



C  
R  
E  
A  
T  
I  
V  
E  
L  
E  
N  
S  
E  
S

STRONGER ARTS  
AND CULTURAL  
ORGANISATIONS  
FOR A GREATER  
SOCIAL IMPACT

## CREATIVE LENSES

Catalyst programme  
Case study

**P60**

Authors  
Bethany Rex and Lucy Kimbell

# CREATIVE LENSES Catalyst programme Case study P60

Published in Sweden in 2019 Copyright @ Trans Europe Halles, 2019

ISBN 978-91-985176-7-5

Author: Bethany Rex and Lucy Kimbell  
Editor and coordinator: José Rodríguez  
Design: Therese Severinsen  
Photo Credits: P60, Rob van Dalen

Creative Lenses is a four-year project, running from 2015 to 2019, that seeks to make arts and cultural organisations more resilient and sustainable by improving their business models and developing their long-term strategic and innovation capacities.

To find out more about Creative Lenses and its publications, visit [www.creativelenses.eu](http://www.creativelenses.eu)



Creative Lenses is a project co-funded by the Creative Europe Programme of the European Union.

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

## CREATIVE LENSES PARTNER ORGANISATIONS



### Introduction

This case study explores changes made by P60, an independent cultural venue based in Amstelveen, The Netherlands, as a result of thinking about its business model and the challenges encountered as part of the process. Business model is a contested term, but the following definition captures the essence of the idea:

*A business model describes an organisation's activities and assets and the ways that they are combined to create value for the organisation itself, for individuals and for society.*

This definition highlights that business models are not all about money-making. Business models are to do with how organisations combine resources to create and capture financial and other forms of value within different institutional logics. Creating a successful business model requires finding people, funders and partners that value what an organisation does and are willing to enter into financial or other exchanges to access it: directly, as a user or customer, or indirectly, as a funder, partner or donor.

There are several possible ways of describing business models. This case study uses a combination of dominant approaches in order to detail the important parts of the organisation as well as the relationships and behaviours that have enabled it to succeed over time. To situate the business model within its context, the case study highlights the mix of political, economic, social and technological factors informing existing business models whilst also indicating instances where contextual factors call for adjustments to the existing model or a shift between one model and another. Throughout the case study, the role of institutional logics, organisational cultures and personal motivations in shaping business model design and choices of how to change or modify business models comes into the frame.

This case study is one of eight written as part of Creative Lenses (2015-2019), funded by Creative Europe. As part of the project, the partners designed and implemented a series of eight 'Catalyst' projects in 2017-2018, during which an arts and cultural organisation was provided with resources to make changes. The project did not prescribe any particular type of change, leaving organisations to identify their own priorities and objectives. For P60, the resources provided were: financial support (€20,000 plus €3,500 for audience development), mentoring support from Creative Lenses partners and a series of workshops attended by all the organisations and mentors.

As a kind of action learning, the research applied an analytical lens to the practices and experiences of the organisations participating in the Creative Lenses Catalyst Programme. The purpose of the research was to understand what approaches were taken to business model change and why, and to question how organisational cultures and institutional logics have shaped and been shaped by the process. The research explores the relationship between the frameworks of values underpinning cultural work, the organisation's particular mission and the need to produce sufficient income. Data were gathered through interviews, site visits, participation in workshops and document analysis. The case study was written by academic researchers and was reviewed by members of the organisation and its mentors.

4



## Negotiating Commercial Commitments and Cultural Responsibility

P60 is an established independent venue for the performing arts based in Amstelveen, a suburb of Amsterdam, The Netherlands. Supported by the local municipality, its main activities are programming live music, club nights and other events for young adults and music lovers, as well as running a café-restaurant and workshops. It is working to increase and diversify its income by streamlining the cultural programme to encourage repeat visitors. The case raises questions about how implementing changes with a view towards income-generation might limit the scope for the organisation to achieve its original mission to be accessible and responsive to young visitors.

