

**Nicole Newman, Development Director, English National Opera**  
***Managing corporate reputation***

Nicole Newman has been Development Director of English National Opera since October 2009. Prior to ENO she was Development Director at Somerset House Trust where she set up a new Development Department. She was also Head of Corporate Partnerships at the Victoria and Albert Museum for six years, where she launched a number of groundbreaking partnerships with brands like HSBC, PlayStation, Habitat and TopShop. From 1999 to 2003 she worked at Tate and was part of the team that launched Tate Modern securing several major sponsors like Unilever, Morgan Stanley and BT. Nicole regularly teaches and participates in conferences on brand partnerships and corporate sponsorship for the arts, internationally.

In a social, connected world, managing your overall corporate reputation and brand has become more complex. In this session, Nicole presented several short case studies and led a discussion about how this area of our work is developing and the particular impact on our approaches to corporate sponsorship.

**Managing corporate reputation**

What you will have gathered from my biography is that I am not a marketer; I am a development director primarily. I am partially responsible for communications at ENO but the reason I am here is that the focus of our discussion today is corporate reputation in relation to partnerships and ethical sponsorship. It does also overlap into other areas like programming and media.

While I'm sharing a few case studies I'd like you to consider what issues you have encountered in terms of corporate reputation.

I'll give you some context. Julie Aldridge [director of AMA] approached me to talk about this because in the last year or so I have been running some basic workshops about sponsorship for the AMA. Interestingly, there were a number of people coming to those sessions from small scale arts organisations around the country that'd had funding cuts and now had had fundraising development role dumped on them. At least that was my impression. These were organisations that had serious financial issues, had never had a fundraising element to their work and were running down their reserves. The thing that came across to me was how fearful they were of corporate sponsorship. And these were young people born in the 80s and brought up in the post-Thatcher consumer culture and I was shocked.

The second thing that has happened is BP. BP is the largest and oldest supporter of the arts by a long way. What happened with the oil spill generated a huge debate which a number of arts organisations had to deal with.

So what is corporate reputation? It's worth looking at what that might be. What is it we are worried about exactly? Is it the brand, the way we're seen in the press, how

our audiences perceive us, the funders? Is it the expertise and intellectual assets – and that it might be affected in some way? I've worked in a lot of museums and the academic reputation can be very important. Or is it the programme or collection?

I think you need a clear understanding of why you exist. It's also important to know who we are accountable to and identifying that very clearly. If that is clear then the other aspects follow.

We're also in a different world from ten years ago and two years' ago. There's no question that public funding for the arts is going to continue to be at a lower level for the next few years. We need to find other ways of generating income. One of the areas of debate from the last couple of days has been the culture change that will be needed. We need audiences and the next generation of audiences that will pay for things and we will need the private sector.

In a performing arts venue such as The Coliseum there are a finite number of tickets that can be sold. If all shows sold out and every ticket was sold this would cover 25% of the costs to put on those operas. We need to become more self-sufficient. Many of you will be in similar positions. Fundraising, sponsorship, individual donations – infinity. So how do we start positioning ourselves?

The other thing to put into the mix is that most of you are probably charities. Here's an interesting point from The Charities Commission for you:

*Charities are legally obliged to accept funding from anyone. They can only refuse it if, in following due diligence, the donor or supporter engages in practices that are contrary to the core work of the charity or could create negative publicity for the charity and jeopardise other funding or the charity's public reputation.*

The first one is relatively straightforward. The second is incredibly vague and this is where a number of the issues are. But note the point that you are obliged to accept donations unless you can make a good case for why you should not.

### Corporate reputation issues

[Nicole then opened up the debate to the floor, asking people to consider issues that have affected corporate reputation and what are you worried about?]

Felicity Cowie, Wiltshire Music Centre: *One of the reasons I wanted to come to this session, is that I don't believe we have a corporate reputation. So getting people to match up with our values and all that is difficult. We were started with lots of people raising money to make it happen and then we got a big national lottery grant to build the venue and it was started with a great community feel. Now, 15 years down the line, the funding situation is changing and the centre wants to be a professional*

*business that attracts funders and corporate sponsorship and it's not really thought about before.*

NN: But you have an audience and people pay for tickets for a reason – so you have a reputation. Why do they come? Do you know?

FC: *We haven't really formulated it very well. It's quite vague. We have a split personality in that we're a prestigious concert hall with orchestras like Orchestra of the Age of Enlightenment and on the other hand we're a place where a child can learn to play the violin.*

NN: If you are looking at different sources of income and creating a corporate reputation is that you need to go back to your brand. The interesting presentation about West Yorkshire Playhouse showed how they are re-examining what the theatre is trying to do, deciding who their audience is and creating a corporate brand.

