



Managing and Innovating Business Models of Culture Organisations

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- **Understanding Business Models**
- **Analysing and representing business models**
- **Characterising the business models of culture organisations**
- **Integrating strategy and business models**



Why the focus on business model of cultural organizations?



Cultural Activities and Value Creation Dynamics at a Time of Economic Transition

Do you feel comfortable with the use of the term business in the cultural arena?

Is there a terminology issue.....??!!



What is a Business Model?



The Business Model is what distinguishes an organisation

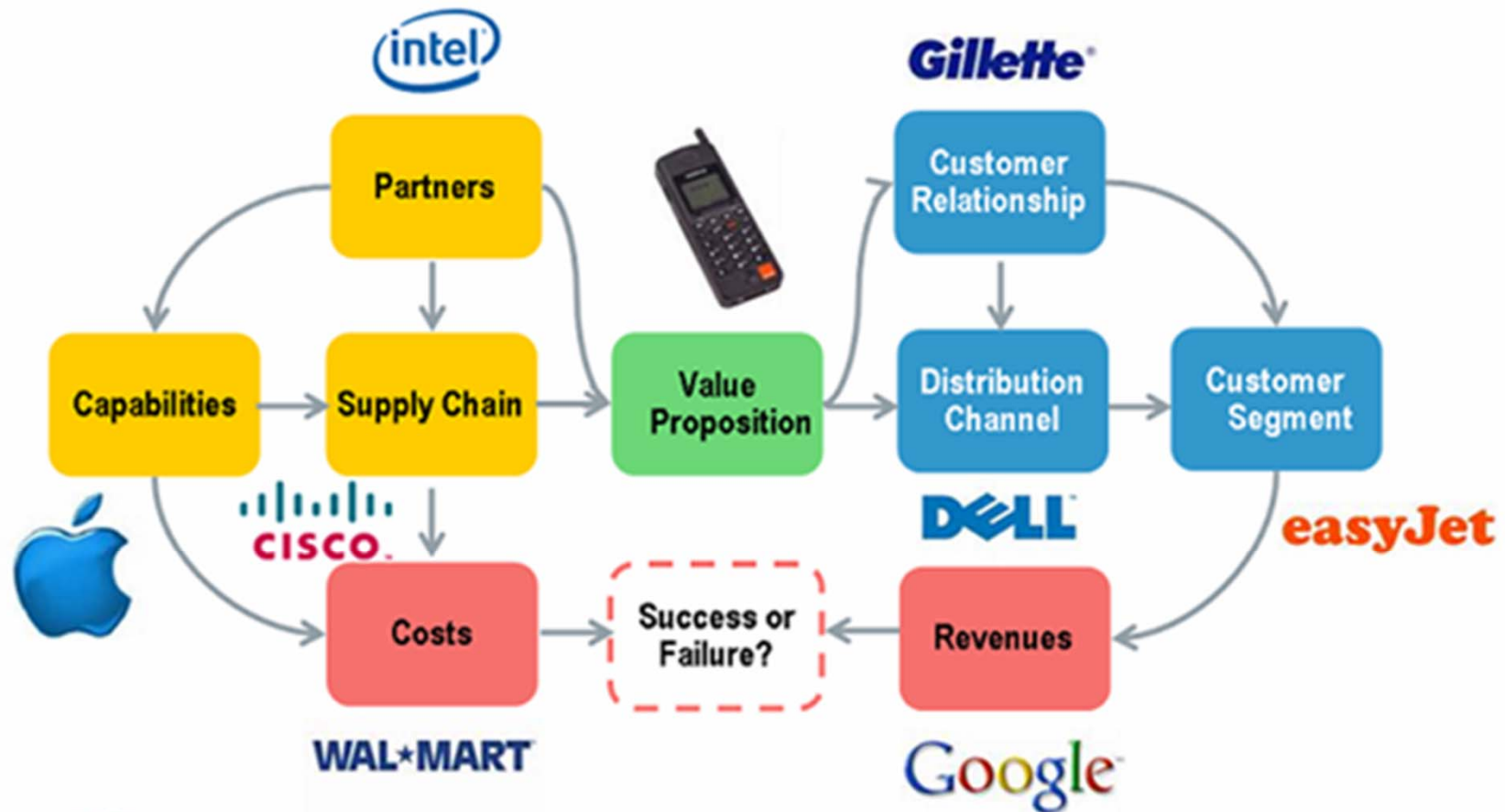


Think about organisations such as:

Starting from 1950s McDonald's Restaurants and Toyota;
From 1960s Wal-Mart;
From 1970s FedEx;
From 1980s Blockbuster, Intel and Dell Computer;
From 1990s eBay, Amazon.com, Google and Starbucks
From 2000 Facebook, Booking.com and Twitter.

Each organisation has its own specific business model

Simple Business Model Framework



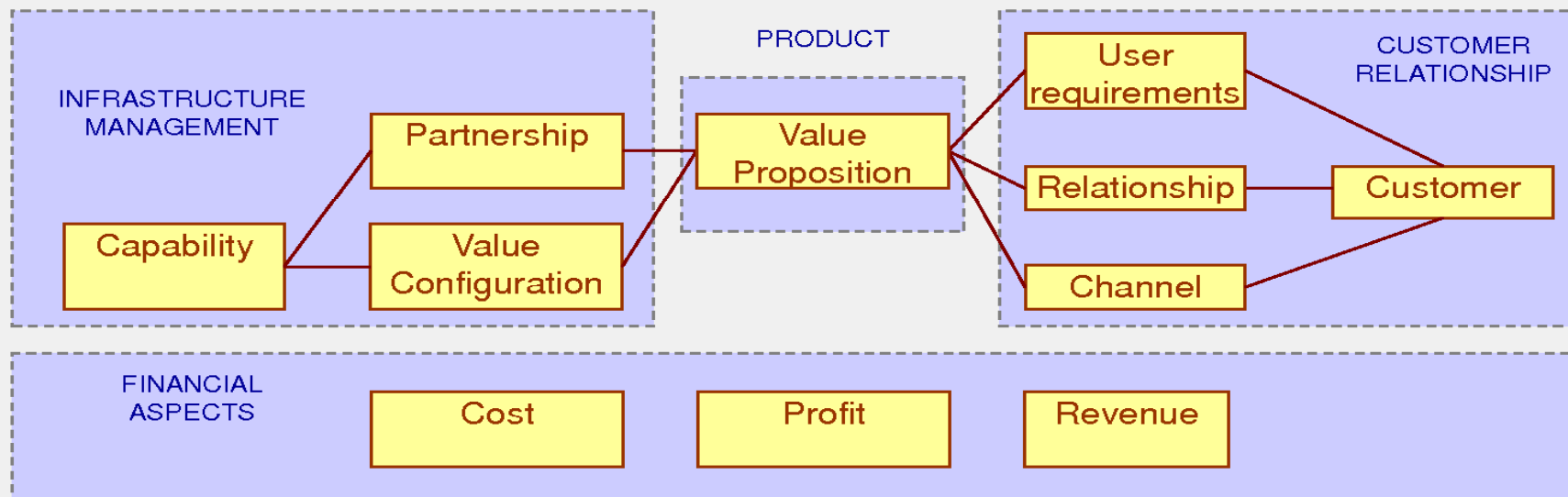
A Business Models defines.....

