

Chris Denton, Director of Marketing, Barbican

Building a value framework

Chris Denton's career in arts marketing spans nearly twenty years, having worked with some of the leading arts organisations such as the South Bank Centre, the Philharmonia Orchestra and now the Barbican Centre where he is Head of Marketing and New Media. During this time he has overseen the transformation of the marketing function and delivered a CRM based marketing strategy. He has also led the organisation through a process designed to place the customer at the heart of everything through the development of the 'Barbican Experience'. He is also Director of Strategic Marketing and Digital Development for a major cultural project in Spain, ARTeria, which aims to build or refurbish twelve cultural venues across Spain, Latin America and North America.

Chris has been working alongside his Artistic Director and Financial Director in creating a *Value Framework* model for the Barbican. This model is designed to assess artistic projects across a variety of measures, some financial, some relating to audience development, some relating to things like environmental issues, which enables the Barbican to attach a real value to artistic projects over and above a simple per seat subsidy model. This presentation looked at this work as a case study and then leading delegates into a discussion about how this sort of model could be applied across other arts organisations in order to demonstrate the value of the arts to the public.

Measuring Value

Think about the last time you felt you had something that was good value for money?

What was it and why?

Value means different things for different people. Very different experiences depending on why you wanted something, what personal value you attached to the need to get it, the price you would have paid for it and the way you felt when you had it.

So there is no one standard definition of what 'value for money' means, but many, many interpretations. The Audit Commission's definition, however, encapsulates some of the facets around this issue:

- Value for money (VFM) is a term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it.
- Some elements may be subjective, difficult to measure, intangible and misunderstood. Judgement is therefore required when considering whether VFM has been satisfactorily achieved or not.
- It not only measures the cost of goods and services, but also takes account of:
 - the mix of quality, cost, resource use
 - fitness for purpose
 - timeliness
 - ability to judge whether or not, together, they constitute good value.

This raises questions ...

- What constitutes value in the arts?
- How do you define success?
- Who are we answerable to?
- Who says what is good or bad?

Value: *by whose measures?*

Success: *by what success criteria?* Is one person's value for money another's complete rip off? Is it low ticket price? Or low per seat subsidy? Is it a full house, is it critical acclaim, is it attracting new audiences, is it getting new audiences to come back, is it peer acclaim, is it press coverage? *Is success about delivering value for money?*

Who are we answerable to: our funders, our public, our artists, our creators, our audiences, ourselves?

Convince: Why do we feel the need to consider this at all? Are we in danger of listening too intently to those who question us? Why do we need to convince them and are there other ways to tackle their doubts rather than to set up elaborate monitoring mechanisms?

The truth is...

- There is no magic formula
- Defining value is fraught with difficulties
- A value framework model is meaningless **if other key policies are not in place**

There are some key policies to consider with VFM:

- Business plan
- Core business objectives
- Artistic vision
- Brand vision and values
- Brand positioning statement
- Marketing strategy including audience development priorities
- Stakeholder action plans

Think about the wider picture before you embark on this... do you have many or all of these policies in place?

If you don't, then focusing on these first might help you clarify who you are and what you stand for, without having to look at value framework modelling.

Some other questions to consider:

- Does your organisation have clearly defined brand values that you all use as a benchmark?
- Is what you are producing consistent with these values?
- Are you confident about the artistic policy of your organisation?
- Is this policy well enough articulated and understood internally?
- Do your stakeholder groups understand what you are, what you stand for and why you do what you do?

Pay attention to how you communicate about yourselves and be clear about your artistic policies and business plans. Make sure you understand your organisational goals and ambitions.

But...sometimes things happen that mean you have to rethink how you tell your story and how you get your stakeholders to value what you do, as much as you do. This is the Barbican's story.

Views on Value & Quality

First though, we need a discussion on value and quality. What do others think are the important issues in determining quality and value?

It would be interesting to see how one or two other organisations have approached the subject of value. One – close to all our hearts – Arts Council England. The other - the BBC, a publicly funded organisation frequently called upon to justify what it spends. These two offer us insights into the various ways in which value is being defined.



What people want from the arts

This report was done in 2006 and aimed to find out how people value the arts so that Arts Council England could focus on things that really mattered to people. The research identified three key categories of impact, defined as Capacity, Experience and Applications.

