



We're Not in Kansas Anymore: adapting to survive – Conference report

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The All About Audiences conference in 2011 was framed by the increasing funding crisis in the arts. Arts marketers heard from keynote speakers Ivan Lewis MP (Shadow Secretary of State for Culture, Media & Sport), Mark Robinson (Founder and Director of Thinking Practice), Susan Royce (Change Management Consultant) and Paul Smith (Executive Director of Liverpool Biennial). Their speeches on how to help the arts survive are summarised here.

The Audience Agency is a not-for-profit organisation created out of the merger between All About Audiences and Audiences London Plus in 2012.





We're Not in Kansas Anymore: adapting to survive

All About Audiences Conference 2011

Conference Report

28 March 2011

Executive Summary

***We're Not in Kansas Anymore: adapting to survive was All About Audiences 2011* conference.**

In the same week that ACE announced the results of their National Portfolio Funding decision and as the new financial year began and its associated cuts kicked in, the arts and cultural sector in the North West (and far beyond) joined together to look in depth at how organisations and individual staff members can bolster their resilience, work collaboratively, think more creatively about income generation and ultimately, adapt to survive.

There were some very strong, very positive key messages that came out of the day: the need for organisations to be clear on their mission and stay true, whatever the changes, to their core values; the need to be masters of our own destiny; the audience is absolutely crucial to survival and success and increasingly needs to be *involved*; although we are facing cuts, we are still in fact a growth sector; and organisations need to have a good awareness of the environment they are currently operating in as well as a strong focus on the future. As breakout leader Rebecca Johnson of *Creativity Works* said, “*ear to the ground and eye to the future*”.

This document includes details of our keynote speakers **Ivan Lewis MP** (*Shadow Secretary of State for Culture, Media & Sport*), **Mark Robinson** (Founder and Director of Thinking Practice), **Susan Royce** (*Change Management Consultant*) and **Paul Smith** (*Executive Director of Liverpool Biennial*). It also summarises all of the breakout sessions. For full breakout session notes, please see the accompanying report, ‘Adapting to Survive: Breakout Session Notes’.

Opening Address

Ivan Lewis MP, *Shadow Secretary of State for Culture, Media & Sport*

About the Keynote Speaker:

Member of Parliament for Bury South, Ivan Lewis is currently Shadow Culture, Media & Sport Secretary. One of the most senior and respected members of the Labour Party, Ivan held positions in departments such as Health and Education in the last Government.

Keynote Notes:

In his role as Shadow Secretary of State and Culture, Ivan Lewis intends to 'Listen, Learn, and Lead'. He plans to hold the Government to account, develop a 'new arts agenda' and champion the role of arts in society. He was keen to assert that Labour would not have cut the Arts Council's funds by 30%, and whilst he agrees in principle to the notion of philanthropic giving to the arts in the 'Big Society', to his mind, philanthropy will not be able to replace public investment in the short and medium term, particularly outside of London.

Lewis believes that we have not yet managed to win the argument on the importance and centrality of the arts to society, and sees doing so as paramount in gaining support for the arts in this country. We should move away from false debates around the intrinsic and instrumental values of the arts and instead focus on examining *what* to measure, and *how* to do so in a meaningful way. We should agree on strong narratives, and move on to a serious debate on what a cultural citizenship should be.

He stressed that in these challenging times, there should be a covenant between stronger and weaker organisations, and an attitude of 'we're all in this together'. Larger, more financially stable organisations should support the smaller organisations within the ecology, and collaboration, shared ideas, and global partnerships should be at the forefront of innovation and reform.

Keynote One

Thinking Adaptive Resilience

Mark Robinson, *Founder & Director of Thinking Practice*

About the Keynote Speaker:

Mark Robinson is ex-director of Arts Council England, Founder and Director of Thinking Practice and author of '*Making adaptive resilience real*'. At Thinking

Practice, Mark helps arts and cultural organisations increase impact and build resilience through creative approaches that combine thinking (analysis and strategy) with practice (doing and learning).

Keynote Notes:

Adaptive Resilience is *'the capacity to remain productive and true to your core purpose and identity, whilst absorbing disturbances and adapting with integrity in response to changing circumstances'*. With this in mind, the presentation went on to discuss the idea of the 'Adaptive Cycle', which constitutes periods of Growth, Consolidation, Release and Reorganisation.

As a result of his research and study, Robinson has identified what he believes to be **the 8 characteristics of resilient organisations:**

- **A culture of shared values and shared purpose**
- **Predictable financial resources**
- **Strong Networks**
- **Assets**
- **Innovation**
- **Excellent Leadership and Governance**
- **Situation Awareness**
- **Excellent management of vulnerabilities**

He believes that organisations need a clear understanding of what *value* they are creating and providing, and *for whom*. This is central to the notion of resilience in his view. Organisations wishing to build resilience should 'assess, invest, collaborate and innovate'.

