see where you get to on the other side. Your vision justifies why you are doing what you are doing.

**Q. I was interested in providing a Wi-Fi network and the ambition that you have to use that to get data on the audiences. What specific plans do you have to use that?**

**A:** The Wi-Fi, as it stands today, is just an email log-on. Over time, that becomes a social-user log-on. I am more interested if people can log on with Facebook, Twitter, whatever that is. It gives us a much more broad relationship. Then running a distinct version of our website for inside the museum. You have a different need in the museum, this is the event that's about to happen next. The British Museum has dozens of events each day. It would be quite difficult to unpack what is happening now. If I am five minutes away from a gallery tour, I want a message at that point. It is more on-demand marketing at exactly the right time. There is no point telling someone looking on your website in China that a gallery tour is starting in ten minutes.

Over time it can become a powerful channel for doing now-marketing. You have a super popular exhibition. If you hold back fifty tickets for 11.20am and flash-sell them but only to Wi-Fi users at that point it adds extra demand for why people use Wi-Fi in the first place.

With other things, like security and disaster management, mobile inside your building means you can message people instantly.

It all takes time and is part of the process, but if you have a mini-version of your website it can be a powerful conversion tool.

**Q. Privacy is obviously a big issue for people as you collect more data about them. It freaks people out when supermarkets know that people are pregnant before they do. Is this something you worry about? How do you deal with not freaking out the customers?**

**A:** We have to view this as a public dialogue and be utterly open with people that we are going to do this stuff. Just as if you are Facebook, a lot of your dialogue is around privacy. We are going to have to justify the data transaction that comes from it. In a way that story should be, we will make your experience with us better by understanding what you do here. If you can justify the value of that data transaction, I think you are in a good place. If you can't, if you are just collecting data but not visibly improving around it then you are going to be in trouble.

There are some weird things that happen. There is a marine wildlife place in Tennessee where you have to sign a form going through the door allowing them to collect as much data about your behaviour as possible. They will not let you in if you don't sign it. They are right next door to a big NSA. Everyone worries... That is going to be one of the questions around public dialogue.

If I looked at it from a bigger picture, one of the values of museums over the long term is that you have got to be in a public space. These were public spaces that people came to be anonymous human beings experiencing this amazing stuff. We have kept those museums free and we absolutely have to, but partly that economic transaction that we do not do is going to be supplemented by a data transaction that we do with people. Part of the experience for them coming in is giving us some measure of data about them while they are there. Whether that is explicit customer data or anonymous behavioural data, that is possibly part of the cost of doing business in future.

# Digital transformation

Carolyn Royston, Consultant

**Carolyn Royston:** The focus of this talk is going to be on digital transformation: changing the mindset and culture around thinking about digital in your organisation.

Before we kick off, a little about me. I was former head of digital for the Imperial War Museum (IWM) and I've been doing consulting since then. Before that I was at the V&A, project director of a very large e-learning project with nine national museums. That's really where I learned about complex stakeholder management. I don't think that project or anything like it will ever be repeated again.

Before that I was in the private sector - I worked at a digital agency - but actually my background was as a primary school teacher. I didn't come to digital at all through technology. I'm really interested in how people learn and about the way that organisations are organised. Then I look at how technology can help to deliver that and serve people better.

Since I've been working as a consultant, it's been an interesting year. I've worked with a whole bunch of organisations, mostly around how to kick-start and sustain a digital transformation process. That is what I'm here to talk to you about today. I'm going to try to focus on how you can maximise digital opportunities and solve those internal organisational challenges. It's mostly about strategies and techniques and tools and really how you can implement those and think about that.

Some of the organisations I work with include the Getty in LA to places in London and around the UK.

It has been a really interesting year. I guess what I've learned from all my travels and working with organisations, both large and small, is that they've all been at different stages of digital development. It has been great to be able to go in and provide an outside perspective. People listen to you

when you're a consultant - even though you're saying exactly the same thing, word for word - rather than when you work in an organisation. I know both of those things. I guess I really understand the context because I've been there. I really have.

There are similar organisational challenges around digital whether you work for a large or small organisation. It's scalable. That was really interesting for me because when I was at the IWM I thought I'm the only one that's experiencing this, the only one that's finding this hard.

When I left and went out into the real world, I discovered that wasn't the case. I'm saying that to you to not be too down if you're finding it difficult. Actually, everybody is probably sharing very similar issues.

Today, I want to focus on some of those challenges and ways you might overcome them. I want you to think about 2 questions:

1. How are the demands of digital making us change how our organisations need to function?
2. How do you kick-start a transformation process in your organisation and introduce different mindsets around new ways of working and collaborating?

Just have those two things in mind as we go through the presentation.

I want to talk a little bit about background and context and where I think we are at the moment. I also want to look at some of the key challenges. I am going to talk a little about my experience at IWM because it was a journey and an interesting one. I hope I can show you how I think you can affect change within your own organisation.

To kick off, let's think about where we are today in terms of digital. I think we have relatively mature digital presence in our sector. Everybody's got a website, most of

you are on several social media channels and also in different places in digital. We're kind of open 24/7 to a global audience and we have to think about that.

We're starting to see digital permeate every area of activity in our organisation. We're getting some new cluster engagement business models that are emerging through digital and our users are demanding high quality digital engagement across all our platforms, and across their own devices when and where they want to use it. They expect a seamless experience.

Social media is really changing our relationship with our audiences and making us think about scope and reach. I'm sure that all those things are very familiar to you today. We've got a complex landscape. There are a lot of areas that we need to consider and we are doing that in very challenging times with finite capacity and budgets and resources.