Capacity

- Help people navigate the world, better express themselves and communicate with others. Challenge assumptions and broaden horizons

Experience

- Provide colour, beauty, enjoyment, relaxation source of escape

Applications

- Bringing people together, creating links between communities, encourage pride in local area

They included one brilliant quote:

“Relaxation, enjoyment, inspiration...if you didn't have access to art, you'd do a full day's work, you'd go and get pissed and you'd go home to bed”

Parent, regular arts attender

So there we have it – the true value of the arts.

If we all manage to stop someone going home and getting pissed then we have delivered value for money!

What makes good quality/value?

- Quality of EXPERIENCE
- Quality of PRODUCT
- Quality of PROJECT

There are different priorities for each group – audiences, artists, stakeholders. What is new and unusual for one person may be old and familiar for another so these areas break down further.

Experience. The quality of the experience – art which helps people understand something new about the world or enriches their experience of life in some way – is highly valued by the public.

Product. Arts professionals also referred to the Quality of Product as being important – this is independent of the response by audiences to a performance and can be judged on technical expertise and the overall contribution the piece makes to the development of the artform.

Project. This was emphasised by the wider stakeholder community and focussed on how well an arts organisation was run and the extent to which it met its objectives.

Overall, it tells us:

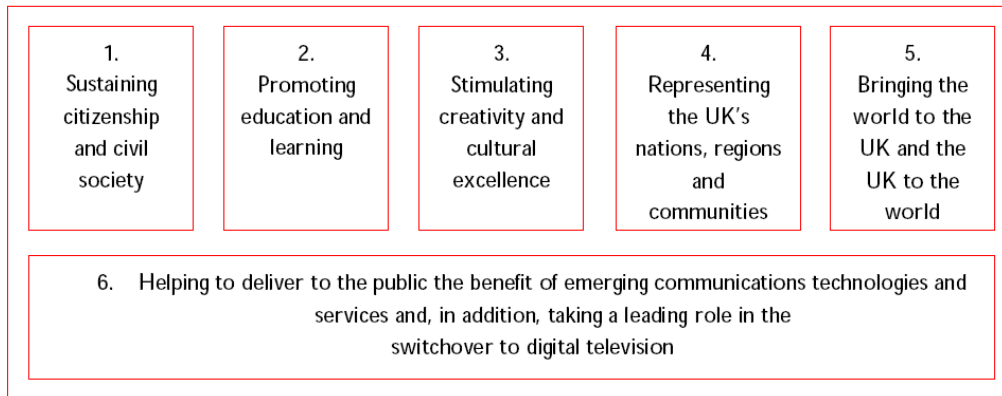
- Innovation is the key
- Arts need to keep moving and pushing back boundaries
- Creating artistic experiences that are surprising and stimulating for those that experience them

This research highlights the differences in perspectives of constituent groups. Obviously, there is a difference in what is important and why. It illustrates the difficulties in creating a one-size fits all measure of quality, success and value.

However, it is interesting that they conclude that the arts need to push back and challenge boundaries. In other words, to take risks.

This is an essential point to note because one of the difficulties The Barbican is having in adopting a Value Framework Model that has meaning, is to reconcile conventional measures about performance against the raw, more instinctive instinct about taking risks in order to be creative. Risk is hard to measure if it is about doing new things in new ways – how do you measure that? Something is risky if there is an element about it that could fail. Is providing good value about ensuring we minimise the potential of wasting precious money and resources? Minimise the chance to fail?

Does an ambition to provide value for money work against the desire to be bold and innovative and to invest in the unknown?



Let's leave that question hanging for now and move on to another public institution famed for having to justify its costs



Public Value Test

Is this test one which would answer the burning question...

Does this man (right) represent good value for money?

Let's have a look at the test that the BBC applies in making decisions about major changes to their services; their Public Value Assessment.



This links back to the need to have clearly defined goals and organisational objectives in place before you can start to assess value and impact. Otherwise what criteria are you judging value against?

Barbican Centre - a work in progress



There are pros and cons to this work; the jury is still out within the Barbican about whether this process is adding anything to the existing ways in which decisions were taken in relation to artistic policy and programming.

By sharing the background to how the Barbican has arrived at a Value framework, it might be of use in helping others to decide whether to undertake this kind of process.

Why do it?

Why doesn't the Barbican do musicals? They're popular – people want to see them, they must make money.



