
Ministry of Stories Business Model Case Study

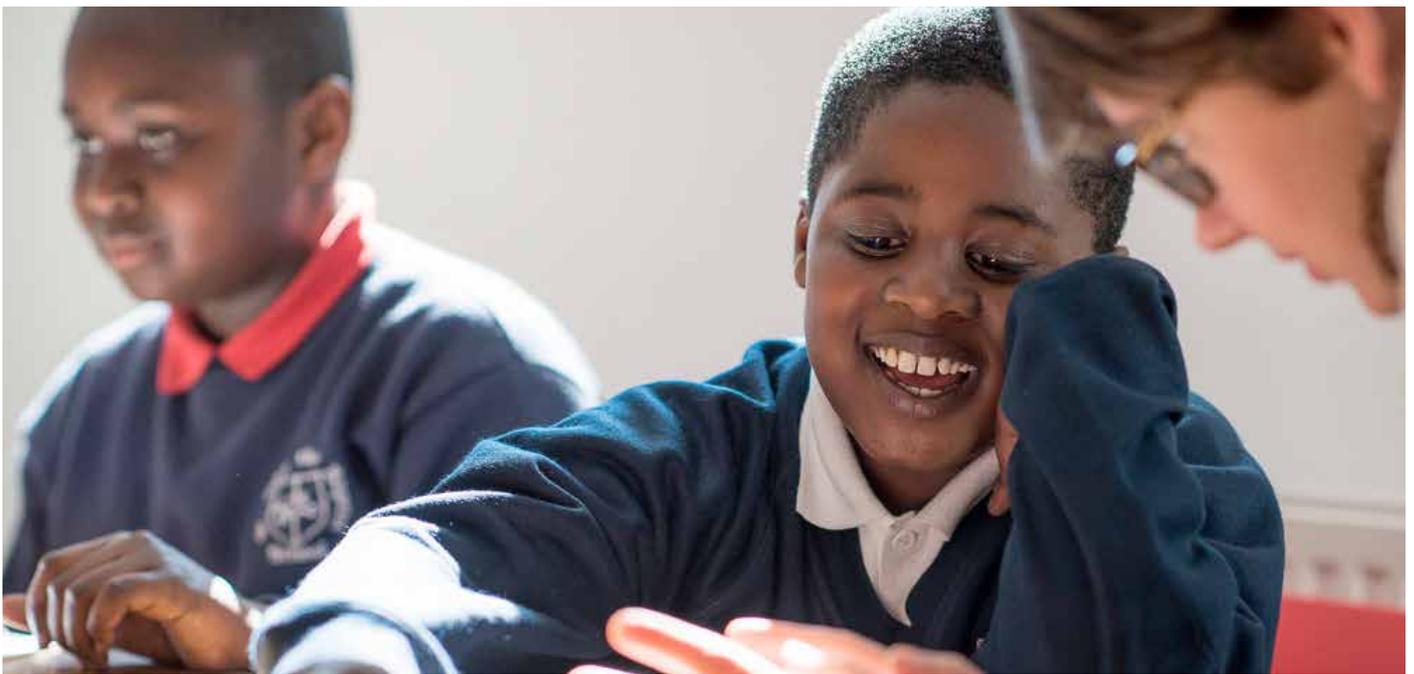


Image courtesy of Ministry of Stories

Mark Robinson, Thinking Practice



Published 2016

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Supported using public funding by
**ARTS COUNCIL
ENGLAND**

Developing the writing skills of young people is at the heart of Ministry of Stories' model but Customer and Partner insights help drive innovation.

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Ministry of Stories Business Model Canvas



Ministry of Stories is
a National Portfolio
Organisation of Arts Council
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from stories to song.

Introducing Ministry of Stories

Ministry of Stories runs a writing and mentoring centre in Hoxton, East London. It develops the writing skills of young people aged 8 to 18 through workshops, in and out of school sessions and online activities.

It is a charity and a company limited by guarantee, founded in 2010 by writers Nick Hornby and Ben Payne and educationalist and participation specialist Lucy Macnab.

Ministry of Stories took inspiration from 826 Valencia in San Francisco, which was created by novelist Dave Eggers. 826 Valencia combined writing programmes with a 'shop front' to attract children and young people. For Ministry of Stories this is Hoxton Street Monster Supplies.

Hoxton Street Monster Supplies sells monster-related products from t-shirts and notebooks to jars of sweets and stories with names such as 'Creeping Dread' and 'Escalating Panic'. Profit from the shop goes into Ministry of Stories' work via a trading company.