This is what the landscape is looking like in terms of our own organisations:



Maybe you don't have all of these areas, but I'm sure you have a lot of them. This is really about digital sitting in the heart of your organisation now. It should be embedded across all these areas - certainly it's permeating and has an impact whether it's direct or indirect in terms of the way your organisations are operating. That's really around your audiences, around your commercial activity, your infrastructure and your governance.

What about for our staff and digital? Digital was once an add-on, an afterthought. You might have had one or two people in your

organisation who were either dedicated to doing digital or fiddling around with it at the end of it, trying to do it on top of their other job. Really, in terms of the organisation and where it was centred, digital was very much on the periphery.

We start to see a maturing presence across channels, we start to see websites appearing and social media activity. Then it starts to move into being core to all your activities. Digital is everywhere, even if it's not acknowledged within your organisation. I think it is really interesting that it's now increasingly part of everyone's job, whether that's recognised or not.

That's quite a big shift depending on the size of the organisation. Somewhere like the IWM has 600 people. Even though that happened quickly, it was still very siloed, very segmented, and it was quite difficult for the structure of the organisation to adapt and change.

I think for smaller organisations perhaps this shift has happened quickly. The people, in some ways, are more versatile and more resilient and that blending and merging of roles perhaps has happened more naturally and quickly. Even so, I think this is quite a dramatic impact and perhaps not really acknowledged particularly from senior management.

We have this complex landscape, where we have digital now across all our activity. There is complex stakeholder management and a lot of people to think about - those balls around the digital circle. We're starting to see more specialist skills and new processes needing to be introduced in our organisations in order to be able to manage what's happening around digital. We've got these many channels of delivery and we are trying to decide where we should put our effort. Where are we going to have most impact as an organisation? We have a big challenge, basically at the end of it. This is complex and I think perhaps under-appreciated. People are trying to make this transition from operating in one way to moving into a more digitally-first, digital-thinking organisation.

Imagine yourself sitting in that situation, as

someone who's either trying to manage that or someone who's in the middle of it trying to make things happen. It's very difficult. The risk if we don't deal with this - because this is happening whether we like it or not - is that we're going to miss opportunities. We're potentially going to lose audience appeal, lose income and fall behind if we don't address these things.

When I read the reports that come out of the Warwick Commission and Nesta and such like, they all say this stuff but they don't really tell you what to do about it. That's the bit that I get very frustrated about. Let's state the problem, but we're not going to tell you how to make it better. This is really what I'm interested in and how I like to support organisations to think about it.

If you don't mind indulging me for a second, I think it's worth pointing out some of the common organisational challenges related to digital before we go into what can we do about it. I'm wondering how many of them are ones you recognise?

#### Leadership and digital

I think one of the big challenges is that there is a lack of leadership around digital. There could be all sorts of reasons for this. A common one is that people that are generally leading our organisations don't feel very digitally confident. Therefore, they don't ask the right questions or they don't think they need to do it. Everything I've talked about so far is happening but they're not really dealing with it or talking about it. They're not thinking about what that means and how that translates and how they can cascade that down into a vision for where the organisation needs to go. I think this is a very common problem. It's a handful, a small handful, of organisations that have got their heads around this.

#### Silo culture

Silo culture, certainly in bigger organisations, is endemic. When you're talking about digital you can't be siloed because there are very few digital projects that you can do on your own, sitting in a corner. You generally need other areas of the organisation to collaborate with you. It's very difficult if you're in an

organisation where they're not used to doing that.

#### Not audience-led

Again, I use museums because that's mainly my experience. Museums are very bad at this. They are very good at going 'we know what our audiences like. We know that they like that incredibly niche bit of content that six other people in the world like. We don't care; we're still going to spend a lot of time and money on that'. This idea of moving to a more audience-focused and audience-led approach is still a challenge. I think in the arts sector you're much better at this but I think this is still a problem. We call it the Death Star approach to thinking about audiences.

#### Unclear priorities

Priorities are unclear and you have too many competing projects. Everybody wants to do something digital, everybody has a project that's really important, and actually you can't do them all. The organisation finds it really difficult to know what is more important. What should we be doing and what should we stop or what should we put to one side for now because actually this is much more important? Because you have that lack of leadership, you don't have clear priorities. Often you're making them up yourself or you're fighting with your colleagues and it's basically quite unproductive.

#### Changing roles and responsibilities

I think this is a really interesting one because what you're increasingly seeing is new roles coming into play: Head of Insight, Digital Fundraising, Digital Marketing, Digital Education Officer. All of a sudden all these bits of the organisation are starting to implement these new roles. They are a test of clarity. Where is the line between these things? Where does the Head of Insight sit? It doesn't even matter, but what are they doing? How do all these things interrelate? Because you have that and that and that, it's often very unclear.

#### More digital and less resource

More digital and less resource from budget.

Let's do more, more, more, yes, yes, yes!  
But actually, I'm going to take away that resource and I'm not going to replace that person and your budget's just been cut. But can you still do it? No, it's very difficult.

### Existing processes not suited to digital delivery

Often we're working in very analogue ways or we're working towards an exhibition eighteen months down the line, and we're trying to do digital projects that we need to get out quickly. Or we want to do the work in more agile and iterative ways and the organisation isn't ready and prepared for that. You're trying to fight processes that aren't really working.

### Lower digital capability among staff

This is a really big one for me: you have these digital ambitions, but your staff don't feel confident about how to use digital in order to be able to achieve those ambitions. Who's going to change that? Is it going to come from your HR or training department? Probably not, I would say. So who's going to drive that change? How's that going to happen? How are you going to do that when probably the training budget is the one that gets cut first? This is a real problem. I go back to those reports that say, 'there's a lack of digital confidence or a lack of ability in our arts and cultural sectors...' Well, how is that helpful? We know that. What are we going to do about it? I get cross about that one because I think it does need some thought and some help.