*The key learning points from this case are:*

- Replacing small reductions in public grants with self-generated income means relationships are brokered with different audience demographics
- Audiences who do not contribute to income-generation strategies are not abandoned but their participation may be displaced to other times in the programme or other spaces within the building
- Implications of losses in public grants are downplayed; in some instances staff blame themselves for implementing changes dictated by external circumstances

5

## Organisational Overview

P60 is an independent cultural venue in Amstelveen, a town on the outskirts of metropolitan Amsterdam with a population of about 90,000. Its origins lie in activism by local residents in the early 1990s arguing for more services and facilities for young people as the town centre was being developed. Support from the municipality of Amstelveen has been crucial to its development over the years. The P60 building, built and owned by the municipality, was opened in 2001 with an extension added in 2008. Organised as a non-profit foundation, P60's mission is to provide cultural activities that have artistic value as well as being financially accessible to young adults (16-30), and to engage with young adults in other ways by involving them as volunteers. P60 hosts around 200 concerts, club nights, workshops and other events annually, focusing on established popular artists as well as new talent. The venue's activities draw around 45,000 people per year.

P60's story of business model change is one of adjustment rather than wholesale transformation. At the heart of the approach is the desire to stay true to its organisational mission by increasing self-generated income without creating barriers to the participation of young people in the cultural programme. However, at a time of stretched resources, remaining accessible and open to groups who do not spend much money when they come to watch a performance is a challenge.

The main driver for change is cuts to the amount of funding received from the municipal government's culture department. For P60, this resulted in cuts of €18,000 in 2017 and a further €18,000 in 2018. The amount of money P60 has lost is relatively small. However, there are still implications for aspects of how the organisation operates. Recognising that balancing competing priorities is a challenge experienced by many organisations, this case shows how they maintain these commitments whilst modifying their practices in response to externally driven change.

### Organisational Background

Understanding the development of Amstelveen is crucial to appreciating the growth of P60, and the support it attracts from the municipality. Over the past three decades, the municipal government has invested heavily in regeneration schemes to support efforts to attract international corporations to operate in the area alongside firms such as airline KLM and global accountancy firm KPMG.

Maintaining and promoting the attractiveness of Amstelveen to people from outside the Netherlands is a priority for the municipality. Its location a few kilometers south of Amsterdam, good transport links into the city and to Schiphol Airport make it accessible to Dutch and to international residents and visitors. In 1990, the municipality confirmed plans to regenerate the centre of Amstelveen. In addition to renovating the shopping centre, constructing a new transport interchange and redirecting traffic to create a large pedestrian area, several cultural facilities were planned as part of the redevelopment: a museum (the Cobra Museum of Modern Art), a library, a theatre, a music school and an adult education centre. A local group of residents, mainly youth workers, felt younger generations were neglected by these plans and successfully campaigned for a music centre to be constructed as part of the redevelopment.

### Current Business Model

P60 is a well-established organisation with strong municipal support, with a clear focus on providing a programme of concerts, gigs and club nights and focus on young people as a core audience. It has three event spaces: a concert hall (capacity 600 people standing, 220 seated), a foyer (capacity 100 people standing) and a café (110 people standing) plus rehearsal rooms and other multi-purpose spaces. P60's cultural programme crosses multiple genres, from heavy metal bands to reggae to club nights. P60 also caters to specific local audiences. For example it serves Japanese and Indian audiences with specific events.<sup>1</sup> With only one large space for putting on bands or other performances, decisions about programming are influenced by the need to try to fill that space with a large audience who will also spend money at the bar. P60 also rents out the concert hall to bands who wish to make use of its recording facilities for audio and video. The annual income in 2016 was €1.47 million resulting in a surplus of nearly €18,000. This income breaks down as coming 45% from the municipality, 20% from food and drink sales, 17% from ticket sales, 12% from sponsors and project funding and 6% from renting out space for rehearsals.

