

Allenheads Contemporary Arts

Business Model Case Study

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A combination of the founders' own cash and sweat and a responsiveness to potential Revenue Streams has enabled Allenheads to establish a thriving arts community in a rural setting.

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Allenheads Contemporary Arts Business Model Canvas



Allenheads has designed and delivered innovative contemporary arts projects across diverse subjects, working with experts from universities and commercial industries.

Introducing Allenheads Contemporary Arts

Allenheads Contemporary Arts (ACA) was established in 1994 by artist and curators Alan Smith and Helen Ratcliffe. It is a visual arts organisation based in a Victorian schoolhouse overlooking the village of Allenheads in rural Northumberland.

ACA also has an exhibition/studio space in the centre of the village in the old post office and shop.

ACA has designed and delivered innovative contemporary arts projects across diverse specialist subjects, working with experts from universities and commercial industries.

ACA is now run through a company limited by guarantee without share capital. It previously operated as a charitable company, Allenheads Centre for the Arts and Environment, which is still in existence although dormant since 2012.

ACA is very much an integral part of the cultural practice of the directors, but also of their family lives. They live in part of the schoolhouse building with their family, currently holding a residential lease. They use two other parts of the building for ACA and part for bed and breakfast accommodation under a commercial lease from local landowner Lord Allendale. The plan is that a commercial lease for the whole building will be adopted to give greater long-term stability to the organisation and its work.

The Business Model

Allenheads Contemporary Arts is in many ways a good example of the micro-entrepreneurship that has long been part of very small or micro arts organisations.

The founders utilise their skills and assets available to them to create a range of income streams that enable them to sustain their creative practice. In doing so they sustain their working lives and personal or family lives but also make huge investments into the 'business' through their own time, efforts and money.

In some ways the model can be seen as precarious. It is certainly hard work and requires dedication and commitment. With those in place the model, as in this case, can prove highly flexible and resilient. ACA is an interesting example of how a model can work to enable artistic activity and lives over a long period.

The business model and the innovations or adaptations that have occurred within it are driven by multiple factors. ACA has been influenced in its development by a combination of the offer, the overall Value Proposition and potential Revenue Streams.

The starting point was to create a place big enough to invite other artists and curators, alongside scientists and environmentalists, to work together and share work in the same place.

The schoolhouse and the adaptations Alan and Helen have done over the years have given them a space to support innovative arts practice in a rural setting. The couple previously worked in New York and London and wanted to maintain their practice after moving to rural Northumberland. This required a space that could have multiple uses and ideally accommodate artists and

others. Fortunately the schoolhouse and other spaces in the village have been able to do this. This 'communal' model of artists being in residence and working together has shaped the offer to artists as well as to audiences.

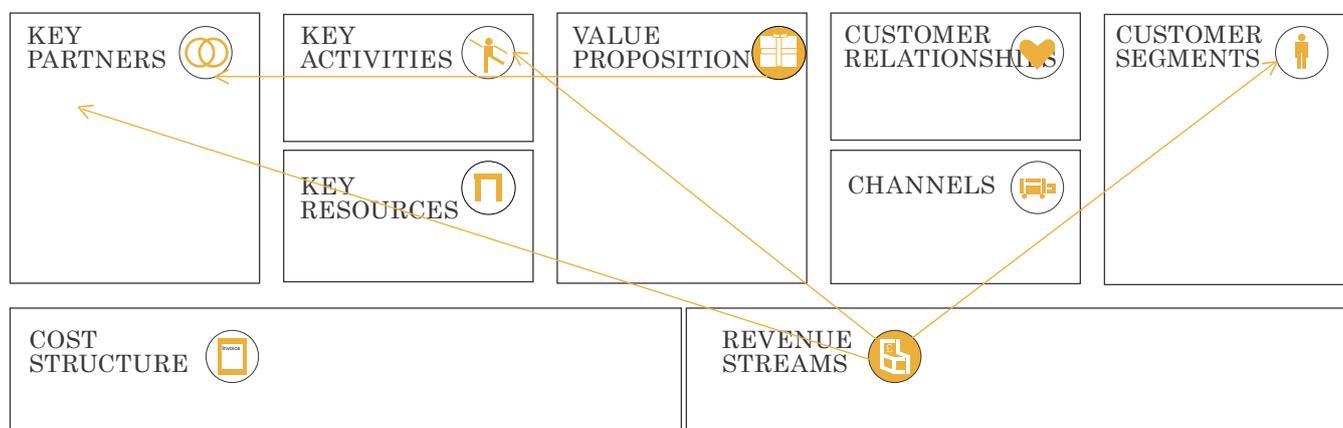
Audiences and visitor numbers are not a major part of this business model. ACA is considered successful primarily due to the extent it brings artists together to explore questions and dilemmas. However, the events and workshops do encourage locals to come together and people to visit Allenheads.

