
Diversifying revenue streams

Featuring snippets of case studies
by Mark Robinson

“Commercially savvy models are on the rise. Organisations are creating revenue streams that add value to visitor experience. Some are transforming the cities they operate in and welcoming new audiences as well as income.”



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Diversifying revenue streams

moving away from a traditional model

Funding for arts, culture and heritage organisations is changing. Standstill grants and reducing subsidy are forcing organisations to get more creative with their business models.

Commercially savvy models are on the rise. Organisations are creating new revenue streams and enhancing visitor experience in the process. Some are transforming the cities they operate in and welcoming new audiences as well as income.

Options for generating revenue can feel limited. Strangely, at the same time, they can also seem endless and overwhelming. Sometimes knowing how or where to begin is the biggest challenge.

This collection provides snippets of inspiration and links to detailed business model case studies. You'll also find a tool to help you explore new revenue streams.



Earned income and visitor experience

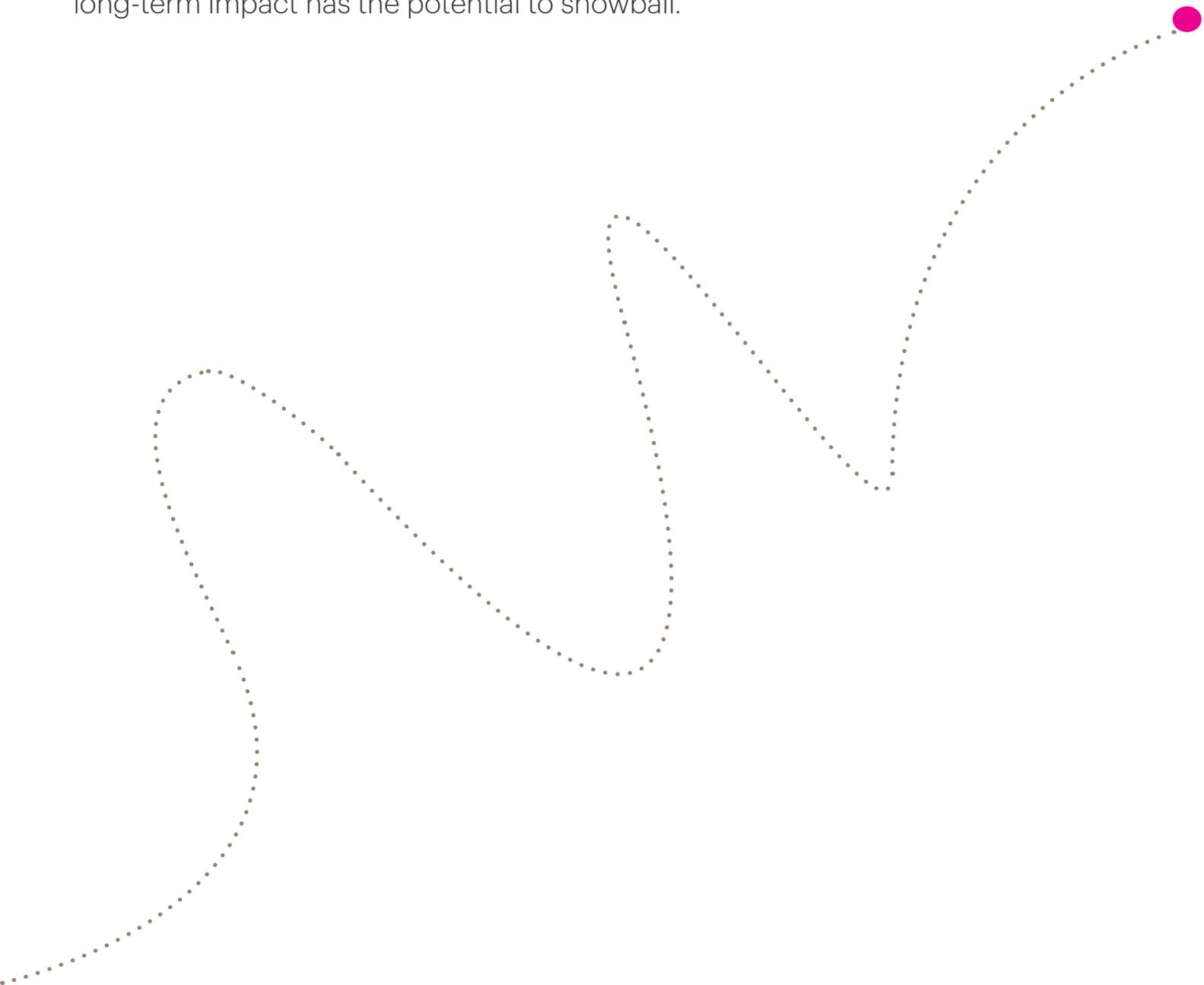
a powerful duo

Looking at earned income streams as an integral part of your business model can have a positive impact on your audiences as well as your revenue.

A creative retail or catering offer that sits neatly within your vision and mission could attract new audiences or enhance visitor experience.

The following case studies demonstrate how revenue streams and audience development can work together to transform your overall offer.

The income may only be small to begin with but the long-term impact has the potential to snowball.



Case Study #1

Ministry of Stories: monster retail

Ministry of Stories runs a writing and mentoring centre in Hoxton, East London. Inspired by 826 Valencia in San Francisco, it combines writing programmes with a 'shop front' to attract children and young people.

Hoxton Street Monster Supplies sells monster-related products from t-shirts and notebooks to jars of sweets and stories with names such as 'Creeping Dread' and 'Escalating Panic'. Profit from the shop goes into Ministry of Stories' work via a trading company.

Profit from the shop is currently less than 10% of overall turnover but it has potential to grow. The organisation has already sold the shop brand to quality high street retailers such as Liberty and Selfridges.

Hoxton Street Monster Supplies is very much part of Ministry of Stories' brand. It suggests a child and young person-centred approach, a fun and entrepreneurial spirit and a literal place on the high street. The aspiration is that the Hoxton Street Monster Supplies brand can be licensed and spread through partnerships.