The Business Model Ontology

How?

What?

Who?



How much?



A Business Model is....

a plan for the successful operation of a business, identifying sources of revenue, the intended 'customer' (audience) base, products, and details of financing



A **business model** describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural or other contexts

A Business Model is....

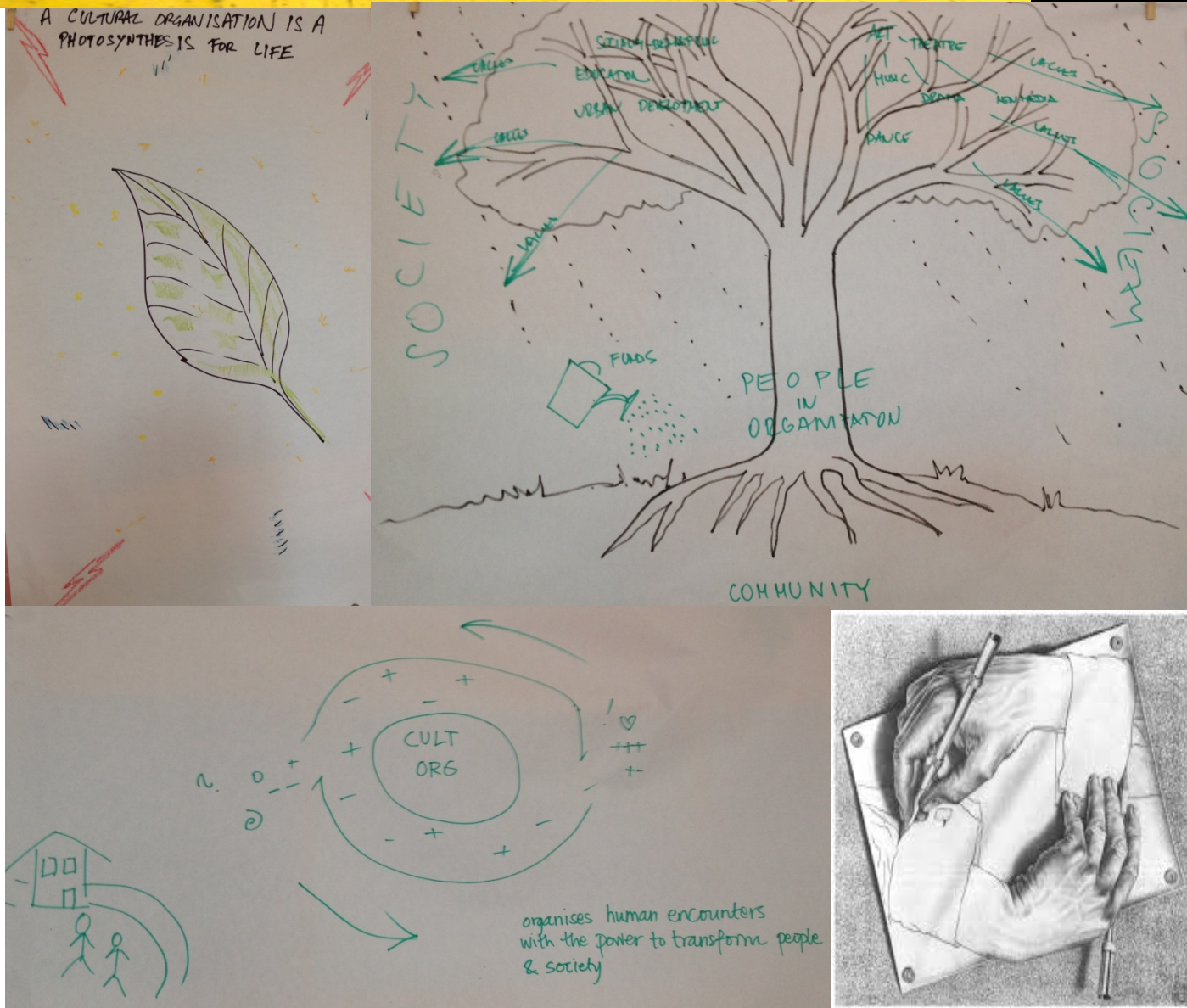
A Business Model tells a story of your business...

The Business model can be defined as the story that explains how an enterprise (organisation) works

The main characteristics of a Business model ...

A business model consists of four elements: a customer value proposition, a profit formula, key resources, and key processes.

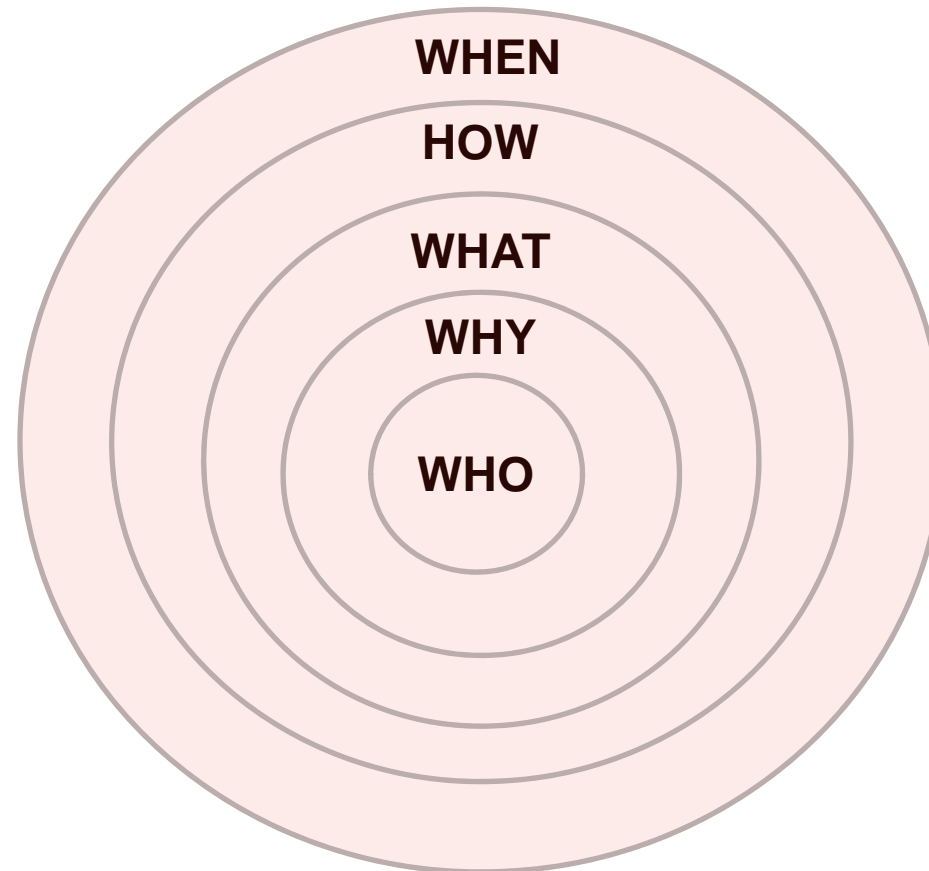
What is a Cultural Organization?