### Resistance to Change

You're trying to do something new and people just really don't want to do it. 'We've always done it like this.' How many people hear that? 'I don't want to change, how is what you're doing better?'

Are these things familiar? Have I left any out?

A: I don't know if it's necessarily a different thing. When I'm asked to do something digital there seems to be a lack of knowledge of how long it will take. It's like, 'It's digital, it's not a real thing that you're

making, just do it right now.' Actually it'll take me about 2 days to do this and that's something I do struggle with.

Carolyn: Yes, yes. I would say that's a really big one and probably fits many of these. They don't understand that it's content and that takes time and thought, it isn't just pressing a button.

A: A common challenge I seem to have is the expectation that digital is going to fix everything. It's going to sell tickets; it's going to... It puts a lot of pressure on the one person who is doing the digital project.

Carolyn: I really wish I had that thought, that Digital will solve everything. I think you're absolutely right. It's ridiculous.

I totally understand - I'm sorry.

A: We've got a weird one. There's an envy from the analogue side of things. They feel like there's a whole group of people missing out. Why can't we replicate all of that in the analogue world?

Carolyn: Digital envy!

A: Just for them to understand that it's not always possible. We're doing it because it's possible in digital; it's not possible in analogue form.

Carolyn: That's an interesting one. That's about a change in mindset, isn't it? They need to stop doing what they're doing, and start doing more of what you're doing, maybe? I don't know...

A: I've experienced this idea that digital is free and it means that it will solve everything, it's immediate and it's free.

Carolyn: Yeah, and then they get cross when they realise it isn't. It's your fault because you've wasted money. 'Look at that organisation over there who did do it for nothing.' That's a very good one.

A: The idea of 'Do more digital, it's free' really worries me. That's something I've had to fight. It isn't free, because you're paying me. If you want me to do that or something else, there is a cost to that. The other thing

is having to talk about evidence. I haven't always been good enough at being able to show what benefits are so you get a resistance to doing it and you just don't. You need to make the case. If you want to change people's minds, and change the way they've always done it or the way that you've always done it then you have to be able to convince people it's worth changing.

**Carolyn:** I think that's a really interesting point because that's about advocacy and also it has a bit about being able to tie things into priorities. Then people understand more about why you're doing what you're doing and it's easier to show the benefit. Again, if you don't have that clarity and you don't have that leadership, it becomes really muddled.

Those are all great points - it's why I like talking about this stuff so much, because it's not really about digital; it's about people and it's about your role in trying to make these things happen. It's about all the kind of plethora of skills you need in order to be able to do this: being able to communicate, advocate, and drive new change. It's a hard place to be in.

Out of that stuff, in this complexity that you've got, come the questions:

**Which digital channels and opportunities are going to create new engagement and business models for us?**

**How can we make better use of audience insight so that it actually helps us make our case and it helps people to understand about the impact of what we're doing and why we're doing it?**

This is all about understanding value and impact. It's about understanding your effort and that you have finite resources and limited budgets and that things do take time. It's about actually being able to demonstrate that and moving it from this dream digital world where nothing takes any time at all to the reality of actually how long things take. It's about explaining why you're doing them and why it's important.

**What are priorities and how do you decide?**

Those are the kind of questions that it's useful to have in the back of your mind as you think about how you organise your activity and how you organise your time.

When it comes to whether your organisation is really set up to deliver what your audiences want around digital I would say it's unlikely. What do you need to do to start to make those changes happen?

I'm going to run through what happened when I was at the IWM. This is just a case study of my experience and it's one organisation and it's not necessary that you should be following every single thing that we did. The reason I'm using it is because we did have a change in mindset at that organisation. We did have a transformation, I think it's still ongoing but I thought it would be useful for you to just see the kind of thinking and experience we went through.

When I joined in 2009 there was lots of change going on. There was a new Director-General - she had only been in the post a few months. I was the first person that she appointed. There was no digital department and she realised it was absolutely critical for the organisation. We had a massive capital project because we had the WWI centenary. That was the biggest moment for the museum, as it was founded during WWI. Our flagship site would be shut for over a year and we had a lot of catching up to do. Our digital was really terrible.

At the beginning of that journey we built up a digital media team. It was the first real investment for the organisation in public-facing digital media. We had an old website that was no longer fit for purpose and really dreadful experiences in the gallery like televisions that were really twenty years old.

Everyone loved it, right? But it was really dreadful. We had very little social media presence and the reason for that was that it was 2009, and it was still perhaps not as common. It was also that, because of the content of the museum and the challenging subject matter, people were very risk-averse and worried about what would happen if we went on social media.

There were very complex IP and copyright

issues because it's a contemporary collection. Some of it is under Crown copyright, some of it is under party and some of it is museum-owned: it was just a mess. You would go and ask that person and they would say 'Yeah, go ahead, use it' and you would ask that person, and they would say, 'No'. Then you'd be like, 'Mmm, I don't know what to do, I'd better not do anything.' That was basically how it was; it was extremely risk-averse in almost every area. That was actually an amazing place to be because there was only one way to go. I could obviously massively fail but it was likely that, at the very least, I was going to have a small success.

We had a strategy for the first two or three years when I was introduced in 2010. That was about establishing the department and delivering some key projects. We needed a new website, we needed new collections online and we needed to start on upgrading the galleries. We needed to build up our social media presence and we needed to build an infrastructure because everything to date had been around 'let's do that' or 'let's not do anything.' But when it was, it was like 'Oh, let's just build another microsite, let's just do this thing over here, let's do this thing.' I stopped about 35 projects when I first went there because mostly people didn't even know they were happening and they made no sense! I was actually stopping and saying, 'No, we need to have a strategy here that's about starting to build an infrastructure that then enables us to do really exciting things.'