There has always been an element of the Value Proposition that related to making a contribution to the rural economy and this is reflected in feedback from local hotels, pubs and cafes. It is also a driver behind the latest development at ACA: the creation of the Allen Valley Community Observatory in the grounds of the schoolhouse.

Northumberland is a renowned 'dark skies' centre and attracts tourists interested in astronomy. The observatory will create a new and sustainable income stream for ACA, although there is a separate legal entity to manage the funding from the Allendale Landscape Partnership while minimising risk to ACA.

ACA's accommodation offer also benefits from the recent increase in cycling-related tourism, as it is close to a Coast to Coast route. In recent years self-catering accommodation for groups has been introduced, adding to a year-round bed and breakfast offer. New artist residency accommodation has also been added to the studio. This attracts artists who often also pay for their stays.

The Core of Business Model Innovation



Based on the Business Model Canvas by [Strategyzer.com](https://www.strategyzer.com)

Allenheads Contemporary Arts has evolved organically, expanding in response to potential Revenue Streams that offer sustainable income to support its artistic purpose.

When circumstances change and particular income streams diminish, the Directors of ACA use their ingenuity to find other ways of creating income or change the way they work.

Sustainability and resilience

When circumstances change and particular income streams diminish the Directors of ACA use their ingenuity to find other ways of creating income or change the way they work. They also support the work themselves through both cash and sweat, working for little or no financial reward. They supplement ACA income through freelance arts and curation projects such as the development of Flourescent Visual Arts Festival in Soho in 2014. This was the case for periods after the crash of 2008 led to diminution in funds from Northern Rock Foundation, as well as other sources.

Northern Rock Foundation, which was linked to the bank that failed, distributed funds only in the North East and Cumbria and had been a major funder. It had provided three year revenue funding as well as organisational development support. This had driven a shift in the organisation, with a further formalisation of business planning and governance. This resulted in the setting up of a not for profit company limited by guarantee in 2009, which replaced the initially set up charity in the running of ACA business. This has undoubtedly been challenging for Alan and Helen but they have been able to sustain ACA over a long period of time.

ACA works with both regional and international artists through their early careers and beyond by providing placement, residency and exhibition opportunities. The activity is very consciously situated in its community context and education projects have connected to local schools and other bodies. The activity of ACA has sought to generate a buzz locally and in the regional visual arts community and then to keep that going. Out of that has come the wide range of partnerships that have helped

sustain the organisation. These have included work with rural development agencies, universities, pupil referral units, scientists, mining companies and many others.

Since 1994 ACA has expanded and contracted and then grown again in response to available finance and partners for activity. The directors describe the evolution as 'organic but not opportunistic'. The funding from Northern Rock allowed for consolidation, enhanced by project funding from Arts Council England.

It also enabled the organisation to be ready to move to a full cost recovery model after funding was finished. This is now built into all activity, although the directors still devote additional time to get major projects running. This has been frustrating at times. Development of the building has been supported not just by grants but by loan finance taken on by the directors as individuals. This has allowed the company to stay debt-free but at some personal cost.

Allenheads is shaped by position but also by skills and interests of founders. This has provided a kind of hard-won mutual stability where the assets and skills of the individuals involved have been used to support the organisation and vice versa.

The ACA model is not applicable in all situations but it is relatively common, if undefined, among micro artist-led businesses. It has allowed for the organisation to establish its necessary longevity while delivering its Value Proposition. It has proved flexible enough to adapt to changing circumstances, although the investment by the founders should not be underestimated.

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