

Castlefield Gallery Business Model Case Study

Mark Robinson, Thinking Practice



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By clarifying the value it creates for the visual arts sector and the city, Castlefield Gallery has increased its attractiveness to partners and customers alike.

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Castlefield Gallery Business Model Canvas



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Introducing Castlefield Gallery

Founded in 1984, Castlefield Gallery is a gallery and agency in Manchester developing emerging contemporary artists and practice.

Castlefield Gallery runs a programme of exhibitions from its city centre public gallery space, as well as hosting regular artist talks and events. It supports artist development there and in pop up spaces. It also delivers artist development programmes for other organisations.

Curated projects present new art by emerging and established artists, often working with independent curators and partners.

Castlefield Gallery, a limited company and registered charity, is free to attend and open to all. It owns its city centre venue thanks to Arts Council England capital lottery funding in 2000.

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It has since regained funding and is part of Arts Council England's National Portfolio for 2015 to 2018. It is also a cultural partner of Manchester City Council.

A period of reflection and redesign led to a model that was to some extent driven by 'survival and finances'. Organisational development funding was already in place and supported a new business plan based on making greater use of the organisation's strengths.

The Business Model

Following a temporary loss of Arts Council funding in 2012, Castlefield Gallery's business model became much more focused on services supplied to artists and partners than on provision of a programme of exhibitions.

To make this model work Castlefield Gallery had to improve its advocacy urgently. It needed to understand and express its value to potential partners and supporters. It is now much clearer on the key functions and value created by Castlefield for the visual arts sector and the city. It began to tell what Director Kwong Lee calls 'a bigger story about the gallery and its impact - moving beyond simple measurable statistics'.

This 'bigger impact' positions the gallery as part of the research and development function for the visual arts sector. It is about more than individual artists' practice or putting on exhibitions and related programmes and this is valued by customers and partners. Customer Segments include 'cultural investors' like Arts Council England. They also include groups such as property developers that have an interest in the city centre being a vibrant and creative place.

Manchester City Council came on board with revenue funding of £5,000. Although this was small in financial terms, it symbolised the value of the gallery to the city.

The gallery also expanded its work outside of its own building into pop-up spaces. It persuaded developers to donate savings on business rates to arts organisations who were making use of otherwise empty space. The largest 'pop up' was the Federation House Project: a 19-month stay in a former Co-operative Society building that created 80,000 square feet of art gallery and studio space for emerging artists. This created a huge increase in donated income in the years of operation.

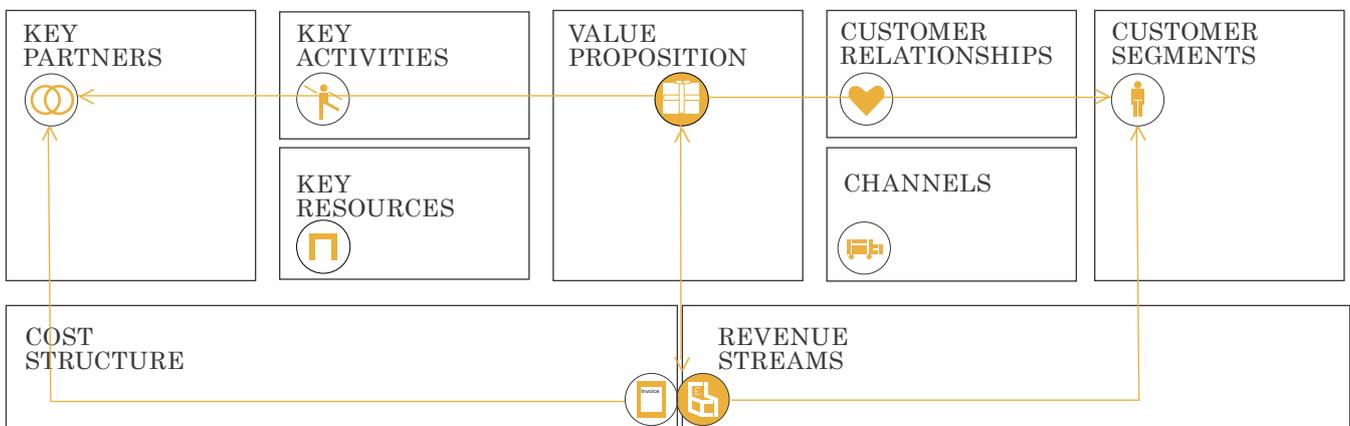
A third strand of innovation in the model was to turn to the artists who felt Castlefield had helped them in their development or career for support. Artists, designers and curators such as Pavel Buchler, Peter Saville and Hans Ulrich Obrist donated work to an auction that netted £30,000. This was a clear sign that the Value Proposition was a strong one for artists, designers and curators. The auction also connected Castlefield to collectors and the business community more effectively than before.

