



Image courtesy of Red Earth Theatre from The Lost Happy Endings. Photograph by Robert Day.

Red Earth Theatre Business Model Case Study

Red Earth Theatre has consciously developed its business model so it can offer innovation and value to a diverse range of Customer Segments.

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Red Earth Theatre Business Model Canvas



Red Earth has a particular specialism in integrated theatre involving deaf and disabled actors and for audiences including deaf and disabled young people.

Introducing Red Earth Theatre

Founded in 1999 by co-directors Amanda Wilde and Wendy Rouse, Red Earth Theatre is a Company Limited by Guarantee and became a Registered Charity in 2010.

Based in the East Midlands, Red Earth has established a reputation for touring theatre and the development of drama projects for children, young people and communities. It has a particular specialism in integrated theatre involving deaf and disabled actors and for audiences including deaf and disabled young people.

Red Earth Theatre became a National Portfolio Organisation (NPO) of Arts Council England in 2012 with a remit for touring diverse work focused on disability and children and young people.

Derby, where the company was originally based, has the largest deaf community per capita outside of London due to the local history of the Royal School for the Deaf. Red Earth was initially invited to work with a group from Derby Deaf Family Club and found itself making a deaf pantomime.

Red Earth rooted itself in the East Midlands due to this particular Customer Segment of deaf children and young people. It now takes its inclusive practice beyond the East Midlands but retains a number of core areas that often have concentrations of deaf people, such as Bristol.

Red Earth’s business model is an example of a touring company with a multi-sided model driven by both the creative offer and key Customer Segments.

The Business Model

Red Earth’s business model is an example of a touring company with a multi-sided model that has two distinct Customer Segments that are inter-dependent. It is driven by both the creative offer and those customer groups.

Customer Segments such as Arts Council England (ACE) and charitable grant givers can only derive value from Red Earth because its model of inclusive practice engages children and young people, including those who are deaf and disabled. This leads to the clear Value Proposition that Red Earth can help some grant givers fulfil their own charitable objectives, in relation to equality and diversity.

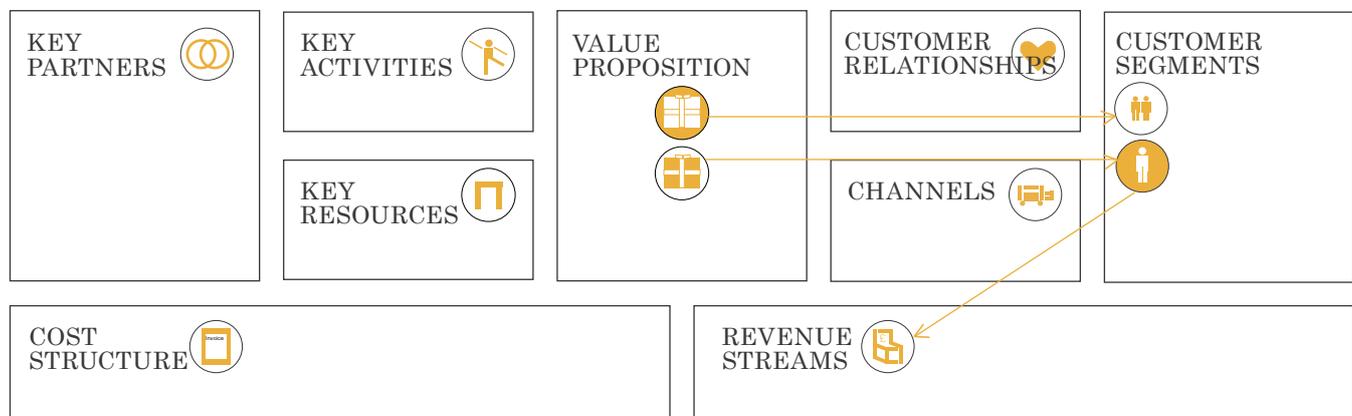
The contribution Red Earth makes to ACE’s ‘Creative Case for Diversity’, as well as its contribution to the funder’s goals for young people’s engagement, was

explicitly recognised when Red Earth became an NPO.

Deaf and disabled actors and other artists also help attract funders and inclusive audiences. This, in a virtuous circle, makes attracting high quality deaf and disabled actors easier.

Red Earth’s model is one that sees the inclusion of people from ‘protected groups’ in its Value Proposition and Customer Segments as a positive asset rather than an extra barrier to success.

The Business Model Canvas



Red Earth has a multi-sided business model with two distinct customer segments that are inter-dependent on one another. Its inclusive practice that engages children and young people, including those who are deaf and disabled, is only possible through support from Arts Council England and Arts Council England supports Red Earth because it reaches those beneficiaries and contributes to the ‘Creative Case for Diversity’.