Understanding how different aspects of the organisational perform and the revenue different types of event generate has become important, particularly in a context of economic uncertainty. For example, an exercise of calculating the average income generated from each visitor showed senior management that 'the building itself [was] not being used as efficiently as possible. Just a 10% increase on the visitors would make €80,000 more income per year'.<sup>2</sup> This meant P60 could programme events that tend to attract large audiences, using this income to replace lost public grants, and hosting events for niche, low-spending audiences in other parts of the building. Maintaining the 'artistic value' and diversity of the cultural programme and fulfilling their 'cultural responsibility' towards young audiences are important objectives for P60.<sup>3,4</sup>

There is potential for P60 to attract further funding from the municipality's economic development department, which could replace subsidy related to cultural provision. Departments with goals of high political importance such as economic growth have larger budgets and are less likely to experience cuts: economic growth is generally assumed to be good, and is therefore less vulnerable to falling out of political favour. In this, P60 has the potential to benefit from increasing recognition among public decision-makers of the contribution of culture to economic development goals. For example,

<sup>1</sup> Unpublished project document, 2017.

<sup>2</sup> Unpublished project document, 2017.

<sup>3</sup> Interview, Amstelveen, February 2018.

<sup>4</sup> Interview, Amstelveen, February 2018.



the range of cultural organisations located in Amstelveen form part of an attractive package that businesses can offer to middle-class professionals they want to encourage to resettle in the area and P60 form part of that cultural landscape.<sup>5</sup> However, the implications of this require further consideration as supporting cultural organisations specifically to attract these groups may alter the form and function of the organisation.

### Organisational Culture and Values

P60 is managed by a small team equivalent to around nine full-time employees, with around six unpaid interns, supported by 80 part-time volunteers. The majority of volunteers are from the local area, in particular young people, with a small number drawn from the European Voluntary Service scheme. This focus on young people's participation in the organisation contributes to organisational sustainability in two ways. Firstly, it reduces ongoing running costs. Secondly, it helps P60 stay close to its audiences: 'We think that a focus on offering cultural activities for young adults/music lovers combined with active voluntary participation of young adults is a strong foundation for a sustainable organisation because supply and demand are up-to-date and in balance.'<sup>6</sup> Volunteers contribute to different areas of the organisation depending on their interests. The majority

<sup>5</sup> Interview, Amstelveen, February 2018.

<sup>6</sup> Unpublished project document, 2017.

work behind the bar, in the box office and in the technical department (for example working on sound or lighting for shows).

When asked to define what organisational sustainability meant in their context, P60's managing director used the following terms: 'Team spirit, innovation, stable finances, critical, fearless and welcome'.<sup>7</sup> Adopting strategies to increase customer spend or to raise additional revenue through loyalty schemes does not present a problem if the autonomy of the musicians playing or rehearsing at P60 were seen to be unaffected: 'Freedom of artistic talent creates its own sustainable financial and organisational model, not the other way around'.<sup>8</sup> So long as the programme was considered diverse and attuned to the tastes and needs of young people, financial and organisational sustainability were in balance.

Influenced by its activist roots, P60 describes itself as a 'flat organisation without a top-down structure'.<sup>9</sup> Its organogram is drawn as a circle, to 'make it clear that we are together responsible for what we are doing'.<sup>10</sup> Yet a dimension of hierarchy is discernible in the organogram, as the centre of the circle represents the decision-makers and works outwards to volunteers and trainees.

### Managing Business Model Change

With its growing focus on long-term organisational sustainability, P60 has developed several initiatives to increase and diversify income. While implementing changes to its business model in order to increase self-generated income, P60 has been careful to make sure its approach is one of considered adjustment so that the impact of change on organisational values is minimised. These changes are in three areas: events and activities aimed at young people; cultural programming; and using the space in different ways. But these adaptations have thrown up some dilemmas.

P60 is able to provide events and activities aimed at young people because its public subsidy directly supports loss-making activity. Without this subsidy, certain age groups are neglected as they are considered 'expensive' as they do not purchase drinks, meaning bar income from such events is low, and additional security staff are required to ensure their safety, meaning costs are higher.<sup>11</sup> P60 receives funding from the culture department of the municipality for the express purpose of providing a specified number of events per year. P60 is required to account for the number of people attending each event. While there is no requirement to programme events

<sup>7</sup> Workshop, Helsinki, 2017.