Frameworks to understand, analyse, design and innovate Business Models



The key questions of a Business Model....



Who are my key stakeholders

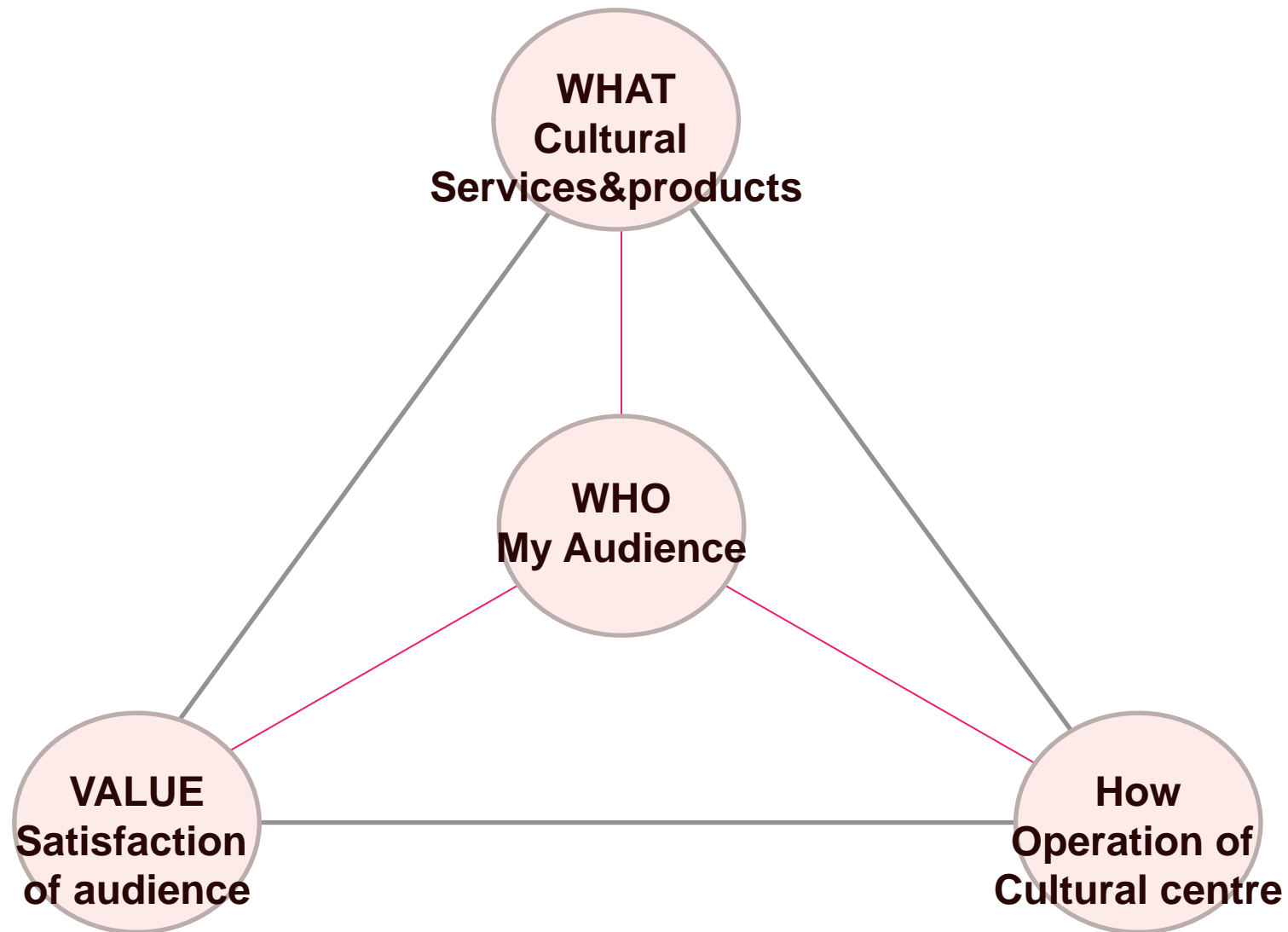
Why you do what you do - What value we create

What kind of services/products we produce

How we operate

When or in which conditions we deliver

Key dimensions of a Business Model....

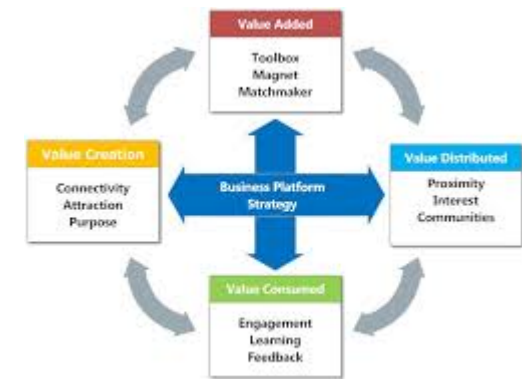
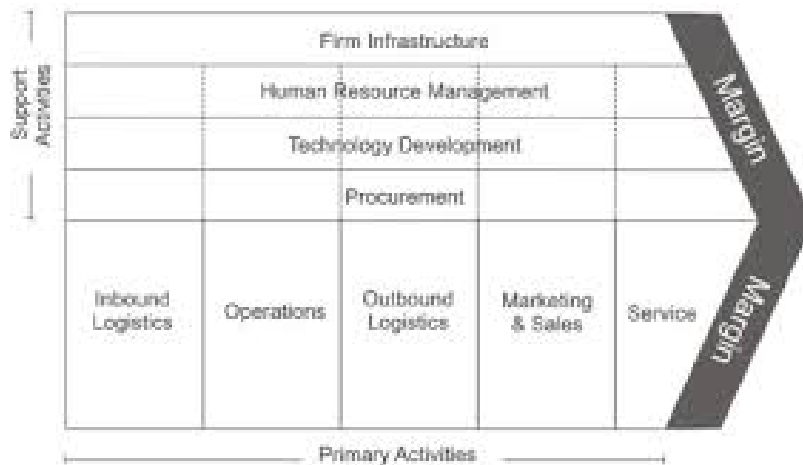


Two main interpretative views of Business Models

Pipes/Process/Value chain Perspective

Platform/System-based perspective

Figure 1: Porter's Generic Value Chain



The Relationship Economy: Think of Your Business As A Platform (2011)