[Ministry of Stories Business Model Case Study](#)

by Mark Robinson



Image courtesy of Ministry of Stories

Case Study #2

Beamish: catering for visitor experience

Beamish is “the living museum of the North”. It opened as an open air museum in 1970 and now includes a reconstructed 1900s town, 1940s farm, and a 1900 colliery including pit, tramway and pit village. A 1950s area is being developed.

Beamish’s earned income streams are designed to be integral to the visitor experience. The fish and chip shop and bakery, for instance, are not simply about catering. They are about encouraging a more resonant emotional connection to the history depicted. In the bakery visitors can watch delicious bread, cakes and biscuits being made using Edwardian recipes and buy freshly-baked treats to take home.

This approach has attracted more purchases and ultimately revenue income, with income from trading up by 16%.

[Beamish eating and shopping](#)

[Beamish Business Model Case Study](#)

by Mark Robinson

Increasing assets and placemaking looking outwards

When trying to build new revenue streams the natural starting point may be to look inwards. What are the spaces, skills or resources you could use or transform to generate revenue?

But what if you looked outwards?

The following case studies demonstrate business models that are ambitious and outward-looking. These are organisations who are transforming their finances and the communities in which they operate.

If you feel like you've exhausted internal options, maybe it's time to expand your asset-base. That may mean looking outwards and thinking bigger.



Case Study #3

Live Theatre: creative enterprise

Live Theatre was founded on Tyneside in 1973 as a radical theatre company, taking plays to audiences in non-theatrical locations. Since 1982 it has been based in a set of converted old almshouses and warehouses on Broad Chare, Newcastle Quayside.

Live Theatre wanted to create sustainable long-term income streams. Having examined what they already had, the team decided they needed to increase their asset-base. In 2010 they set out with a plan, supported by loan and grant funding, to develop four social enterprises:

- [The Broad Chare gastro-pub](#) — a joint venture with the 21 Hospitality Group, led by a former Michelin star restaurateur.
- [Beaplaywright.com](#) — a commercial online digital training business that uses some of Live Theatre's core skills to deliver a unique online course.
- [The Schoolhouse](#) — a small business incubator and workspace, which combines creative talent and enterprise.
- [Live Works](#) — a major capital project to purchase and develop Quayside frontage and land and buildings adjacent to the theatre. It has created new commercial office space, a public park and a children and young people's writing centre.