<sup>8</sup> Workshop, Helsinki, 2017.

<sup>9</sup> Unpublished project document, 2017.

<sup>10</sup> Unpublished project document, 2017.

<sup>11</sup> Interview, Amstelveen, February 2018.

with appeal across all age, ethnicity and social groups, delivering a specific number of events per year for the 12-18 age range is a condition of its funding. As a direct response to cuts in public funding, events for this age group have decreased by 40%.<sup>12</sup>

There have also been reductions in the number of niche events in the programme, illustrating the rise of the commercial or market mindset at P60. What this amounts to is a situation where programming decisions are the result of considerations of demand and willingness and ability of audiences to pay. For one staff member, programming was a task of 'moving within the limits'.<sup>13</sup> Risk-aversion is also a significant consequence of public subsidy cuts, as activities that might make a loss become increasingly difficult to justify. This concerned the one member of staff, who spoke of the pressure to 'make the right choice because otherwise it will have a large financial consequences'.<sup>14</sup>

Under-used space in the building is currently being converted into a separate small events space. This way, concerts attracting smaller audiences can be staged at the same time as commercial or private hire events in the larger concert hall. One of the areas in which P60 made substantial change is in the scheduling of its programme. To free up the concert hall for commercial hires to external companies, cultural programmes have been moved to weekday or Sunday evenings, based on the view that audiences are more flexible and do not consider day of the week as a significant factor in their decision about whether to attend an event or not.

In order to maximise the income generated from commercial (surplus-generating) events, these are hosted in the quieter months when there is less competition from elsewhere. For example, P60 found that their audiences were less likely to attend events with a high ticket price in summer as this was a period during which they were likely to be spending money attending festivals. By spending time thinking about the habits and preferences of audiences, P60 has increased its income-generating activities, both in terms of commercial hires to external companies and by scheduling popular events at times when a large audience is guaranteed. Although the financial circumstances facing P60 could not be described as severe, these adjustments illustrate that minor changes to how an organisation is funded have significant consequences on who is provided for, how decisions are made about programme content and whose participation is sought. However, provided that change is managed with an organisation's core objectives in mind, audience groups whose interactions with P60 are not profitable need not be disadvantaged from an inclusion point of view.

<sup>12</sup> Interview, Amstelveen, February 2018.

<sup>13</sup> Interview, Amstelveen, February 2018.

<sup>14</sup> Interview, Amstelveen, February 2018.

## Creative Lenses Catalyst project

Against a background of making ongoing minor changes to its business model, P60 used the Creative Lenses Catalyst Programme to focus on three main areas: audience research and development; audience loyalty; and digital infrastructure. These activities took shape across several related actions using the resources associated with Creative Lenses, including financial investment, mentoring and discussion with international peers.

### Catalyst Action One: Audience Research

The first action was concerned with audience research and development. Organisations receiving public subsidy are expected to undertake audience development as a way of attracting people whose cultural consumption habits do not include their art form or their venue. There is an implicit assumption that certain forms of culture have benefits, and should therefore be consumed by social groups who are considered in need of such benefits. Relatedly, governments are able to spend money on cultural subsidy because of taxes received from the 'public', resulting in an assumption that 'everyone' should access the services and experiences they contribute to via the tax system.

In an EU policy context where the value of culture is seen as its ability to produce and promote positive social relations between divided groups, ensuring that these groups come together in the same shared space is vital. Audience development is a way of achieving these goals.

At the same time as working to bring people together through audience development, cultural organisations have been encouraged to undertake projects that augment and/or personalise the audience-experience as a way of increasing revenues. Audience development is therefore multifaceted, and can be much more akin to marketing undertaken by commercial companies depending on the priorities of the organisation.