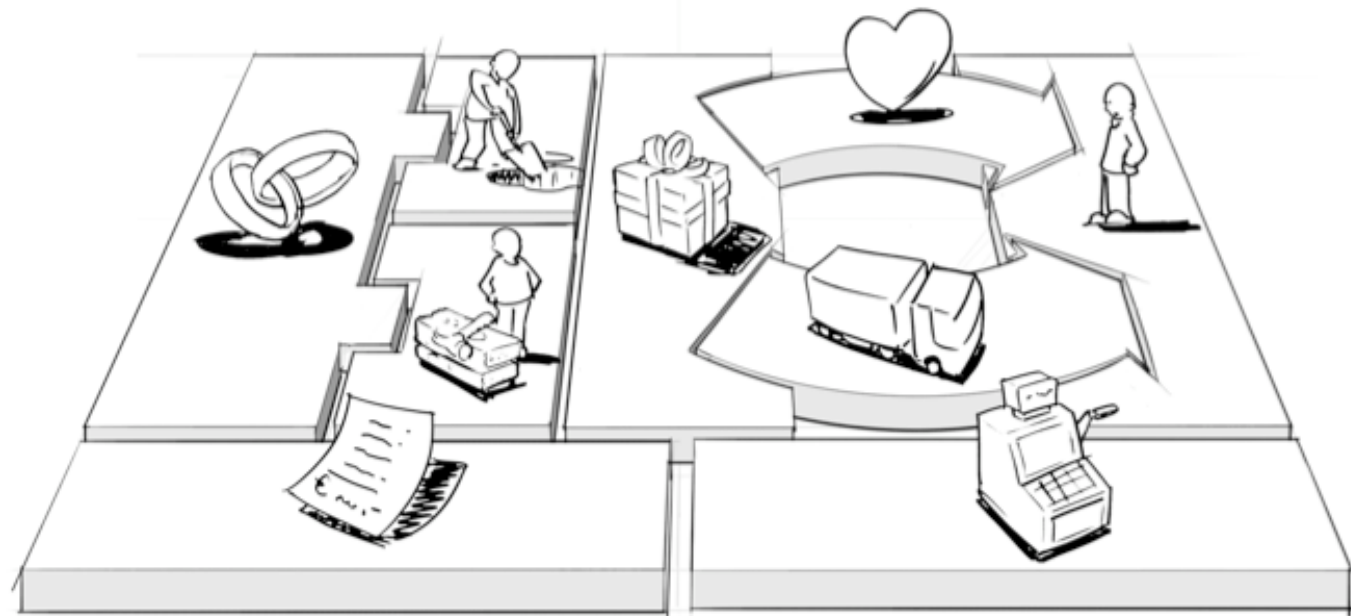
The definition of a business model equals to the identification of the components/building blocks of how your organisation works as well as the relationships among the components

IBM – Business Model Components

	Business administration	New business development	Relationship management	Servicing & sales	Product fulfillment	Financial control and accounting
Directing	Business planning	Sector planning	Account planning	Sales planning	Fulfillment planning	Portfolio planning
Controlling	Business unit tracking	Sector management	Relationship management	Sales management	Fulfillment monitoring	Compliance
	Staff appraisals	Product management	Credit assessment			Reconciliation
Executing	Account administration	Product directory	Credit administration	Sales	Product fulfillment	Customer accounts
	Product administration	Marketing campaigns		Customer service	Document management	
	Purchasing			Collections		General ledger
	Branch/store operations					

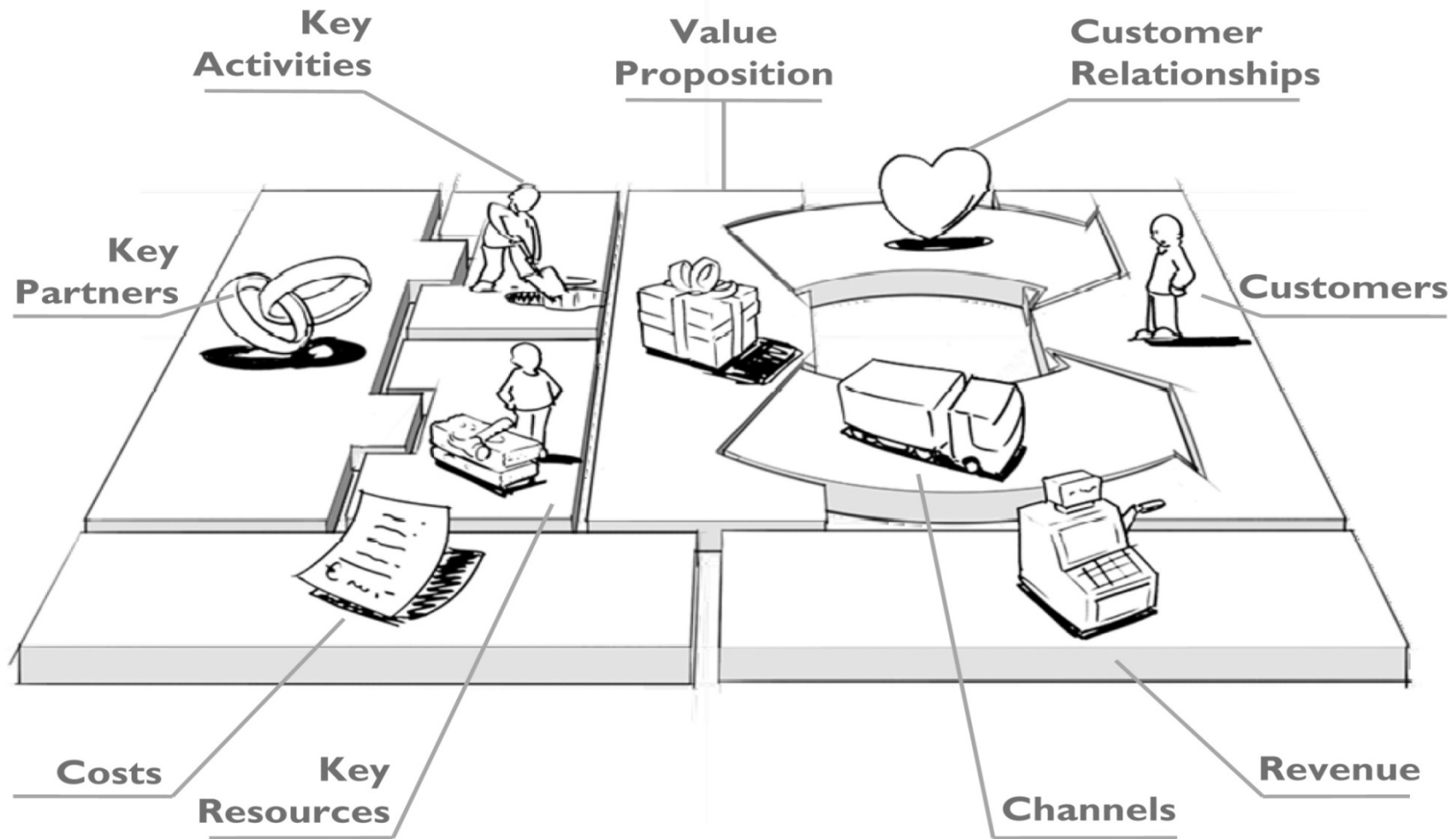
The Business Model Canvas

The Business Model Canvas, is a strategic management and entrepreneurial tool. It allows you to describe, design, challenge, invent, and pivot your business model.