Support for artists was formalised in the new model to make it manageable. Castlefield Gallery created a membership scheme called Castlefield Gallery Associates, which brings in a modest income stream from £60 a year subscriptions. The scheme includes user-generated activities developed in response to members' needs and requests. One such activity is Launch Pads: short exhibitions, performances or events that punctuate Castlefield Gallery's main exhibition programme. These provide artists and curators with the opportunity to use the gallery as a test bed for the production, display and consumption of contemporary art.

Networks in the North West are important to Castlefield Gallery's Value Proposition. Without them the model would not be realistic. Castlefield Gallery's Director co-chairs Contemporary Visual Arts Manchester and is an active member of the North Partnership Forum that encourages strategic partnerships between cultural organisations and universities.

Castlefield Gallery has strong partnerships with universities, such as Manchester School of Art at Manchester Metropolitan University and University of Salford, and national organisations such as a-n The Artist Information Company.

The Core of Business Model Innovation



Based on the Business Model Canvas by Strategyzer.com

Innovation in Castlefield Gallery's business model is centred primarily around the Value Proposition. By clarifying its key functions and the value it creates for the visual arts sector and the city, the organisation has increased its attractiveness to customers and partners. There is also an element of finance-driven innovation, with the temporary loss of Arts Council funding forcing the gallery to be creative in the development of new revenue streams that had an impact on partners and customers.

The ‘new model’ Castlefield Gallery and Agency is still felt to be transitional and it may always need to feel like that.

Future-proofing Castlefield Gallery

Kwong Lee describes Castlefield Gallery as still vulnerable and evolving, never comfortable. The external context is ever-changing. As the Manchester economy is relatively booming at present, especially in the city centre, rent deals are likely to be harder to find. Donations, which have grown due to the use of business rate relief gift back arrangements, are likely to reduce.

Castlefield Gallery is applying the model elsewhere in places such as Leigh, Salford and Widnes and further afield working with partners in Hull. The organisation would like to conduct studies into the long-term effects for artists, curators and places of these often short-lived no or low-cost but precarious pop-up spaces.

It is currently part of an industry-based Doctoral Award with MIRIAD at Manchester Metropolitan University. The starting point of this research is an ethnographic study about how and where deferred value or deferred impact arises from the work of the gallery.

This move beyond the Castlefield base of the organisation comes at a time when that part of the city is joining up more as a cultural area, partly due to the opening of HOME.

The organisation is at pains not to be just local but to operate regionally through New Art Spaces and nationally through talks and partnership activity. This is driven by a need to reflect artists’ interests as well as demand from elsewhere.

One of the challenges facing Castlefield Gallery in operating its revised business model is finding time

and headspace for the team to think as creatively about the business as they did when they lost revenue funding. Bringing in match funding for project activity is a pressure. The work required to keep momentum in a model where more revenue needs to flow from earned and donated income is also continual.

The ‘new model’ Castlefield Gallery and Agency is still felt to be transitional and it may always need to feel like that. The adaptive cycle of growth, consolidation, release and then reorganisation is likely to be repeated.

It has a small but firm base to work from in its skills, brand and building but is shaped in the knowledge that income may ebb and flow.

The organisation is committed to maintaining its dual identity of gallery and agency. The main gallery space is important as a platform for artists’ CPD and allows audiences a depth of consistent engagement that can be harder to achieve through pop up spaces.

There is a clear distinction between the identity of Castlefield Gallery and the support available to artists elsewhere. This flows from the history, the gallery space and audiences, and from the organisation’s decision to emphasise a role within the ecosystem of the visual arts. It also stems from the decision to nurture relationships with customers and partners that make them able to deliver more value within that ecosystem.

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