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The Model in Practice

In common with many project-funded organisations, the founders of Red Earth came to a point they describe as ‘a crisis of short-termism’. Income from community and teaching activity was essentially being used to fund production activity, which they realised was counter-productive and unsustainable for them as a business model.

They shifted first to a model that developed productions and tours that attracted grants as well as fees and ticket income, often split with venues. Out of that income they could cover costs of management as well as production. Eventually this also began to feel unsustainable, as development was too ‘stop-start’ to allow the company to grow its Key Partner networks, its relationships with Customer Segments or its core artistic products. This was reflected in substantial differences in turnover from year to year.

Introducing regular Arts Council funding into the model has allowed for greater stability and predictability of income, although the model has not been about expansion so much as consolidation. It has enabled more strategic expenditure with investment into fundraising, research and development and staff and organisational development. It has also helped investment into building accessible practice, which is an important part of the Value Proposition to funders and partners. This has included work on D:Scribe: an innovative model of creative captioning of live theatre that could be offered to other arts and cultural organisations in the future.

Trusts and foundations have also supported development of D:Scribe. This is arguably another example of how different Customer Segments can be mutually reinforcing. NPO status has given trusts and foundations confidence and vice versa, with both being attracted by the presence of the inclusive audience and artists.

The skills needed to make this more settled business model work are rather different than the fleet of

foot but fragile previous touring production income-based model. The board needs to be able to support the bottom line more effectively through supporting fundraising and brokering relationships with partners. Greater administrative capacity - delivered through partners rather than growing core staff - has enabled better planning of creative work and more considered R&D risk taking such as D:Scribe. Systems have been developed for what the co-directors used to do intuitively.

As well as an interesting example of a Business Model for touring and young people’s work, Red Earth typifies some small organisations’ experience of the Adaptive Cycle of ‘Growth-Consolidation-Release-Reorganisation’.

Red Earth admit to not being especially ‘deaf-aware’ when they began working with deaf and disabled people but they quickly became seen as experts in this field of theatre. They have given themselves licence to be less ‘purist’ than some, combining British Sign Language, captioning in English and also increasingly creative captioning through the development of D:Scribe.

Through D:Scribe they are experimenting with how much captioning can be used on stage for different audiences before it becomes distracting. This includes pictograms as well as text. This innovation creates new networks that share learning, refine the company’s own products and position Red Earth as breaking new ground in inclusive practice. This has become important in the business model, alongside the artistic quality of the productions and education work.

Networks have become increasingly important to Red Earth. The company is a founder member of Simorgh, a network promoting access and inclusion for Deaf and disabled artists and audiences in mainstream settings. Red Earth is also a Regional Rep company for the Independent Theatre Council.

Red Earth is an example of an organisation that reflects on the evolution of its business model as part of its growth.

What's next for Red Earth Theatre?

Red Earth is an example of an organisation that reflects on the evolution of its business model as part of its growth.

The current touring model, for instance, requires the building of relationships with multiple venues, often for limited times. Schools take up for touring shows is currently under pressure of budgets and curriculum change, leading venues to concentrate bookings into holiday and Christmas periods. This is leading Red Earth to consider a more extended 'residency' model, although this would have impact on both Customer Segments and Revenue Streams. The outcomes are not focused on numbers but rather on the depth of intervention and increased aspirations within communities. For the venues, Red Earth is offering expertise in audience development with identified local communities.

The next challenge for Red Earth is to test this model with key Customer Segments at a time of often challenging change in schools, arts venues and even in deaf and disabled support. Changes to funding streams such as Access to Work, which support the involvement of deaf and disabled actors, are also affecting the business by essentially increasing the cost base of the current model.

Capacity is a limiting factor on this business model, as for many organisations. The history of Red Earth is one of growth until restrictions begin to feel unsustainable, which then leads to expansions of activity and changes to the model. Currently capacity restricts what can be achieved through commissioned work. This could be grown with more investment into staff time to develop relationships and promote the company. Increased fundraising may be helpful here, as might the increased brokerage role of board members.

An emerging part of the model is the development of services and products for the Customer Segments attracted by the core artistic product (inclusive and integrated theatre productions) and the diverse children and young people at the heart of Red Earth's audiences. They are especially interested in the possibilities of digital technology to open up access for more people.

The company is currently prototyping a new product called Foto-Me-Fabulous. This is a photo-booth which offers audiences or groups the ability to take memorable photographs then print or download them online. This has the potential to create income streams through paying for photographs but also through hires to other organisations. It would also enrich relationships with communities, groups and schools.

The company's education work contributed in the past to the development of the national primary school curriculum. Red Earth has delivered curriculum through theatre and participatory drama in schools. Research is now focused on how visual, signed and accessible theatre forms and drama practices help develop literacy, communication skills and cultural confidence.

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