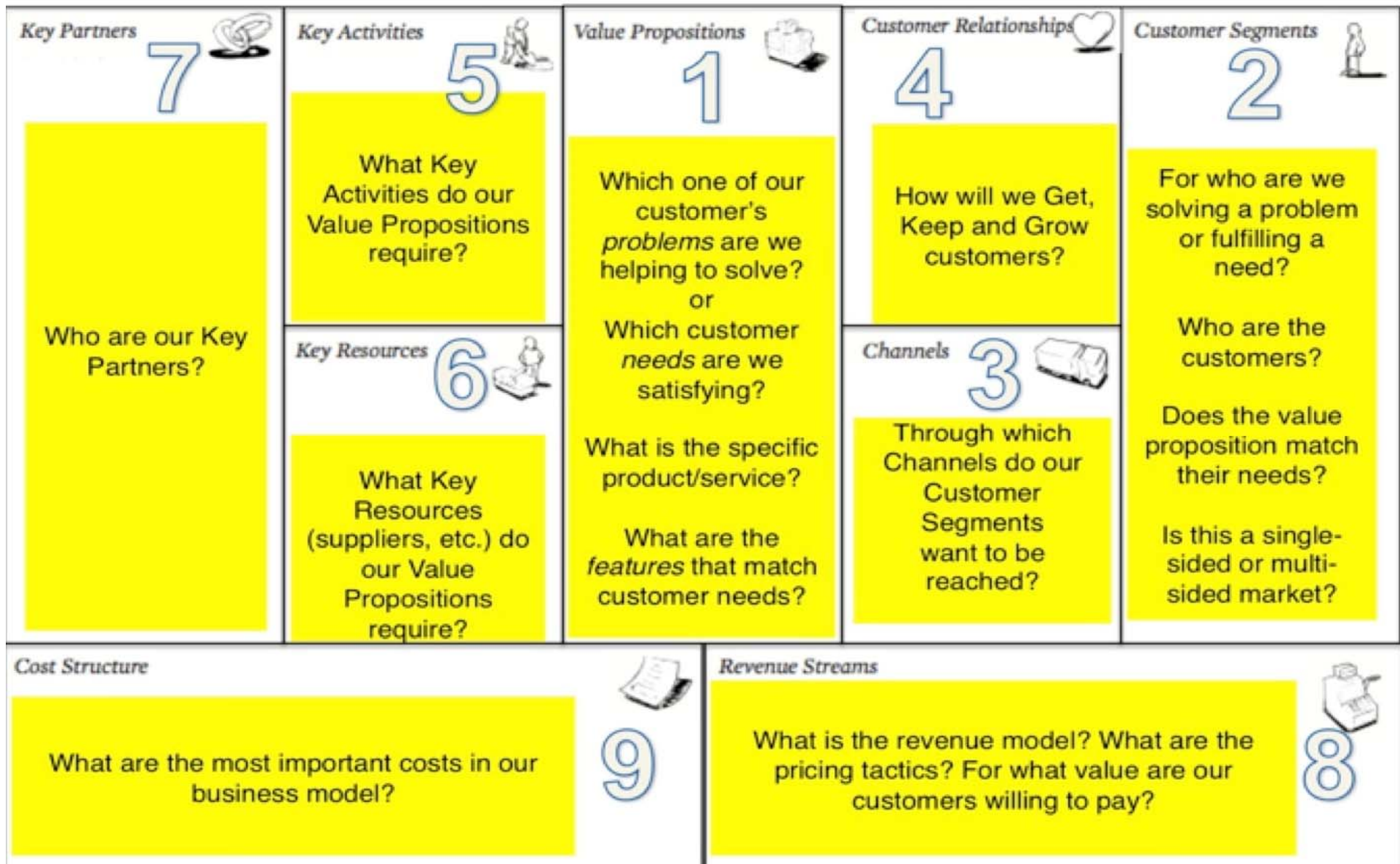
9 main building blocks

Describing any business model in visual and holistic way



drawings by JAM

The Business Model Canvas in practice

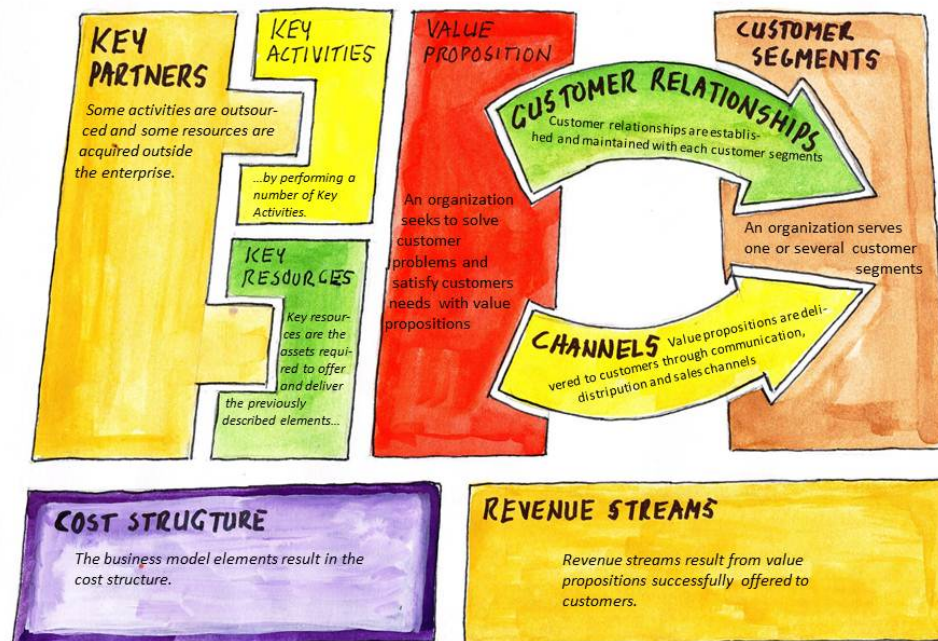


Contextualising and extending the business model canvas to culture sector



What are the specific features of a culture business model?

What are the specific components distinguishing culture business models?



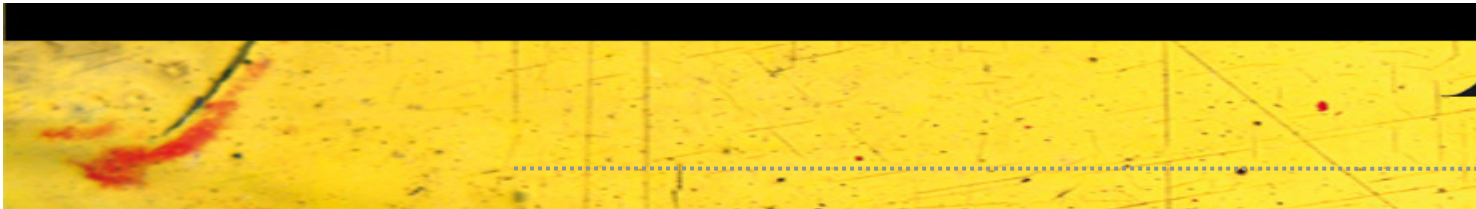
What is a Cultural Organization?



Keeping in mind an independent cultural center elaborate the components of its business model

Tell us a story/narrative (using the canvas) of a culture business model characterizing an independent cultural centre





5
LIVE MUSIC
CONTEMPORARY DANCE
COMEDY/THEATRE
ART EXP.
"PARTY'S"
SCREENINGS
"EDUCATIONAL" ACTIVITIES
TALKS/DEBATES

1
"ALTERNATIVE
"INTERENTAINMENT"
IN A LIVE SETTING
HUB / INTERACTION
PLATFORM
MEETING SPOT/place

2-16
"BE IN TIME WITH THE
EXPECTATIONS,
ON ALL LEVELS.
KEEP QUALITY?"