It was a challenge to get there. I didn't realise when I went in there, but this was really about me being a digital advocate and raising the digital agenda. I was going to meetings and saying 'digital digital digital' in a kind of weird trance-like state, rocking backwards and forwards often head in hands. I only stormed out once, but it was really good and it was like I actually needed to do that because otherwise it would have just carried on.

We made a new website. We put 750,000 more collection items online. We allowed them to be zoomable for people to download them for free. This was all kind of massive for the museum.

We started to look at our collection and started to think about it as a way to tell stories. Let's not just put up a tank and how many things it has killed and how many miles it has travelled and all the terrible stuff. Some people are interested in that but actually we want to know more about what it's like. What's it like to sit in a tank for fourteen hours straight when people are attacking you? What's it like to fly in the Battle of Britain? The collection is emotive and personal so why aren't we doing more with that and connecting our audiences more with the stories behind the museum? It's not a military museum; it's a social history museum so let's focus on that and bring that out.

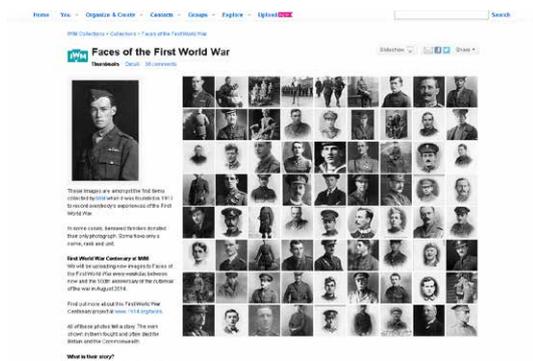
We started to increase our user-engagement around Facebook and other social media channels. This is a really great example where we put something up - the museum is driven by anniversaries - and we allowed our audiences to talk to each other, without us interfering.



Really amazing things started to happen, where they told us stuff that we didn't know. There's so many things that the museum doesn't know about the collection. Then we started to feed that back in to the curatorial department and they started to change the catalogue based on things that our audiences were doing. All of this stuff where the museum had gone from this place of 'We are the authority, we're going to push stuff out, we're going to tell you stuff,' started to change and we started to open things up. We did it incrementally. We told the museum what we were doing and why we were doing it.

Bit by bit, people started to get on board with this. We looked at different channels and we experimented. This is something that we put

on Flickr, a year before the centenary:



We had 100 photographs of people that served in WWI that we didn't have any information about. We put them up on a Friday and over the weekend, we had 1.5 million hits and people actually telling us more about who these people are. We were amazed. It was an experiment and we didn't know how people would respond but we were absolutely amazed by it and encouraged.

We started to build strategic partnerships. We went onto Google Art Project. No one knows the museum has the second largest contemporary art collection in the UK after Tate because we aren't able to display it. We realised that we needed to go to other places where we had an opportunity to put our art collection alongside other of the world's greatest art collections. Suddenly our art is sitting alongside the Louvre and the MoMA and the Met, and everybody else. It was just another way for people to discover more about who we are and what we do.

By the end of 2012, we had delivered on those key priority projects and some were still ongoing. We had put a technical infrastructure in place so we had spent time doing that. We started to feel confident on social media. The department was growing because the activity and the interest had got more and the centenary was ramping up. We started to raise our profile, as well as our external profile, so people started to talk about the museum and what we were doing. That had never happened before.

We started to see new digital posts occurring across the organisation. We had increasing financial pressures and they were driving modernisation. So again, that thing

of 'digital will solve everything' came into play. The organisation was also looking to be more entrepreneurial and looking at how they could maximise digital opportunities for the centenary. At the end of 2012, our Director-General said 'digital is our most important channel going forwards.' If you think about where the museum was in 2009 and where it was by the end of 2012, that is a tanker. That is like turning a tanker in terms of organisational change. It was really really rapid.

I say all this not in a glory way. I was quite amazed by it myself. I didn't expect it to happen so quickly or for it to really take on like this. I say it because I see it's possible. You can do it, and it's scalable. This is what we did for the museum, but when you talk about smaller organisations it's still 'what's important? Where are your priorities? How can you make this happen?'

Digital really started to drive change and it was permeating every area of the museum. This was another issue that came up where we had non-tech staff who wanted more control and responsibility. That digital capability thing came into view and we had to start thinking about quality control and how do we manage that? We want people to do more things, we want to encourage them to be more digital, but how do we maintain that overall oversight and control without being big brotherish about it?

We had very high expectations now from senior management. We were victims of our own success basically. They wanted to know what digital could do next. 'Now you've done this, where do we go next?'

How's digital providing new forms of engagement for us around new audiences, new products and new partnerships? What was happening as a result of all of this was that there was a change in organisational thinking and culture. The fact that these conversations were even happening was so different from where we had been.

So what next? Where did we go?

I realised it was time we had a step-change. The strategy that we had didn't feel relevant anymore because we had delivered on

those things. Where next, what's our ambition?

Instead of just looking at what a digital media department can do, I wanted to look at how we could move digital so that it was actually at the centre of the organisation. I wanted to build a strategy for the wider transformation process. I wanted to look at four key areas and to really think, in the context of the museum, what we could do to help drive that process.

I'll talk about each of these four key areas in a bit more detail:

1. Leadership
2. Transformative projects that are going to make change happen
3. Introducing new processes so we could do that digital delivery more effectively
4. Building the digital confidence of our staff because we had very low digital literacy in the museum

So how did all of that translate in practical implementation?