Keynote Two **Changing Business Models** **Susan Royce, *Change Management Consultant***

About the Keynote Speaker:

Susan works at the 'sharp end' of change; most of her work is with organisations and leaders that need or want to make radical changes in how they operate. Susan describes herself as a 'critical friend' with some useful technical skills not an 'expert'. Currently, much of her client work is around strategy and re-thinking business models and she is also running a finance based training programme for all of the Arts Council's relationship managers.

Keynote Notes:

Susan Royce explored how new business models might be crafted, opportunities identified and exploited and how organisations can learn to live with, and even embrace, the challenges we currently face.

From the outset, Susan was keen to assert that a business model is not merely an income/expenditure account, but that business models are about *value* (whether social, economic or indeed financial), and are created in 'the linear space between internal ambition and external reality... they are always changing, they are fluid'.

The current challenges faced by the sector will lead to the creation of new models that will (hopefully!) create even more value.

Income diversification is often seen as a solution to the now broken 'Canvas business model' used by most arts organisations today. However, income diversification offers a problematic and incomplete solution in Susan Royce's view, because a reduction in core revenue (which can be predictable and easily understood) cannot easily be replaced by a portfolio of income streams (which are less predictable, can be expensive and can also demand organisational changes).

The ideal way for arts organisations to respond to cuts is for them to:

- Cut costs (to survive and to generate investment funds)
- Improve performance
- Grow Revenue

We are 10 years into a 50 year digital revolution. Digital technology will shape customer expectations and change business models a great deal. In this environment, successful business models will be those that are diverse, different, complex, connected, collaborative, and heavily focused on customers and impacts.

The presentation ended on a positive note, reminding delegates that despite the current challenges, we actually exist within a growth sector.

Keynote Three

Kansas Isn't Kansas Anymore

Paul Smith, Director, Liverpool Biennial

About the Keynote Speaker:

Currently Executive Director of Liverpool Biennial, Paul has extensive experience of both the arts and business in the US. and the UK, having worked with organisations including Bank of America, Abbey National, Belfast Waterfront Hall, The Grand Opera House, and Prime Cut Productions. He has also worked in politics and for Arts & Business. Initially, this work concentrated on learning and organisational development, but as regional director for Arts & Business, Paul worked to create a better environment for business and arts partnerships.

Keynote Notes:

The changing landscape for the arts will mean that we will have to negotiate through a range of tensions:

- Access and excellence
- Instrumental and intrinsic
- Audiences and stakeholders
- Using assets to buy cultural activity and using assets for building
- Public and private benefit

Audiences are going to be central.

In his discussion around philanthropy, and the Government's Green Paper on giving, Paul drew attention to the rather conspicuous absence of any mention of tax exemptions. This may pose a substantial problem in attracting philanthropic

giving. We cannot easily replicate what has been achieved in the USA. Though Paul went on to suggest that American philanthropic giving is not merely down to American taxation but because American's know how to ask!

The presentation outlined the fact that we will no longer be able to rely on trusts and foundations – organisations will have to compete much harder to draw down funds from them.

In terms of generating funds, Paul suggested that organisations will need to look at creating trading companies and also consider how they might make better use of their intellectual property. They should be thinking of ways in which to use their assets as investments, and not be afraid to talk in financial terms. Crowd funding is also likely to play an important role in supporting arts organisations in the future.

He went on to describe the need for arts organisations to reduce their 'circle of concern', whilst increasing their 'circle of influence'.

Breakout Sessions – Morning

Session 1: Adaptive Resilience, *Mark Robinson*

About the Breakout Leader:

Mark Robinson is ex-director of Arts Council England, Founder and Director of Thinking Practice and author of *'Making adaptive resilience real'*. At Thinking Practice, Mark helps arts and cultural organisations increase impact and build resilience through creative approaches that combine thinking (analysis and strategy) with practice (doing and learning).

About the Breakout Session:

This session helped delegates to look at what they do, what they have and to explore ways of identifying and building an asset-base for their organisation. It also included creative thinking around how combining assets to create greater resilience and impact. Delegates were encouraged to come prepared to share.

Session 2: Designing for resilience, *Nadine Andrews*

About the Breakout Leader:

Through her independent practice, culture probe, Nadine supports individuals and organisations to thrive in ways that have positive impact on people and planet. Nadine also works with the Transition Network's Training and Consulting Service as an Energy Resilience Assessment practitioner, helping companies reduce their risk exposure to rising oil and energy prices.

About the Breakout Session:

In her session, Nadine focused on the key characteristics of resilient people and organisations and on strategies for strengthening resilience, drawing on research

from various interlinking fields of work, including psychology, neuroscience, systems thinking and ecology. Nadine concluded that a resilient organisation is made up of resilient individuals.

Session 3: Creative Thinking: How to achieve success in turbulent times, *Lisa Baxter*

About the Breakout Leader:

Lisa helps arts and cultural organisations think smarter and plan more robustly using a combination of co-creational workshops, creative consultation events and qualitative research. At the centre of everything she does is the beating heart of the audience. She is currently working with the soon-to-open National Football Museum to conceive, shape and articulate its 'experience offer' and brand identity.