From 2018, Live Theatre aims to achieve a net income of £600,000 from its social enterprises.

Live Theatre has developed its revenue streams but also its artistic and social offers by creating places for people to meet, socialise and work.

[Live Theatre Business Model Case Study](#)

By Mark Robinson

Case Study #4

Watershed: influencing the leisure environment

Watershed is a social enterprise and a registered charity in Bristol. It was founded in 1982 and declared itself to be 'Britain's First Media Centre'. It occupies the first floor of a historic Grade II listed building at the entranceway to Bristol's Harbourside.

Watershed purchased the headlease on the buildings in which it's located. It now controls the leases of the cafes and bars located on the ground floor. As well as generating rental income, this has enabled Watershed to influence the surrounding leisure environment.

By being flexible on terms and rents, Watershed has encouraged independent operators rather than big chains to occupy the ground floor. In doing so, it has improved the evening atmosphere in the area.

This is just one element of Watershed's business model. Read the full case study to find out how Watershed is helping shape Bristol through talent development and digital innovation.

[Watershed Business Model Case Study](#)

By Mark Robinson



Image courtesy of Watershed

Tools and further reading

developing your revenue streams

We hope the case studies in this collection have got you thinking about your own context, assets and ambitions.

Follow the links throughout the collection to read the full case studies and find out more about those organisations' business models.

This final section introduces the Business Model Canvas, which is featured in those case studies. Use it to sketch out your ideas and think about your income streams in the context of your business and how you create value.



A useful tool

Strategizer.com's Business Model Canvas

Osterwalder and Pigneur created The Business Model Canvas as a shared language for describing, visualising, assessing and changing business models. They say "a business model describes the rationale of how an organisation creates, delivers and captures value." It illustrates what the business does, for and with whom, the resources it needs to do that and how money flows in and out of the business.

How to use it:

- Draw the grid below on a giant sheet of paper, with the headings in each box
- Use post-it notes to start populating your canvas
- For each of the nine elements, think about the things that are essential to make your model work and not just things you are already doing
- What could you change to generate new revenue streams?

For a full introduction, see [Introducing the Business Model Canvas](#).

<p>Key Partners </p> <p>Partnerships are key for many arts and cultural organisations. These might be with other arts and cultural organisations, funders, or education providers or with artists, venues, touring companies or development organisations.</p>	<p>Key Activities </p> <p>Key Activities in the context of an arts or cultural organisation instantly brings performances, exhibitions and workshops to mind. It may also include things like catering, retail and school visits.</p>	<p>Value Proposition </p> <p>For each distinct Customer Segment or Audience an organisation makes an offer that seeks to solve that Audience's problems or satisfy their needs.</p>	<p>Customer Relationships </p> <p>Relationships are established, developed and maintained with each Customer Segment.</p>	<p>Customer Segments </p> <p>An organisation serves one or several Customer Segments or Audiences. These might typically be the different groups of people that attend your events/exhibitions or participate in activities/projects. It might also be funders or commissioners, with whom you have a different sort of relationship.</p>
<p>Key Resources </p> <p>Key Resources are the things that we need to deliver our offer and connect with our audiences. These will include staff, buildings (for venue based organisations, museums and galleries) and volunteers.</p>	<p>Channels </p> <p>We deliver our offer or Value Propositions to audiences through communication, distribution and sales channels.</p>	<p>Cost Structure </p> <p>The business model elements result in the cost structure. For arts and cultural organisations the cost structure typically includes staffing, marketing, fundraising and building costs.</p>	<p>Revenue Streams </p> <p>This is the money an organisation generates when it successfully matches its offer with the needs of an audience. For arts and cultural organisations this often includes funders, ticket income/admissions.</p>	



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