The leadership question was really interesting for me. It comes back to that point I was saying at the beginning, of having that vision. It was about really challenging our senior management team to think about what leadership means in the context of digital. How does it better serve our audiences and help us to better connect with them? What's the impact for our staff both in terms of what they need to know and the skills they need, but also in the way that they work? That could be around collaborations and different forms of working. What's the impact on our day-to-day operations and our processes? It was thinking about those things and then translating those thoughts into some kind of vision and roadmap that they could cascade down into the organisation to help understand what the priorities are around digital.

We had to come up with a clear vision, a practical roadmap and implementation so that everyone understands what the priorities are and how it contributes to that vision. If you start to have a clear idea about what's important, then actually it becomes

a lot easier to say 'That project really isn't important, I don't know who it's for, I don't know what the impact is, and no one is measuring it. I'm not doing it anymore or I'm going to change it because actually this thing over here is going to have a lot more benefit for the organisation.'

You start to be able to have more clarity around your thinking, which then enables you to budget better, resource better and schedule better.

I guess what I would say about leadership is - because we don't necessarily have it at the top of our organisations and we can't expect them to suddenly be thinking this way - can you do it? Can you start to do some of that thinking? Can you start to collaborate with your colleagues to put together some of these ideas that you are then able to advocate up to your management team? Are there different ways that you can think about that? Could you just say to your management team 'this is what we need. Let's think about some of the questions that we need to ask that are going to help us to get to this point.'

It doesn't always have to be a top-down activity. That involves taking some initiative, having some confidence, and maybe taking a risk. If you can find someone else to do that with, or a small group of like-minded people, then suddenly you can move into a different place.

Regularly review what you are doing. Don't put a plan out and then not look at it again or just carry on mindlessly in the vain hope that you're achieving what you need. Make sure you are course-correcting and taking an honest view about what's actually going on, things you've got right, things you got wrong, and things you can change. It's all really important, all new thinking, all new ways of working that require that kind of transformation.

Put in some measures of success. It could be quantitative, but it could also be qualitative. How are your audiences interacting with you? How are they engaging with you? What are they like? What do they like? What don't they like? It's important to be able to put some criteria around the

things that you're doing, so that you're able to report back.

In an ideal world, you're working in an environment where maybe things aren't working well. That's ok, you can think about how to make change happen. It's not like failure and we're going to punish you. There are powerful tools and powerful ways to look at what our digital audiences are doing and how to really maximise and think about how to do that and what's important.

So why now?

We've got digital disruption across everything. We've got increasingly connected audiences who demand all of this and we have these financial pressures. So where can digital make a difference?

Think about some of the things that you might want to do. How could you use your content and resources to create better customer experiences? Is there a project that possibly could increase revenue opportunities? Are there projects that will strengthen your brand? There are a whole set of things here that might be important to you.

At the IWM we thought about what was coming up and what was really important to us. What projects can we look at that we know are already in our planning that we can start to badge as transformative projects, and projects that can make a difference? Can we think about working in a different way around those projects?

One of the very first things that we did as part of this digital transformation was we created some new job descriptions. We didn't change the people, we changed their job and their title and we moved them from being Project Managers, and we called them Digital Product Managers. Even though that's quite a subtle semantic difference, it actually moves away from the idea of a project that has a beginning, middle and end to a product that has a life - an organic life and it will grow and change. That's generally how our digital projects work; there are very few projects that end. Actually assigning people to manage a product changed the mindset around what we were doing and

stopped that idea that a project finishes when we launch it.

We talked about these being industry sector roles, they're not museum roles. What happened was, when we did have a post coming up, we got very different applicants to the ones that we would normally get had we called it Digital Project Manager in a museum. We got people who were product managers from other sectors. It brought new thinking into the organisation and it was really interesting. Just a semantic difference made a change.

We introduced new Project Management discipline. We started to talk about agile as a way of working. This idea of planning and building and testing. It's iterative and there's that feedback loop. We didn't introduce it in a hardcore way, because we knew it wouldn't work in a museum. We just started to subtly change how we talked about the way that we were running projects. When we worked with the team, we said 'We're going to try and work in this new way.' We didn't use tech terms, we just said 'We're going to try and work in this way where it's iterative. We're going to work in small sprints of work so that we can test things out'. Just bit by bit we started to introduce a new culture and thinking around the way we were running the project. We chose those transformation projects that we had badged so people were quite clear that this was part of that process.

We became more audience-focused and we really took a hard look at our audiences. We knew that we were great at super-serving audiences that already loved the museum. We make masses of content for those people - the ones that love how many things a tank killed and that kind of stuff. We underserved everyone else because the people in the museum didn't think it was important.

We said we were going to create some new web audiences and we were going to better target our digital products and services. We asked ourselves these questions:

- Where do those people that we are underserving consume their content?
- Who are they? That was interesting.
- How do they like their content served

up? Do they like to look on a tablet, on a desktop? Do they want to go to their own social media channels?

- Do we have content that they'd be interested in?
- How do we reach them?

We tried to take a very different approach and came up with a whole set of new web audiences that were loosely mapped onto the people that were coming into the museum. We were basically saying that we super-serve them, we kind of super-serve them as well, but we don't really offer these people anything. We talked to the museum about how we could change that and what that would mean in terms of content.

I don't know if any of you know Matt Locke from StoryThings but he talks about this idea of attention, behaviour and circulation - the ABC of storytelling. He talks about how digital is changing the way that people consume content and how we tell stories. He says you have to think differently. We've gone from everyone queueing to go to a film in 1920 to everybody sitting around watching a television programme. So how do we create content now for those audiences? What's the impact of this now in terms of the way people can see new content?

We have to design for new attention patterns. People want small snackable short content. What about their new behaviours? They want to be able to find things where they like, on the devices that they want, and using the kind of interfaces that they're used to using. It's about circulation, not distribution. What we're looking at is how can we get our audiences to do our marketing for us? How can we get them to share that content, circulate that content and how can we do it in a way that's easy for them to do it?