3
"MODERN URBAN PEOPLE
FAMILIES
MATCH THEIR NEEDS?
YES - MOSTLY
NO - WHEN WE SURPRISE THEM!!
IN A SENSE THAT THE A LEAVE
IS HARDER TO TRANSFORM IN
LINE WITH THE FAST CHANGING
NEEDS AND EXPECTATIONS.
★ PEOPLE WITH SOCIAL
NEEDS.

3
"DESIGN!!!"
SOCIAL NETWORK / WEBSITE
MEMBERS (EMAIL)
PRINTED (posters, flyers,
publications)
RADIO
★ COMMUNITY WORK
★ ADVERTISING

<p>7</p> <ul style="list-style-type: none"> Other cultural centres Municipality Other local associations Sponsors 	<p>5</p> <ul style="list-style-type: none"> Talent Artistic Programmer Managing teachers Security 	<p>1</p> <p>ARTISTS</p> <ul style="list-style-type: none"> Space for creation (FREE) Digital / digital art / robot Reputation Community of artists (network) 	<p>4</p> <ul style="list-style-type: none"> Web page Newsletter Social Networks Searching for new partners Gift -> specific Events Engaging new artists Quality of service (continuous) Merchandising 	<p>2</p> <p>ARTISTS COMMUNITY VISITORS</p>
	<p>6</p> <ul style="list-style-type: none"> Money/capital Volunteers Facility + equipment (rooms) Skilled staff, engagement 	<p>COMMUNITY</p> <ul style="list-style-type: none"> Artistic program, social uplift Cultural Education Affordable space to work Culture Local Economic growth <p>VISITORS</p> <ul style="list-style-type: none"> Culture Experience Education Networking 	<p>3</p> <ul style="list-style-type: none"> Events Exhibitions Workshops + Trainings School activities (Political) Activism CHARITABLE / PARTNERSHIP ACTIVITIES Advocacy of Cultural Sector Think Tank 	
<p>9</p> <ul style="list-style-type: none"> Salaries Rent Running costs Utilities 		<p>8</p> <ul style="list-style-type: none"> Tickets + Fees Sponsorship Renting space Bar Grants Merchandising Crowd funding Membership Fees 		

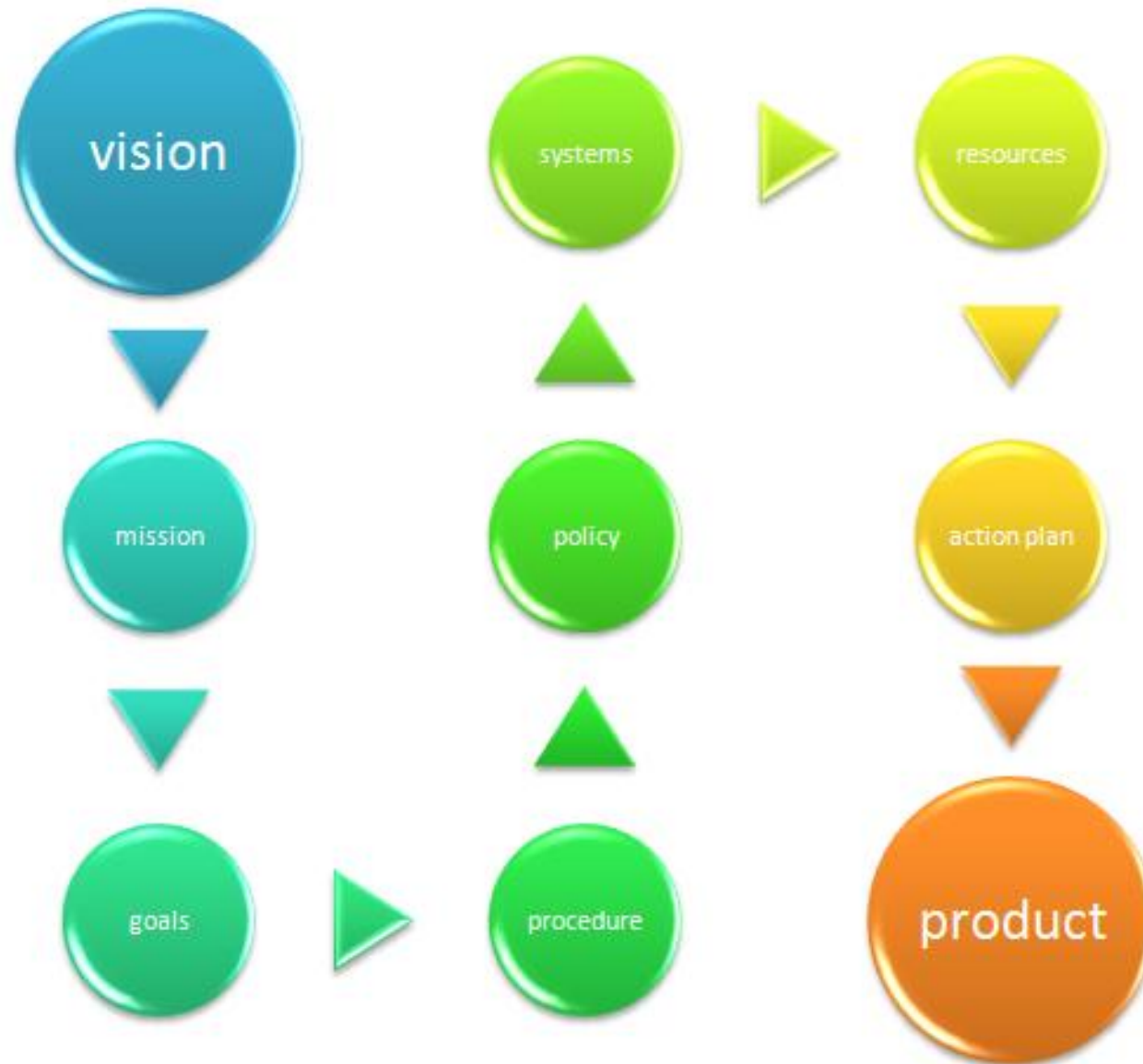
Integrating strategy and Business Models