About the Breakout Session:

This session was on Creative Problem Solving and aimed to help delegates think better and smarter in relation to the challenges you face. Lisa ensured that delegates had their habitual thinking processes tested and stretched.

Session 4: Collaborative Working, *Rebecca Johnson*

About the Breakout Leader:

Rebecca Johnson is Head of Arts at Blackburn with Darwen Borough Council and has over 15 years public sector experience. She is also Chair of Creativity Works, a cultural consortium of the six local authorities in Pennine Lancashire, and local and regional arts organisations.

About the Breakout Session:

During this session delegates found out how cultural consortium, Creativity Works, has adapted its approach to survive and thrive in this difficult time, and learned how many of its principles can apply to all arts organisations and cultural providers. Rebecca examined the principles behind their new way of working, the steps, structures and pitfalls involved in developing a shared services approach and how arts organisations can create a critical mass that is much more difficult to overlook than one arts officer or heritage venue alone.

Breakout Sessions – Afternoon

Session 1: Recreating your business model for a new world, *Susan Royce*

About the Breakout Leader:

Susan works at the 'sharp end' of change; most of her work is with organisations and leaders that need or want to make radical changes in how they operate. Susan describes herself as a 'critical friend with some useful technical skills, not an expert'. Currently, much of her client work is around strategy and re-thinking business models and she is also running a finance-based training programme for all of the Arts Council's relationship managers.

About the Breakout Session:

Using an innovative new tool and methodology – the Business Model Canvas (www.businessmodelgeneration.com) – this session explored how models within the sector are changing and what this means for how organisations think about and organise themselves.

Session 2: Selling to the Suits, Rattling Buckets, and Sharing Passion, *Chris Grady*

About the Breakout Leader:

Chris heads up marketing, development and external relations for the Theatre Royal, Bury St Edmunds. He continues to undertake some freelance arts management and project development work with ChrisGrady.org specialising in working with emerging artistic practitioners, writers, composers and producers.

Previously Chris has been on the management/marketing team for Bristol Hippodrome, Plymouth Theatre Royal, Edinburgh International Festival, Buxton Opera House, Theatre by the Lake Keswick, The Pleasance Theatres, and was for 5 years Head of International Licensing for Cameron Mackintosh Ltd.

About the Breakout Session:

A very different breakout, Chris invited delegates to join in an open space session, where they were given the chance to set their own agenda and control the flow of the session. This session challenged delegates to find the most positive way forward to achieving a goal of a mixed economy which includes sponsors, donors, friends, legatees, benefactors, investors, patrons and any other scheme which brings money and connects it to the art.

Session 3: Crowd-funding as an audience development opportunity, *Tom Atkins*

About the Breakout Leader:

Tom is part of the team behind WeDidThis.org.uk, a new curated, crowd-funding platform for the arts. They work closely with top arts organisations to present projects and rewards to potential small funders to make giving more fun and accessible to everyone. The WeDidThis strap line is 'art for everyone, funded by everyone'

About the Breakout Session:

Tom's session introduced delegates to WeDidThis and the concept of crowd-funding. It explored exactly what crowd-funding means, the opportunities for income and audience generation, the role of rewards in making this much more than a funding ask, and what the implementation of crowd-funding could mean for arts organisations.

Session 4: New ways to increase revenue, *Tony Trehy & Siân Johnson*

About the Breakout Leaders:

Tony Trehy is the Arts & Museums Manager for Bury Council, the Director of the Text Festival and an International Curator. He has over 15 years experience working within the arts and specialises in international partnerships. Through his innovative approach to arts programming Tony has transformed the face of culture in Bury and has taken the arts beyond the local authority box.

Siân Johnson is Vice Chair of the Trustees of the Dukes Playhouse in Lancaster. Now "semi-retired" she has a career background in culture, tourism and economic regeneration work, both as an independent consultant and with Deloitte where she spent 11 years as a management consultant specialising in arts, leisure and tourism project work. Her work in identifying the value of cultural assets over the years has led to the implementation of regeneration investment in projects which include the Tern Project in Morecambe, Alnwick Garden, Hadrian's Wall, Bath Spa, Hexham Abbey, The Granary Art Gallery in Berwick, Roman Maryport as well as the refurbishment of the studio theatre at the Dukes.

About the Breakout Session:

Delegates heard case-studies from two organisations forced to find new income streams. First was Tony Trehy who told how Bury Museum & Art Gallery used their shock deregistration from the UK museums network to develop curatorial skills and networks to establish previously untapped funding sources.

Sian Roberts then told Lancaster Art Partnerships' story. In Lancaster seven separate organisations spotted storm clouds gathering and set about identifying their collective value to strengthen their own positions and to pursue new funding opportunities.