We took all of that on board and thought about it. I very quickly want to show you what that meant for one of our target audiences. At the very end of this spectrum, was what we called the History-phobe. This is an audience that's not generally interested in history and has little or no knowledge of historical events. History-phobes will probably never ever watch a history programme, read a history book or say

that they know anything about WWII. But they can be engaged by material that isn't obviously historical. What could we build for those people? Maybe it needs to be around their hobbies and interests? Maybe we can make use of the rich media we have in our collection to hook those people into finding out more.

History-phobes are people that like Downton Abbey and Mr Selfridge. They like to use Pinterest and they like things like BuzzFeed where they can look at amazing photographs. We have content for all of those people. In fact, most of the content has been sourced from the museum for those programmes and those things. Nobody would think to go to the IWM for that and they certainly wouldn't step through the door.

This was mind-blowing for our teams when we talked to them about this, our stakeholders. Of course, their whole model is about driving people through the door and people just love the museum and they will just come. It was about how do we reach out to these people and what sorts of things do they do?

With Who Do You Think You Are - which is filmed every single week in the museum - basically. People don't know that actually they're sitting in the IWM looking at the archive to help them learn about their own story.

Can you see what I mean? It's about moving out of that museum-organisation-Death-Star focus into something that's about your audiences and what they want and what they do. Then what do you create for them? That really had an impact on the things we were doing.

We started to think about making a list, basically. BuzzFeed's really popular and they seem to do quite well with lists. We have amazing photographs and if I'm a History-phobe I might be interested in those amazing photographs. I might want to share them, and I don't care about the history. This is history-lite. But amazing photographs about camels in the WWI! A camel battalion. Brilliant.

We started to use our film. We looked at things like D-Day, where there's huge public interest in that anniversary. They're more likely to go to the BBC or some other platform so actually it was about making our content, changing the way that we created it and approached it and then thinking about different channels.

This is an iteration. It shows you we went from that design to a different design, we tried different things out, and we looked at how people were using and interacting with what we were doing.



Over a couple of years, we changed according to audience behaviour. We still kept that idea of 15 powerful photos of the blitz, when you don't need to know anything about the blitz but they're still amazing.

We looked at podcasting and really making use of the sound archive and telling stories. This podcast series, which was 100 podcasts telling the story of WWI, was in the top 3 of iTunes for all of last year.

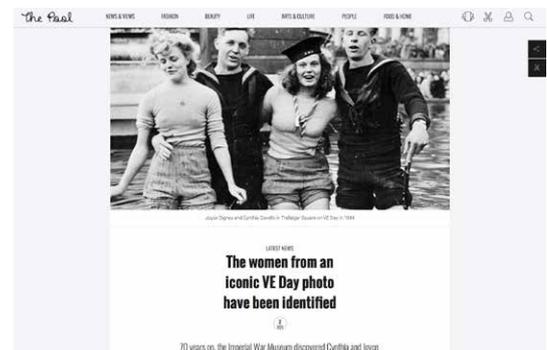


People didn't come here or our website, they went and found it in iTunes. Again, we were just changing the way we were approaching things.

We started to look at how we could use Instagram better - using hashtags and thinking about how we could engage the public again in very easy-access things like wedding photos during WWII.

Then, we got picked up by BuzzFeed, around our WWI art. Then it was like 'Oh My God, maybe they're onto something in the digital department'. Suddenly, we had this massive spike of interest. Our WWI art got picked up.

This is one of my favourite things which you may have seen - it just happened a couple of months ago.



The museum had an iconic photograph in its collection of two women who jumped in the fountain in Trafalgar Square on VE-Day. We didn't know who they were. The museum - this isn't me, this is the team now - put this photograph up on Twitter and Facebook and said 'Does anybody know anything about this?' Within an hour, they found out who the two women were: one of them was dead, one of them is living in Canada now. They found out, through the niece of one of them, that these sailors spontaneously jumped in the fountain with them. It got picked up everywhere.

Can you understand where I'm coming from? It's about changing the mindset around what the museum is and who we are and how we engage our audiences and how it's possible to do that through a whole bunch of different channels. All of it's about content. None of it's about digital. It was just about changing the way that we approached what we were doing and our audiences.

We started to attribute proper success measures around this. That could have been pageviews or shares or referrals, and also if there was a commercial outcome. Did someone go ahead and buy that photograph of those women, or did somebody make a donation?

It was actually being really clear about all of those things and being able to say 'No, they didn't buy it.' Why didn't they buy it? Was it because we didn't have the right journey? Was it because when they got to the page where they had to buy it, it was such a terrible third-party site that people just threw the phone across the room? Was it just not compelling or actually do people not want to do that stuff anymore? It's about being able to have the space to have those honest conversations around those things, which we'd never been able to do before. Some of it's difficult for people to hear. They hang on to stuff; it's their pet thing. But that comes back to that change and that advocacy.

We really started to look at the insight. We started to think about how we could put that together from what we learned and how we could share it with our stakeholders and really make it understandable in their world. We cut out stuff that wasn't relevant for them, made sure we used non-tech speak, made it something that would be useful. We created a feedback loop so that we could talk about the things that didn't work and the things that did. Putting all of those things in place was part of that transformation process.

I had an idea on a bus that, in order to look at the whole digital literacy question in the museum, we should start a computer club. We should do it in a way that's fun and informal and not techy or in a windowless IT room and isn't about Excel Level 2. It's actually about having fun, picking up stuff, playing with it and giving people in the museum that opportunity to do it.