When I worked at the V&A we went through the six year process of going from being in a mess to being a transformed successful organisation. It had low audiences, was dusty and dry and had negative publicity, with high staff turnover etc. Over six years, the organisation was transformed – the programme, the infrastructure, the internal structure, the marketing and communications. The re-brand was around it being for the creative industries. Inspiration for the creative industries. Everything you go to now at the V&A is inspiring even if it's old. That's a mega programme and I'm telling it to you very quickly but it did turn the reputation of the museum around. The impact on their funding is that their fundraising went from £2m to £15m over ten years or so. They've been able to position themselves along some boutique luxury brands. But you need to do all that before you get to the next step.

So, an interesting question next is, if you have the sponsorship and the money flowing in, what problems might you have?

What brand would you be unhappy with as a sponsor?

Let's stay with the V&A. At one point we had two potential sponsors for an exhibition. Ecco Shoes and Courvoisier. V&A fashion exhibition sponsored by Ecco Shoes. What are your impressions? Would you accept?

Delegate: *Probably not glamorous enough for the V&A. They're well designed but they're not very glamorous.*

NN: Would you accept them?

Delegates: *Depends how badly we needed the money!*

Delegates: *Perhaps if we were having a shoe exhibition.*

NN: What about Courvoisier?

Delegate: *Problem with under 18s and alcohol?*

NN: Good point.

Delegate: *It's quite a cool brand – especially over the last 2-3 years.*

NN: It was an exhibition called Black British Style about Black British fashion.

Ecco Shoes came to us because they were a well designed and respected brand in Denmark. But in the UK they had a completely different brand – the same design but with a different position in the market place. So this was part of wanting to make the brand cool and cutting edge – contemporary design.

There was a great deal of debate in the V&A and a most of it was around snobbism. Some of the groovy young at the V&A staff didn't think that Ecco was cool enough for the V&A. However, we decided to go ahead and we did work with them over three years. They didn't in the end manage to push their brand as successfully as they had wanted for a variety of reasons. For the V&A it didn't really change the reputation – if anything it increased our visitors because of the various connections. So what was the problem? What were we worrying about? It was snobbism.

Courvoisier was interesting because they are tapped into contemporary culture in quite a deep way and are endorsed by the rapping world. We had quite a lot of conversations with them about how we could work together and ensuring that the reputation was managed well. There was quite a lot of 'old school' concerns about racism – it wasn't entirely clear what exactly they were worried about, except that they thought that the press would pick up on something. In my opinion, they didn't really understand the culture. After lots of debate, the executive decision was made not to accept the money.

Delegate: *Could bring some of your key customers on to a panel and ask them some of these questions? Then you can take that to the directors and show them what your brand ambassadors are saying.*

NN: If you are putting together an ethical policy, one of the key processes should involve communication, education and research. If you are setting up a brand, you ask people what they think the brand is and then you can go out to those brands that fit and ask them for sponsorship.

Ecco and Courvoisier both came to us because they thought that was our brand and they wanted to be there. Despite this, there were still people in the organisation who didn't recognise this. It's so personal and you have to find a way of depersonalising it.

Audience research can help but it would become quite expensive to do it every time. It's rare, by the way that people, will turn up with money for you!

Delegate: *Why did people think that having Courvoisier as a sponsor would be racist?*

NN: The anxiety was that the press would say that this big imperial museum – the Victoria and Albert Museum - was trying to change its reputation by tapping into cool black culture. It's a shame because actually it might have helped to make a link with audiences that wouldn't have thought of coming otherwise.

Delegate: *It could be turned round in that you could be accused of being racist for not accepting it.*

NN: Absolutely. But the press would only know if they went to them, but they are professionals and we are, so that didn't happen.

Delegate: *One of the issues for arts organisations compared to many charities is that there are two elements to the work which is very diverse, might have some problems. So at Roundhouse we are a venue with a music programme that might be very attractive to some sponsors. But then on the other hand, we're doing some community and education work with young people which might make it problematic. It makes the development of an ethical policy difficult.*

NN: Having any kind of strict ethical policy is difficult but it's a sensible thing to have, depending on the sort of organisation you are. I've never had a policy in any organisation I've worked in. I've been asked to write one on several occasions. Usually, it has to be dealt with on a case by case basis if, as you say, the programme is very diverse. The Science Museum and those sorts of institutions have quite thorough ethical policies. Generally, they lay out a procedure; they won't say that they will take money or not from various bodies.

Sarah Briggs, Tate: *Ours is a three page document. It's overarching – strategic principles rather than detail about who we should accept money from. Similar to your Ecco shoes example, we were thinking about doing something with Lindt chocolates and at the time they were doing some quite cheesy adverts and people didn't think the brand fitted well so we went with another company, even though Lindt are a much bigger company and would have been quite beneficial to us. On the other hand, making sure you have a good fit – as we discovered with Selfridges can lead to a really good partnership over many years. That started right at the beginning when Selfridges was worried that Tate might take people away from Oxford Street so they felt it might be a good idea to work with us.*

Delegate: *what you said there was really key is that you had shared objectives. You've to know what you are trying to achieve and how that fits.*

Delegate: *with the changes to the funding landscape do you think arts organisations are going to take more risks with their sponsorship? Now, because of the sake of survival they will take the sponsorship.*

NN: That's a question I want to ask you. Sarah [Briggs] and I have worked with these megabrands and they have become mega-brands while we've been working with them. Sometimes that means it is easier to take a risk – if you are confident about the brand. We have a big competitor down the road that soaks up a lot of the attention, sponsorship, audiences etc. At the moment, our executive team [at ENO] is concerned about the financial future and are more likely to take a risk in consequence. It's a struggle. Opera is expensive.