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The Business Model

The Ministry of Stories business model is characterised by bringing together different groups with varying skills who gain different things from the work of the organisation. This generates revenue income due to the creativity and social inclusion results of the work.

Customer Segments include children and young people, writers, schools, local authorities and funders. The heart of the model is the mentoring of young people to develop imaginative and other skills through a creative writing practice. Innovation such as the shop, the digital platform and writing programmes described below also comes from customer and partner insights.

There are strong elements of a 'free' model, using a grant and donations to finance activities with core Customer Segments. Although Ministry of Stories is beginning to introduce elements of paid services to schools and commercial partners, the core activity of individual mentoring is free to young people.

Earned income is currently only around 10% of overall turnover. The financial elements of the model, including costs, are shaped by maintaining the different Customer Segments. Funders and philanthropic donors have an interest in children and young people - especially in developing writing skills, confidence and employability of those from deprived backgrounds. These young people are only able to engage thanks to grants and donations. Without the inclusive mix of local young people, funders would be less supportive.

This is what Osterwalder and Pigneur describe as a multi-sided platform where the interests of two or more Customer Segments interact somehow, creating value only when both are present. The challenge with this kind of model is to satisfy both the funders and young people.

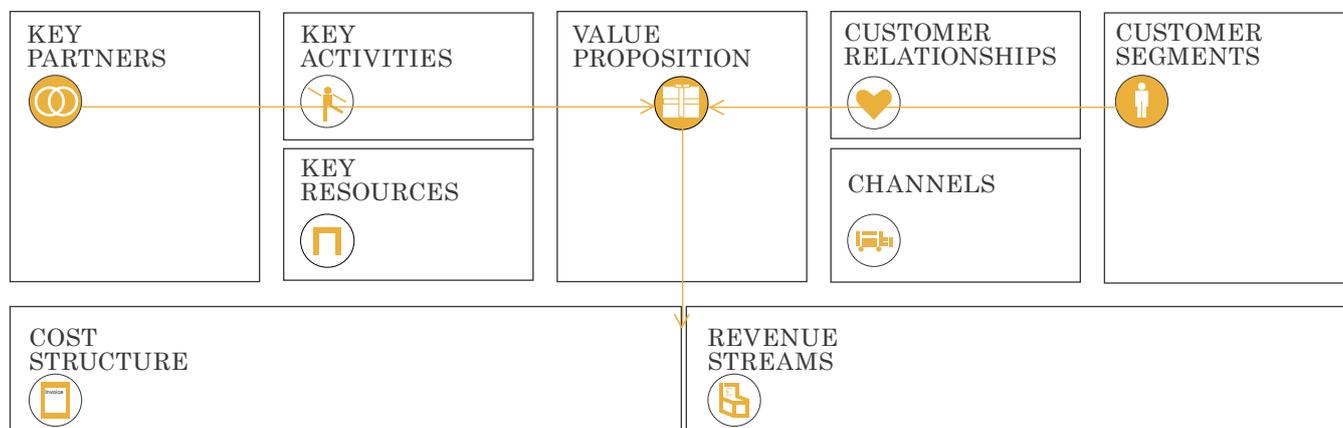
The value of stories and imaginative writing skills is central. Young people come together to focus on writing in an inclusive space. The actual form varies enormously from stories that are published to songs recorded and released on CD.

One interesting aspect of Ministry of Stories' model is that it uses the professional methodologies of writing to various ends. Developing editing skills and the resilience necessary to move beyond first drafts encourages young people to see writing as a potential job but also teaches resilience, persistence and ingenuity.

Volunteering is an integral part of the Ministry of Stories business model. 500 volunteers give time and expertise as writing mentors. These are mainly working with young people but some support other areas such as administration, marketing and fundraising. This is a positive part of the model rather than one simply designed to reduce staff costs. Many volunteers have progressed in education or careers as a result of skills gained through volunteering.

Professional writers, artists and designers also contribute as volunteers but only to the extent and in areas they want to. This is a voluntary contribution rather than unpaid work. Where writers or artists of any kind are needed for 'core' work their work is paid for. One of the aspects of the Value Proposition that this helps to create is a community of writers and creative people nurturing young writers in the neighbourhood. This uses the creative wealth found in the part of London where Ministry of Stories is based, returning something to communities and helping some local young people to move into creative practice themselves.

The Core of Business Model Innovation



Based on the Business Model Canvas by Strategyzer.com

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Fundraising from individuals has been important to Ministry of Stories from its inception. An extended family of donors has supported the organisation, including writers, illustrators, publishers and designers.