We made lots of adverts, put things on the inside of the toilet doors and we put things on the intranet. There were moments where I thought I might get fired. I didn't but I did go to the Director-General at the very beginning and I said 'I want to do this and I don't want this to be a training department initiative,

I don't want this to become some heavy-duty thing that is completely joyless and lacking in fun. Please let me do it like this. If it doesn't work, if you get lots of complaints, we'll stop. But please can you back me?' She said, 'Absolutely, what do you need me to do?' I said, just come to a session - let people see you be there, and tell all the directors they need to come as well. She was good, she humoured me.

We set up a games day. We had a room not dissimilar to this one and we just put up things like Connect. We had an old-fashioned ping-pong thing and we had Guitar Hero and we had all these crazy games. People just brought them in. We set it up and people came in their lunch hour and had a go. It was great, it was so much fun. They got to try some things. It was broadly work, in the sense that what we were really trying to show people was that there are different ways that you can interact with technology that aren't just about using a keyboard and a mouse. There are lots of different things and how might that translate in a gallery space, for example.

We did a coding session. We used a children's code called Scratch and we got them to try to get the cat to move across the screen. They loved it. They were like, 'When are we doing another one?'

We had stickers. This is key. If there's one thing that you take away from today - take this: you must have stickers. Everyone loves a sticker. Everyone. I don't care how old you are, you love a sticker. We took a lot of time over these stickers. Probably way too much time. The reason we did it was that we wanted every session to have its own unique sticker so that people wanted to collect them. People started to put them on their badges, on the back of their badges, and around their computer screens. You went into the Finance Director's office and he had them all around his computer. It was great and quite unbelievable. If you came to five sessions, you got a special one. You are an egghead.

They were quite coveted, by the way. It just became a thing in a museum where, basically for 3 years, my office view was a swastika on the end of a plane. It's tough

stuff in that museum. It's really tough. Suddenly we gave people an outlet, an opportunity to have fun and play. Some people had never held a tablet before, they were like, 'where's the keyboard, I don't get this.'

We were amazed actually about the literacy level, the digital level of the museum, but this became a thing they felt they could come to. Of course, the HR department wanted to appropriate it and make it completely joyless and I said 'No. No, you can't do that.'

Now I think about fifteen organisations are doing their own form of this because it's completely adaptable. This was ridiculous and it was over-the-top. We took it very seriously and my team humoured me, and I had a team that helped me do it as well. I don't want to say this didn't take time. You have to think of how to plan a session and you have to think about what the content is but people have adapted it.

I think there's a museum in LA that's doing Tech Happy Hour they've called it. You can come up with something that works but it's the principle that's important. It's like, 'How do we engage our staff with the stuff that really we need their help with?' Actually, it's stuff they want to know about and they're frustrated about. For whatever reason, they don't feel confident or they feel that they should know it and they don't and it's embarrassing or they don't have time. I think this is one of the new challenges for digital departments and for people who are doing digital across organisations, is that you have to drive this. It's not going to come from your training department, it's not going to come from your HR or whoever does the training. This is one way you can go 'I think I've got an idea. Can we think about this?'

I just put it out there. That is frankly the legacy from IWM, my legacy. Here is some of the unsolicited feedback that we got.

'This was really fun, I was worried this was going to be another boring afternoon of training.'

It was great, honestly. It was just so energizing and really positive and when you

think about the organisational stuff you're dealing with every day, trudging through that, to actually then be able to produce something where you get that positivity and unsolicited feedback is really great.

This was something that I didn't finish, but that I started. The next layer up - the less fun bit - was really starting to think about digital in terms of skills and what people need. It was finding new approaches to training and delivery and how we can do things that are more on the job, how we can use the expertise of people across the organisation who have skills but perhaps aren't utilising them, and how we can make it a strategic objective.

Going from that idea of how important digital is and how it's going to help us make everything better to actually skilling people up is really an important part of this and we have to take it seriously.

Why are all these things transformational? We worked with the organisation to look at how digital could solve some organisational challenges. We modified our business processes and changed the way that we worked. It had an impact across the whole museum and it wasn't just about digital. It wasn't about technology. It was really about the change in mindset and culture. That is my case study around IWM.

So how can you - just really quickly - how can you affect change? These are some of the things you might want to think about doing. It can be small things.

Go and talk to colleagues about projects in a non-digital way. Have a conversation about the problems they're trying to solve. Ask 'how can we help, what are you finding difficult at the moment? What would you like to do more of?' Actually, just doing more of that listening and that empathetic thing is important. Use active listening to not go in there with your own ideas, but ask open-ended questions. De-jargonise the tech speak. Talk to people in a normal way. The idea is to try and gain a shared understanding, to try and get people on the same page.

Look at how you might be able to introduce

new ways of working. I talked about agile and this idea of user stories, so you're using that idea of 'Who are your audiences and what are they doing and what do they like and what do they need?'

Use collaborative tools, things like Google Docs or a Project Management tool like Basecamp or Trello. These tools that are out there can start to help you put to work more cross-functional team ways. Build a community in practice where digital skills and digital project management can be nurtured. What we did at IWM was we started with one team, the Education people, because they had a specific project. We said 'we want to try to work with you in this way' so we did it in a very small scale way. We started to build a community of practice where they felt confident when we left the project that they could carry on working like that.

Develop a culture of innovation - being able to make mistakes and try things. Prototype ideas in small and low-risk ways. Use the free digital tools that are out there that can help you to do that. Bring together different skillsets when you're looking at a problem. Maybe someone you don't normally work with or someone you don't work with very often. Bring together different ideas so that you can start to be creative about what you're doing. Try to test it out on audiences, even if that's standing in your visitor's faces with some paper and going 'Do you like this?' and learn from that.

