



FUTURE PROOF MUSEUMS

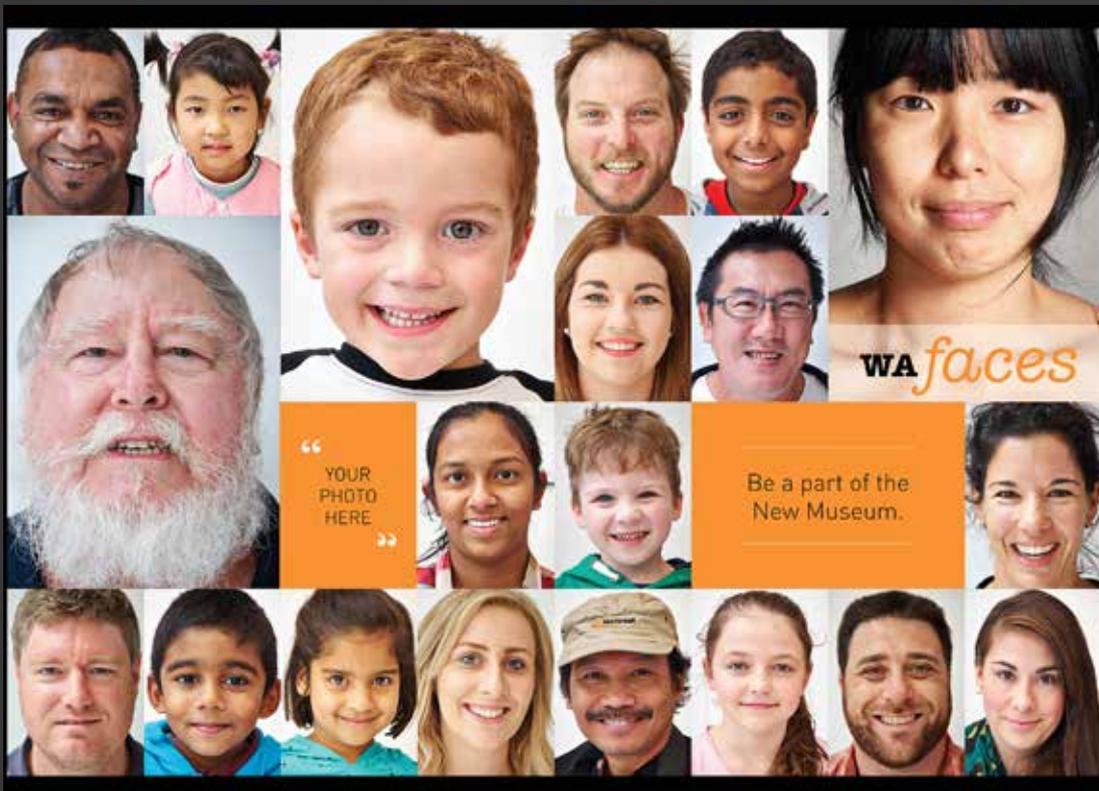


Image courtesy of WA Museum, taken from the WA Faces album

Western Australian Museum Business Model Case Study



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The Western
Australian Museum
adapted to an evolving
purpose, determined for
its work to reflect 'the
heart of the state and
the spirit of its people'.

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Western Australian Museum Business Model Canvas



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Introducing Western Australian Museum

The Western Australian Museum (WAM) comprises six public sites as well as a Collection and Research Centre that houses more than 4.5 million objects from rare fossils to the iconic racing yacht *Australia II*. It also manages 200 shipwreck sites, of the 1,500 known to be located off the WA coast, and 8 Aboriginal land reserves.

Although Western Australia is a huge physical area in UK terms - roughly the size of Western Europe - the population is around 2.5 million. Overall, that's just one person per square kilometre but almost 2 million live in and around Perth.

Having received an investment of \$428M (c£200M) from the State Government, WAM is currently moving into the delivery phase of the largest museum building project in the Southern Hemisphere.

The New Museum will allow WAM to do what the organisation describes as 'turning the museum inside out', creating public spaces built around its Value Proposition.

The WAM Strategic Plan refers to giving 'every visitor and user, physical or virtual, a legitimate way (should they choose) to contribute to the Museum and its content and impact, to share ideas and knowledge, to connect with other people, and to feel like an engaged and respected participant.'

A new people-focused Value Proposition positions WAM as 'of the people, by the people and for the people'.

The Business Model

WAM's current business model arguably falls into the category of having multiple epicentres.

WAM brings together a unique set of assets and Key Resources that encompass heritage, culture, science and the environment. It connects these with the interests of a broad range of Customer Segments.

Assets, resources and customers are united through a new people-focused Value Proposition that positions WAM as 'of the people, by the people and for the people'.

The Museum's role is to be a place where people can explore, understand, express and share their identity, culture and sense of place. This includes regional centres and WA Museum sites outside of its Perth base, as well as partnerships with community museums, heritage groups and Aboriginal and Torres Strait Islander communities.