They might have a point.... Les Mis Started out life in the Barbican. A VFM might help answer these and other questions.

Why create a VFM? It enables an organisation to:

- Assess and evaluate investment in arts programme
- Help provide more widespread indicators than a pure per seat subsidy evaluation
- Help show links to core business plan objectives
- Evaluate pros and cons beyond the purely financial

Who was involved?

Artistic Director (Graham Sheffield)
 Finance Director (Sandeep Dwesar)
 Marketing Director (Chris Denton)
 External consultant (Andrew Devlin)

The process

Brainstorming –

- What criteria should we measure against?
- How should we evaluate ourselves?
- How should we structure the information?
- Who should be involved in the process?
- How do we deliver an approach that works across 5 artforms consistently and fairly?
- When and why should we use this process?
- Are we going to respect the outcomes? (ie: is there any real point – are we going to do what we want anyway?)

[Chris asked everyone to consider the main question that lies at the heart of the way the Barbican tackled this...

Think about some non-financial indicators that might demonstrate that a project has value even if a per seat subsidy figure looks horrendous!]

Chat with the people around you and try to come up with 3 or 4 things you think might be useful to include and why.

The Barbican Value Framework Model

This tool is NOT the sole determining factor in the decision making process. Discussions were broadly focussed and not linked just to individual events



VALUE FRAMEWORK

<<lead department>>
 <<title>>
 <<dates>>

Companies/artists involved

Name	Relationship to Barbican	Countries represented

Name
 Relationship to Barbican
 Countries represented

Events

Job	Event	Venue	Lead department

Event
 Date
 Venue
 Lead department

ASSOCIATED EVENTS (TOUR / OTHER VENUES / TOURS)

Job	Event	Venue	Lead department

Associated events (other venues/tours)
 Date
 Venue
 Lead department

Prepared by << Name >>
 Decision review date << Date >>
 Evaluation Individual / Annual / Not required

Prepared by
 Decision review date

PROJECT IMPACT

Reflecting the City Together: the Heart of a World Class City which...	<input checked="" type="checkbox"/>
... is competitive and generates opportunity	<input type="checkbox"/>
... supports our communities	<input type="checkbox"/>
... protects, promotes and enhances our environment	<input type="checkbox"/>
... is vibrant and culturally rich	<input type="checkbox"/>
... is safer and stronger	<input type="checkbox"/>
<i>Risk as appropriate, no rating system</i>	
Reflecting the Barbican's key themes and objectives	<input checked="" type="checkbox"/>
<i>Do Something Different</i>	
<i>International: creating a worldwide reputation, regarding a world-class City</i>	
<i>At the heart of the City facing East</i>	
<i>Strong and sustainable collaborative links and partnerships</i>	
<i>Participation in excellence and engagement for all</i>	
<i>Unique arts and education quarter</i>	
<i>Risk as appropriate, no rating system</i>	

Project Impact
 Does it fit with the City of London
 Business aims?

Does it reflect the Barbican's key
 themes and objectives:
Do Something Different
International
At the heart of the City facing East
Collaboration and partnerships
Participation in excellence and engagement for all
Unique arts and education quarter

Project overview

To include:

- Brief project description
- Artistic value - who it will appeal to / audience features to note
- Other factors

Project Overview
 Who will it appeal to – audience
 features to note

Cost / Benefit summary

Library activity subsidy	£0	
Subsidy per attendee	#DIV/0!	Low/Medium/High
Potential benefit indicators score (100)	0	Low/Medium/High

Cost/Benefit summary
 Overall benefit indicator score out of
 100

ACTIVITY SCORE & ANALYSIS (SCORED ELEMENT)

Marking
 1-4 = Limited relevance
 5 = Relevant
 6 = Very relevant

PROGRAMMING EXCELLENCE

1-5 **Notes**

Artistic excellence and quality
 Does the project demonstrate artistic excellence and quality?
 1-5

Collaboration
 Does the project involve artistic collaboration and other partnerships?
 1-5

Innovation
 Does the project demonstrate innovation?
 1-5

Artist development
 Will the artist(s) develop through involvement with the festival?
 1-5

TOTAL (of 20)

IMPACT AND AUDIENCE ENGAGEMENT

1-5 **Notes**

Audience engagement
 Will it be judged as a major success?
 (Will it attract the attention of the media?)
 1-5