These are all small things that you can think about doing, digital skills development. Brainstorm some ways you might create learning pathways to spread digital capability, like 'who in the organisation might be interested in that?' If you have people in Education in your organisation, they would be a good place to start because they do understand about how people learn and they'd have some really good ideas about how you might want to introduce new ideas or new concepts. Is there on-the-job training, like I talked about with agile? Can you sit down with your HR department and think about a new training programme that's relevant? Are there more informal opportunities like a computer club? All of these are scalable; you don't have to do

big-bang productions. They can be very small things, because it's about ripples, not seismic change.

The disruption's already happening, you can't stop that. It's all about your change in thinking and culture. It's generally not a technology issue. It is about leadership, it is about thinking about those projects that can drive change, it is about opportunities for new ways of working and how you build that digital confidence among staff. It's about incremental change.

## Q&A

**Q: What does an organisation look like when it starts thinking about not being a museum, but thinks of itself as an organisation which is a host of stories. It's quite a big shift, isn't it? How far down the road is the IWM and what does it look like and feel like?**

**A:** I would say that it's at the beginning really. I think that to even get to the point I was showing you, remember I left a year ago and they've done more iterations since then, was massive. We had to change the way we commissioned content, we had to have new editorial processes, we had to make big change - I didn't go into it, but we had to make big change about the way we thought about content. There was an awful lot of that kind of work that went on, and there was quite a lot of resistance. A lot initially, because one of the things that we did as well was when we introduced it, what we said was we need to produce a lot more stuff and we need a lot more people to produce that stuff. We're going to start putting people's names on those articles so that people can follow them if they like that style. People were really worried about that, they were like 'it's the museum, and I don't know if I want people to...' All of that kind of stuff was really changing from that museum-thinking into something else. It was hard and I would say it's incremental. We were in a very unique position, because we had that centenary. It enabled me to power through on a lot of things that a lot of other museums are straggling with. We had to move and we had to make sure that we were in a position when the centenary hit that we had a lot of content because there was going to be a lot

of focus on the museum. I would say, in no way is it easy. It's a journey.

**Q: It sounds like it was a lot of work to build all that new content and that broadening out perceptions of roles in the organisation was key to that?**

**A:** We basically said to everybody in the organisation 'you have the potential to be an author' because there's a mass of expertise. What was happening for the history experts audience and the researchers was that we had a small group of very knowledgeable historians who were making all the content. It made no sense in a museum of 600. Actually our front of house staff had amazing knowledge as well. It was about really widening that up. We were trying to aim for 50 of those camel-type articles every month. We changed the criteria about what was important in terms of content. It became about things that were interesting or things that were aligned with anniversaries and it stopped being niche. All of that was a change.

**Q: What was the impact on visitor numbers and how important was that?**

**A:** You mean physical visitors? None. We had no impact.

**Q: So they recognised that this was the engagement that mattered?**

**A:** This was digital engagement. If there was a knock-on effect then great. Obviously, when we were talking about content that was about the exhibition or coming to the new gallery or whatever it was that was different. But that content was about digital engagement, for digital audiences.

**Q: I think that's the biggest challenge, is that end-goal, for a lot of our organisations at the moment, it's got to be seen to translate into sales or footfall.**

**A:** It does. It's difficult. And that's where you need to put those measures in. But actually, you're more likely to sell things I think, if you have compelling content and ongoing engagement. But it's again, all about change and changing mindset.

**Q: Thinking about the content and the change you had in the type of content you were producing, did you experience any resistance in terms of change either from the people who were history experts or from the staff within the museum and how you countered that?**

**A:** We did. We didn't stop making content for those audiences. We just made different content. That would have been a whole other presentation; it would have been hours of your time, I couldn't possibly drone on for that long. Basically, with each of those audiences, we worked through the kind of content that they would want. For a history expert and researcher, we talked about long-form articles and much much more in-depth material. We were strategic when we had our commissioning meetings about who we were going to make the content for and why. Instead of just making loads of those kinds of things for something like D-day, an important anniversary, we would maybe make one or two long-form articles for that audience, but also look at the others. Often it would be the same content but repackaged. You have to get smart about it. It's not about six new things. As I said, you have to practice and work through it. It didn't happen all at once. There was resistance; some people were very cross with us.

**Q: I just wanted to know a bit more about how you established those demographics like History-phobe, etc.**

**A:** We made it up.

**Q: Yeah, I was thinking, did you just make it up or was it from some data or something?**

**A:** No, we made it up but we based it loosely on our audience segmentation for physical visits. We try to think about it in terms of the digital environment. We said, 'We've made these up,' and we talked about the characteristics for those audiences and we also said that if they don't work, we won't use them. We were quite transparent about our thinking but the real thing was we have to change. We can't carry on doing what we're doing. Here's our stab at trying to make it different, but we might be wrong. Let's see. I think that was kind of our approach but, very scientifically, we made it up.

Q: You touched on a meeting about content - how detailed was the planning? You talk about empowering people and giving them responsibility but how much of it was planned in advance?

A: What we did was we had six-weekly meetings and we had our stakeholder group, which was everybody who had some responsibility around anything public-facing. That was education and marketing and PR and someone from Commercial and we looked at the beginning, because we were starting from zero, we looked in very short term. Then we started to build it out. We were looking six-eight months ahead because the museum is anniversary-driven and we had the centenary and there were some things we knew were happening no matter what. What we then did was say, 'Who is this important for?' Is this a really niche anniversary that actually only an expert is going to be interested in or is this something that's got broader reach? Is this something that's going to hit the press and that the BBC are going to be picking up on? Is there an exhibition opening? We created a calendar that was already in existence and we started to plan around that. We talked about the audiences we wanted to plan for and then we basically did a brief. We said 'this is what we're looking for' and members of my team met with historians and other people who were creating content and developed the ideas with them. It was a collaboration.