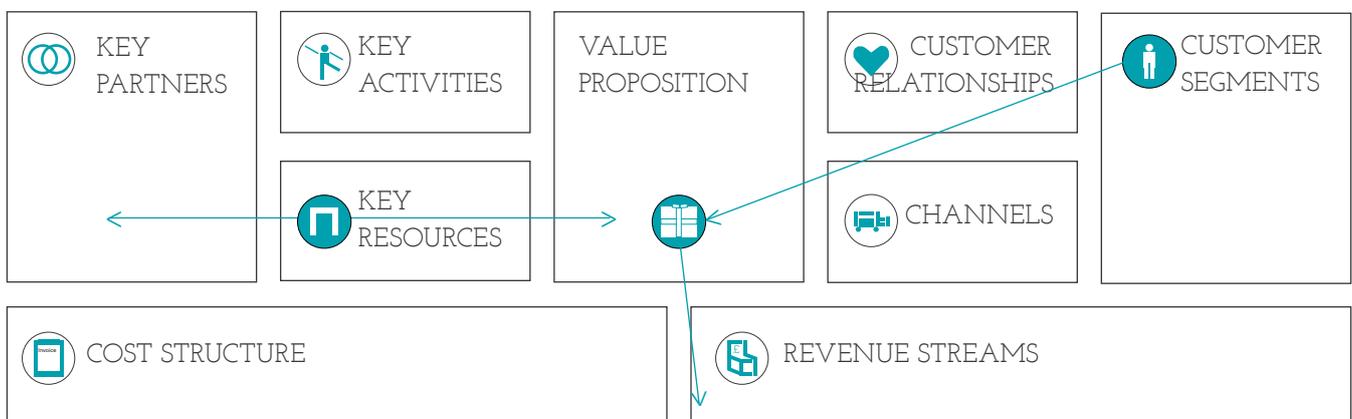
A new CEO, Alec Coles, joined the organisation

in 2009 and brought a vision of what WAM could achieve for Western Australia and Western Australians. He changed the Value Proposition from the stewardship of assets, objects and knowledge to a more people-focused proposition. It has been suggested that the organisation was previously inward-focused and there had been a drift towards an entitlement and victim culture.

New leadership spurred an outward shift in focus. It added a community and social capital development aspect to the preservation and sharing of social, heritage and scientific knowledge.

While the Museum was facing severe financial pressure, the main driver for change was to increase impact and demonstrate relevance. The State Government, other funders through the Museum's Foundation and other partners have embraced the new vision and value that WAM could bring to stakeholders and the people of Western Australia.

The Core of Business Model Innovation



WAM has a complex Multiple-Epicentre Driven model of innovation. It has a unique set of Key Resources, including a New Museum in development, which drive new partnerships and the offer. A new CEO has introduced a people-first approach, making Customer Segments another core driver. Both elements are united in a Value Proposition that has proved instrumental in generating new Revenue Streams.

WAM has increased its focus on people, on delivery, on the external environment and on self-awareness to ensure a thriving future.

Future Proofing

The major change achieved by WAM has been a much greater focus on people ('People First'), on delivery, on the external environment and on self-awareness. This has been based on a determination that the Museum and its work reflect 'the heart of the state and the spirit of its people' and a strategy of 'advocacy by achievement'. It has innovated through its Value Proposition but with particular attention also given to the activities and partnerships that follow from combining key Customer Segments with the Key Resources of the Museum.

State Government is a key part of the business model, providing over 70% of revenue income. Although this appears relatively stable, this masks much year-on-year work to maintain and improve funding levels through periods of political and economic change. A review was commissioned from KPMG that found good performance but under-investment. This has been used to argue for increased resources and as part of the case for investment in the New Museum.

The Western Australian Museum works closely with a separate Western Australian Museum Foundation. The Foundation manages funds and major gifts from public, industry, charitable and private sources that sometimes include shares as well as revenue. The Foundation is working on developing a major endowment for the New Museum Project. Keeping the Foundation separate makes best sense in the Australian context. This arrangement ensures financial and operational independence, although the Director of the Foundation is part of the WAM Executive Team.

WAM illustrates how a structure can be adapted to an evolving purpose by using it differently rather than altering it.

What can we learn from WAM?

In some ways, structural change within WAM has been less dramatic than the changes in the positioning of the organisation and its Value Proposition to customers, communities and partners.

WAM offers an example of how changes in relationships with external partners and changes in roles and processes internally do not necessarily need to be created through or followed by changes to structure. It illustrates how a structure can be adapted to an evolving purpose by using it differently rather than altering it.

There is now, for instance, more of a matrix management model of executive responsibilities than a traditional functional and silo-ed model. This has helped change the internal culture by introducing greater accountability and collaboration, which has in turn helped WAM do more with the same resources. There has also been a shift in capability and resilience.

WAM has reprioritised its expenditure to make more investment into community and education work, regional engagement and into its work with Aboriginal and Torres Strait islander people.

What does the future hold for WAM?

WAM has an extremely diverse set of assets and offers given the nature of its work across culture, heritage, environment and science. This can be challenging in brand terms as WAM can realistically argue in some ways to be 'all things to all people'. These diverse offers come together in the Mission Statement and Value Proposition and will be physically integrated into the New Museum.

The New Museum will explore the mission through three strands of thinking:

- exploring and sharing the experience of Being Western Australian
- discovering Western Australia
- positioning Western Australia in the world

These strands will inform work on rebranding the organisation in the context of the New Museum.

The WAM audience profile is reportedly different from many other major cultural institutions. Visitor motivations are more social and emotional and the audiences more diverse. These factors influence the business model in terms of making the Value Proposition realistic and relevant to a range of Customer Segments, including - crucially given their importance in the area of revenue income - the State Government.

Although the State Government has not driven the more people-focused model, it has been very supportive of it.

WAM has reprioritised its expenditure to make more investment into community and education work, regional engagement and into its work with Aboriginal and Torres Strait Islander people. The number of programmes co-curated with community partners is a key measure.

This is also leading to changes in staffing, with an increase in the number of employees of Aboriginal heritage and the introduction of new Aboriginal trainee programmes.

WAM has worked with Morris Hargreaves McIntyre to develop a community engagement tool called the 'Spectrum'. This helps WAM to analyse, plan and evaluate how people engage with the Museum and its programmes. This is seen as vital to the ongoing development of the Museum, especially in the context of the development of the New Museum in Perth and its impact on the whole of Western Australia.

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