New audiences
 Does the project contribute to building audiences for the festival?
 1-5

Diverse audiences
 Does the project contribute to building audiences for diversity?
 1-5

Brand impact
 Will it be judged as a major success?
 (Will it attract the attention of the media?)
 1-5

Participation and wider experience
 Does the project make people feel engaged?
 (Will it make people feel the festival is theirs?)
 1-5

Education and outreach
 Is the project likely to reach schools and other community groups?
 1-5

TOTAL (of 30)

TOTAL

TOTAL (of 100)

Programming Excellence

- Artistic excellence and quality
- Collaboration
- Innovation
- Artist development

Impact and audience engagement

- Audience engagement
- New audiences
- Diverse audiences
- Brand impact
- Participation and wider experience
- Education and outreach

Total score out of 100

ACTIVITY COST ANALYSIS

	Budget
	0s / £s
Number of performances	<input type="text"/>
Budgeted paid tickets	<input type="text"/>
Non-ticketed / gratis tickets (if applicable)	<input type="text"/>
Box office income	<input type="text"/>
Other income	<input type="text"/>
Total income	<input type="text" value="0"/>
Direct marketing costs	<input type="text"/>
Direct expenditure	<input type="text"/>
Total direct costs	<input type="text" value="0"/>
Direct event subsidy	<input type="text" value="0"/>
Subsidy per attendee	<input type="text" value="#DIV/0!"/>

Notes

SUPPORTING INFORMATION		
<i>Tick as appropriate, no rating system</i>		
	Tick box	Notes
Cross art form collaboration Does the project feature elements of cross-art form collaboration?	<input checked="" type="checkbox"/>	
Wider social agendas Does the project contribute to wider social agendas?	<input type="checkbox"/>	
Environmental sustainability Does the project reflect the Barbican's environmental policy?	<input type="checkbox"/>	
Technology Do elements of the project promote the Barbican's technology agenda?	<input type="checkbox"/>	
Access Does the project aim to reach people with disabilities?	<input type="checkbox"/>	
Other Are there any other areas of supporting information to note?	<input type="checkbox"/>	

Supporting information
 Cross art form collaboration
 Wider social agenda
 Environment
 Technology
 Access
 Other

←

INTERNAL INDICATORS		
<i>Tick as appropriate, no rating system</i>		
	Tick box	Notes
Technical Does the project place particular demands upon staff capacity/cost/scheduling?	<input type="checkbox"/>	
Press & Marketing Are there press & marketing opportunities/challenges to note?	<input type="checkbox"/>	
Customer Experience Does the project place particular demands upon staff capacity/cost/scheduling?	<input type="checkbox"/>	

Internal issues
 Technical demands
 Press & marketing
 Customer experience

←

Reviewing the process so far

In February 2009, 45 projects were reviewed, ranging from short run performances to complex multi-artform festivals. Discussions were held on each project and decisions made to either approve, reject or defer decision.

Observations:

- Useful tool to aid discussions about programming.
- Needs to be streamlined so not burdensome or bureaucratic.

Future key considerations

- Capturing wider strategic overview of programme.
- How do we measure how priorities are balanced out across the entirety of the programme?
- February reviews seem to be good timing in order to inform business planning. Review on optimum frequency of VF reviews. Biannual/annual?
- Is it necessary to do a blanket review of everything – what are the real criteria? Financial trigger levels?
- Consider Development – how can we factor in the impact/potential for Development income?

Strategic overview – currently the form looks project by project and does not capture the project in a context of the wider programme. The framework document does not allow for a contextualisation of the event as part of a bigger picture. This viewpoint could have a

significant impact on the status of the individual event in helping to deliver a wider artistic strategy which ticks many more of the boxes.

'You need to take some risks and not measure everything – measurement can inhibit creativity' Arts Council – Great art for everyone 2008-2011

What we don't want to do is create a culture of tick-box mentality. The greatest art is often created by those who push boundaries or defy conventions – rule breakers. In considering a Value Framework Model is quite likely that you will generate more questions than answers...

What does or doesn't constitute value? – by whose measures? – by what success criteria? Is one person's value for money another's complete rip off?

How do you define success? – is it a full house, is it critical acclaim, is it attracting new audiences, is it getting new audiences to come back, is it peer acclaim, is it press coverage?

Who are we answerable to? – our funders, our public, our artists, our creators, our audiences?