Sustainability and resilience

Fundraising is an important to the financial aspect of the business model. Arts Council England has been a regular supporter and Ministry of Stories is now a National Portfolio Organisation. A three-year funding agreement provides 13 - 15% of annual turnover.

In 2013 - 2014 67% of turnover came from other fundraising and donations, much of it from trusts and foundations. This funding is generally based on two elements of the Value Proposition: innovation in creative and educational practice and social impact through the development of young people. Ministry of Stories has invested in a three-year evaluation by the Institute of Education to be able to describe the impact more rigorously and to seek improvements.

Fundraising from individuals has been important to Ministry of Stories from its inception. An extended family of donors has supported the organisation, including writers, illustrators, publishers and designers. Many people also donate services or contribute as volunteers. The network of supporters is powerful far beyond revenue income, assisting with many kinds of services needed - from legal to design - and with influencing decision-makers. Publishers see their support as part of their corporate social responsibility programmes and individuals are active volunteers.

Brand is really important to Ministry of Stories. The shop only sells own-branded goods in packaging developed with volunteer designer partners, although some products are bought in to be relabelled. The organisation has already sold the shop brand to quality high street retailers such as Liberty and Selfridges.

Hoxton Street Monster Supplies is very much part of Ministry of Stories' brand. It suggests a child and young

person-centred approach, a fun and entrepreneurial spirit and a literal place on the high street. Profit from the shop has varied from year to year and is less than 10% of overall turnover. However, it is important symbolically and has potential to grow. The aspiration is that the Hoxton Street Monster Supplies brand can be licensed and spread through partnerships.

Locating Ministry of Stories in a very diverse part of East London is quite deliberate. Despite a changing demographic, Hoxton remains a socially mixed area with pockets of high deprivation. Having a visible base in a particular neighbourhood is especially important in the kinds of relationships Ministry of Stories develops with partners, schools and young people. Free places in workshops are restricted to local children, based on the catchment area of local schools. This helps to ensure a mixed set of young people rather than it being dominated by more middle class children from more affluent parts of the area.

Young people find Ministry of Stories most often by word of mouth or via schools. The high street presence of the shop also means that little 'outreach' is necessary. However, Ministry of Stories does work with local youth groups, tenants associations and others. This is long-term relationship building, developing trust and connectivity.

Schools are also crucial, although young people are also engaged out of school. Schools were important from the beginning as a way to reach young people, especially in deprived areas. Much time is spent developing relationships that could add value to either the young people or to writing within that school. Workshops with teachers complement visits by writers to increase impact on the whole school.

Ministry of Stories is now entering the consolidation phase. This involves finding a stable mix of income streams and managing a growing business.

Just as it learnt from Dave Eggers' 826 Valencia project, Ministry of Stories is working with associate projects in other cities. They have put time and seed funding into several 'associate' projects and are considering how these might mature structurally, especially with two organisations in Yorkshire and Sussex. For now, these remain partnerships via an associates agreement, with other projects being independent charities.

Ministry of Stories has used digital technology to innovate within the broad business model. Investment from the NESTA/ACE Digital Research and Development Fund allowed development of an online remote mentoring platform called The Story Engine. This also acts as a platform for young people's writing, which relates to the desire for work with young people to be purposeful. This platform was co-designed with Year 7 students and trialled with 100 pupils. It has attracted interest from potential commercial partners in publishing and English teaching. More development time is required to take a product to market and fundraising is ongoing.

As with the intellectual property of the shop and the programme model itself, Ministry of Stories is looking to use Story Engine to create income not from the direct end users - young people - but from those with an interest in serving them. Licensing or other partnership deals could create unrestricted funds for flexible use within the charity. The drive is to create tools that others can use rather than to grow turnover as an end in itself.

The organisation is now entering a consolidation phase. This involves finding a stable mix of income streams and managing a growing business. It also includes stabilising staff structure and turnover. A range of skills is needed,

such as fundraising education and pedagogy, people skills and mentoring of young people. An Operations Director is already in place to help move to longer-term development.

The staff team of eight plus the board members cover a wide range of networks and skills as well as the 500 strong volunteer group. All are, as Co-Director Lucy Macnab puts it, 'actively engaged'. For board and staff alike, this includes maintaining a high profile for the organisation. This has a function within the business, enabling effective fundraising and community engagement. This in turn helps Ministry of Stories have greater impact on the lives of its neighbourhood and the children and young people who live there.

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