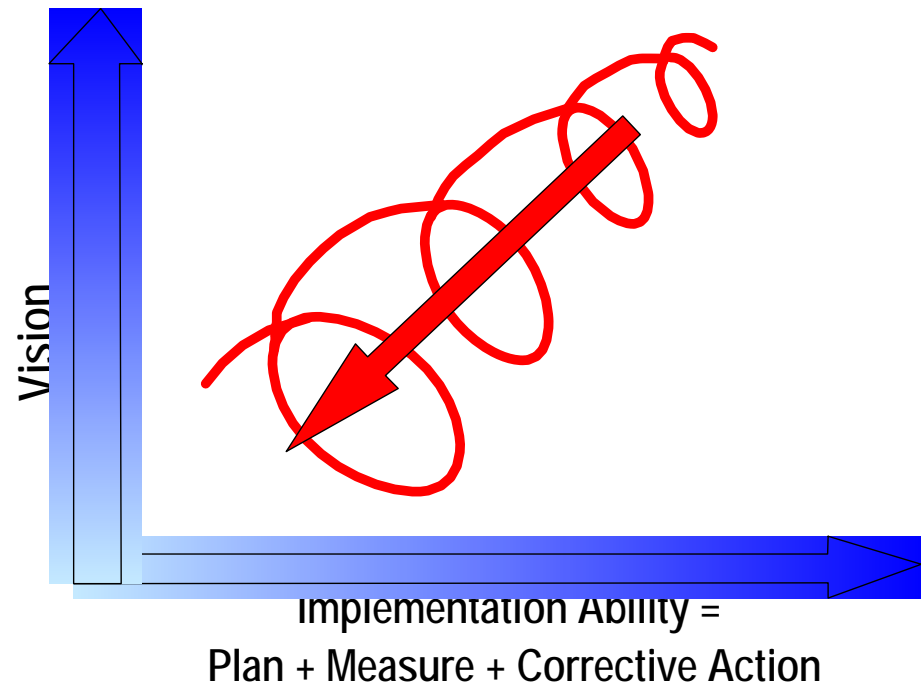
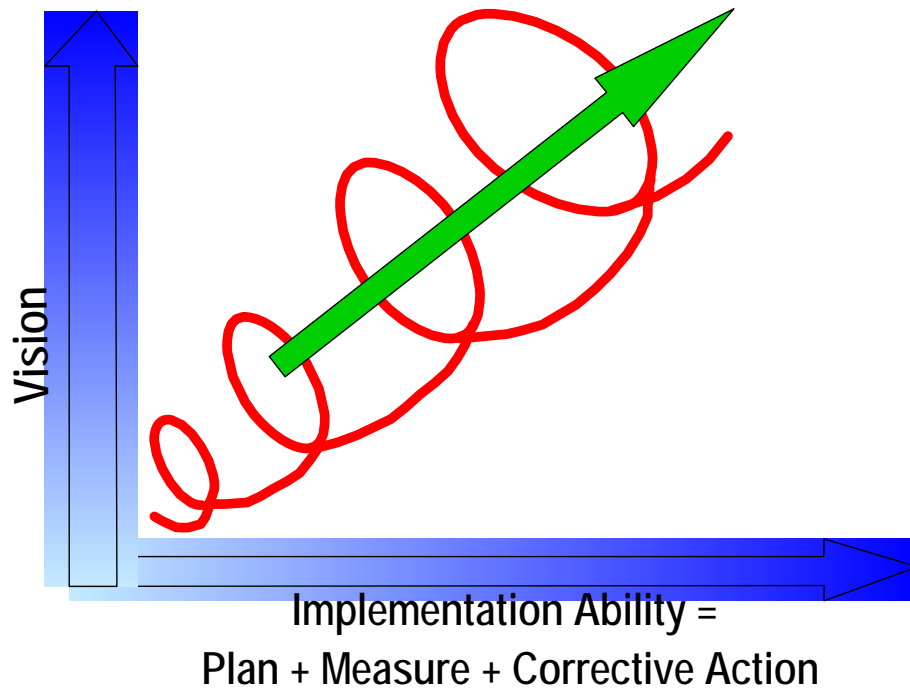


Strategy and business model

ual: university
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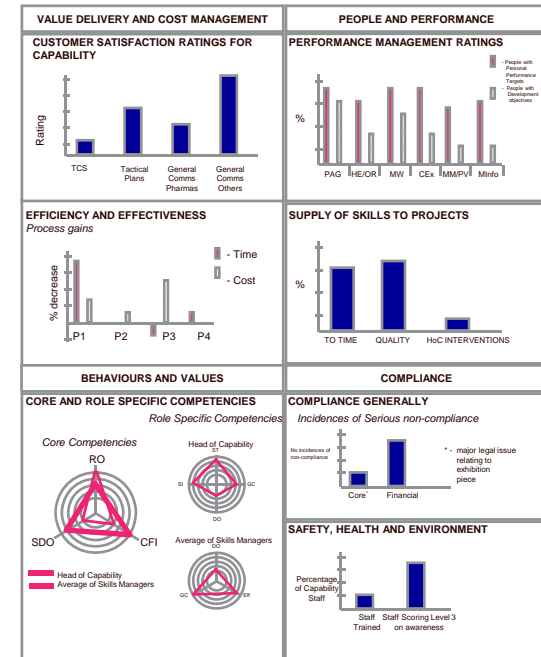
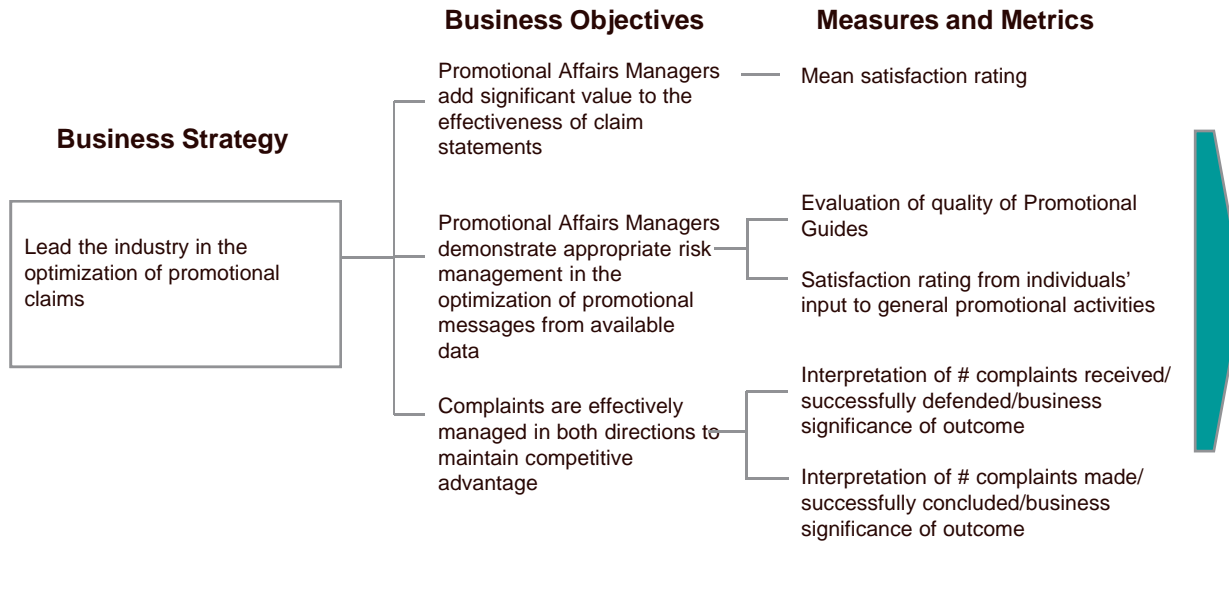