The thing is to get your brand into a strong position that automatically attracts sponsors and donors. But equally, even if you're The Tate, sponsors don't just ring you up and offer you money so you need to be confident enough in your brand to be able to work with sponsors.

To look at another area now – I've known a gallery that has had to turn down sponsors because the artist in an exhibition objected. Another example is that it could be that a foundation refuses to fund an organisation because there was a link they objected to (e.g. I came across a theatre that had someone who had a tobacco industry link on their board and a foundation refused to fund them).

Delegate: *Is it possible to accept sponsorship and hide it?* [laughter from delegates]  
*The reason I ask is that one of the orchestras used to have British American Tobacco listed as a sponsor on their website and you couldn't find it anywhere else.*

NN: Interesting question. BAT and JTI are big arts sponsors. Tobacco used to be the number 1 'no no' and in fact there are some legal elements to sponsorship and tobacco. JTI approached several arts organisations and eventually they ended up supporting a London institution and an orchestra but without being branded. They do all the other things like corporate hospitality and are sponsoring exhibitions but in quite a low profile way. It's not about logos on posters.

The invisible sponsorship does exist. It's happened with banks too – because their reputation declined after the credit crisis – where they have continued sponsorship but have removed their branding off because they didn't want to be seen to be linked with glamorous high end things.

Delegate: *I'm a consultant working with small businesses a lot, as well as arts organisations. There's an interesting issue about how arts organisations help the business sector to grow – making it more like a collaborative relationship? If there is an issue with funding, what can arts do to make a mutual way of working?*

NN: That goes back to the whole, how do you set up a corporate programme issue which is not what we are talking about today. I think what you are talking about are the deliverables? What we are talking about is the brand and the way this is used in line with the reputation. There is an issue about how you break down your assets into an offer, but it's about breaking down your brand values so that your reputation is obvious.

So that as the banking sector is beginning to come out of this phase for example, they're beginning to look at funding the arts sector. Now they are trying to look at how they are managing their reputation. So they are interested in social responsibility, education etc – they want to be seen as human again.

Delegate: *could you say something about individual giving?*

NN: I'm not so good on the challenges there. America is much bigger on this because they are good at linking donors to artists.

Interesting case with the LSE and the problem they had about accepting funding from the Ghadafi Family. I think what happened there is that they didn't follow due diligence. That was a disaster.

I know that there have been situations in which large arts institutions have been looking around the world at where the money is. Some of these rich individuals like Bill Gates or Bloomberg are very transparent about what they do but there could be an issue over a Russian oligarch for example – where has that money come from?

SB: It's a dilemma because Government funding is going to decline and there will be a greater demand to use business funding. Due diligence is important.

So the interesting arts example recently was BP which is a major sponsor of several arts institutions. When the oil spill happened there was a lot of press about whether arts institutions should accept this money. There was a press release put out by the four arts organisations sponsored by BP saying they would be re-considering their sponsorship. But a few weeks later a lower profile press release was put out saying that the sponsorship would be going ahead. And it all seemed to go away (in terms of the arts organisations – BP still had some problems).

SB: *that's pretty much it. BP had been sponsors for twenty years. There was quite a long and involved process in deciding whether or not the sponsorship would continue. We said that people had the right to protest – and we have had protests from Liberate Tate – no major damage – quite creative.*

NN: If I was in the shoes of those directors I wouldn't have even entertained the idea of not accepting the idea of not accepting that money. I just would have managed the pr process. I think you need to plan and prepare for what might happen. It then allows the debate to happen because you have confidence in what you are doing. If it gets into the press – what are you afraid of? The Tate is a massive brand, whatever that needs to be done can be.

## Final points

Let's summarise some of the practical elements of this.

- Plan for the worst
- Be proactive – get legal or media help
- If it goes viral – hold your nerve. If it's in the newspaper they are obliged to ask their source first. You can only take out an injunction for breaches of privacy. Just ask the platform to take it down if it's inaccurate. The challenge is that they tend to be based in the USA.
- How serious is it? Will it blow over? Is it worth the energy? Have confidence
- In terms of due diligence and ethics – and The Tate has an ethical committee – one of the only organisations I know of that has this – write down an ethical policy – an informal one is okay but if it's written down it's much clearer about what the process is and where responsibility lies.
- Discuss these issues internally
- Have a policy for escalation – what happens if it raises
- Follow due diligence
- Make sure you have a paper trail.
- Proportionality – de-personalise it. What is the process? What is the worst that could happen? Will the bad publicity change everything?
- Review regularly
- Use your instinct and judgement and experience.