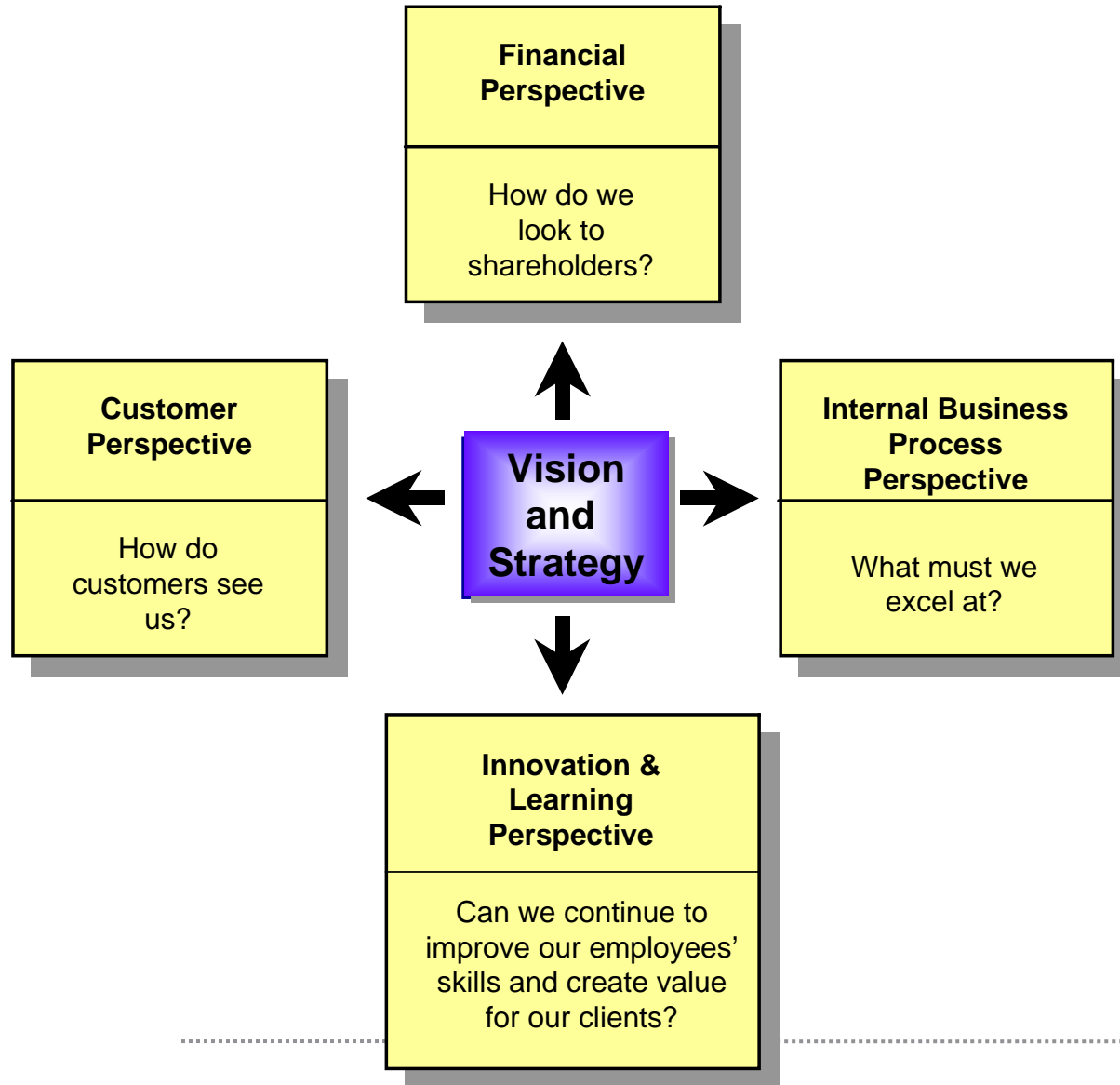


A successful business model has to deliver performance

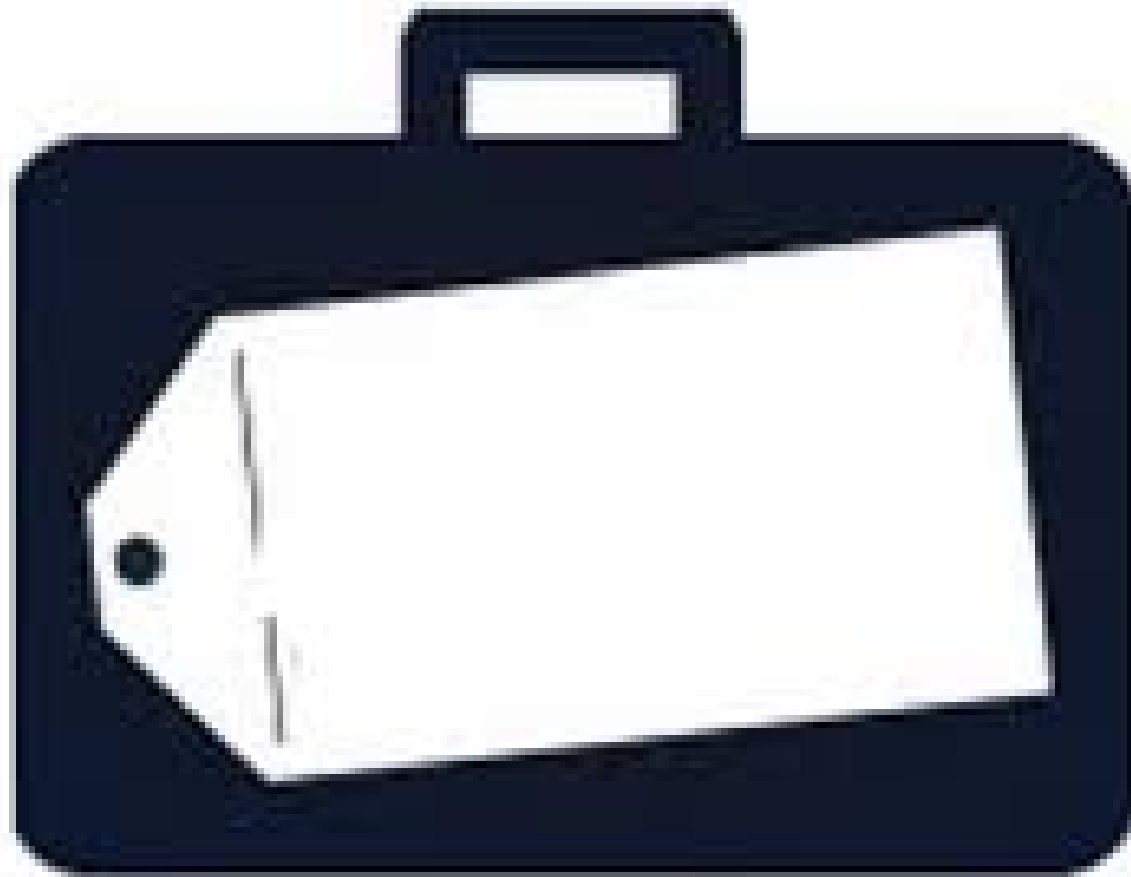


What are the 3 KPIs of a culture organisation?

Monitoring the quality of business models through measure:



The key insight on a bag tag





Thank you

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