Distinguishing between market-led and product-led approaches to audience development has frequently been employed to illustrate that differences in practice can be attributed to competing ideologies.<sup>15</sup> For example, the product-led approach holds that the product is valuable and needed. Therefore, the role of audience development is to bring people to the product. Where public money is involved, a lack of desire on the part of a person to consume that product is framed as a consequence of their lack of opportunity, education or capacity, rather than a purposive decision.

<sup>15</sup> O'Brien, Dave and Kate Oakley. 2015. Cultural Value and Inequality: A Critical Literature Review, A Report commissioned by the Arts and Humanities Research Council's Cultural Value Project. Swindon: AHRC

Hence, audience development is employed as a strategy to overcome those lacks, frequently framed as 'barriers to access'. Such approaches are implicitly linked to taste cultivation strategies.<sup>16</sup> Conversely, a market-led approach begins with expressed preferences of audiences and designs the product and/or experience (an important distinction) around them. EU policy references these two forms of audience development. However, while a product-led approach continues to occupy a central space in official policy documents, a market-led approach informs programmes such as Creative Europe which place greater emphasis on the practical needs of cultural organisations, rather than the loftier aims of the EU's overarching approach to culture.

The case of P60 highlights how the type of audience development undertaken by specific organisations is conditioned by external forces. An organisation may prefer to do a project with a group who hasn't historically used the venue or attended its events. However, if the goal is to find an efficient and cost-effective way to generate higher revenues, then it makes sense to focus on pre-existing audiences. Either way, any audience development strategy cannot proceed if an organisation does not know who its audience is.

With the funding provided through Creative Lenses, P60 employed a part-time member of staff to work in collaboration with an external research agency to produce detailed information on their current audiences and their preferences. The initial aim of this research was 'getting to know our audience' as prior to this P60 knew how many people came to each event but nothing about their motivations or perceptions of P60. The long-term goal was to 'build a long-term strategic plan to increase the percentage of return visitors and their average spending'.<sup>17</sup> Segmenting its audience was a useful way of identifying target groups. Here, distinctions between 'target' and 'important' audiences came into play, with 'Kids' (12-15 years old) named as an important audience because of the municipality funding and 'Young Adults' (16-25 years old) and 'Music Lovers' (35-65 years old) identified as target audiences due to their propensity to spend money on tickets and at the bar.

P60 hired a consultant for advice on how to implement the findings of the audience research. This was necessary because not all of the findings were relevant to P60's focus on improving their financial sustainability. Based on the view of this consultant, a decision was made to focus on local visitors as well as to streamline the programme to concentrate on pop, jazz/blues and

rock instead of the diverse and eclectic range of genres they had previously programmed. The logic behind this decision was to concentrate on core income-generating activities in place of other activities which are resource heavy and do not generate much revenue or profit.

### **Catalyst Action Two: Developing Audience Loyalty**

A second action was using the audience research to craft specific initiatives to increase return visits. Through its research, P60 found that 78% of visitors to concerts and club nights only come once. A decision was made to focus on encouraging existing audiences to visit and spend more, rather than broadening the audience: 'These people are already in the building, it is much more difficult to get people you don't know to come into the building'.<sup>18</sup> Mechanisms to do this included buying a coffee machine for the concert hall, and cross-selling, whereby additional products and services are sold to existing customers. P60 has several opportunities to cross-sell as they have a café/restaurant in the same building where events are held. As such, one strategy P60 adopted was to offer discounts for the café/restaurant to people attending events. Other activities including holding open days for visitors to get to know the broader offer available at P60 including workshops, rehearsal rooms, dining, jam sessions and open mic nights.

Another experiment was setting up a loyalty scheme, Club 60. The idea was for members to be granted access to special music events, masterclasses and opportunities to meet artists at a cost of €1500 per year. The financial rewards of this approach would have been significant as 60 members each paying €1,500 amounts to €90,000. P60 planned to reinvest approximately 25% of income from Club 60 in talent development activities as a way of ensuring the loyalty scheme, which involves designing activities open only to those with the ability to pay, still contributed to its organisational mission. However, Club 60 was not a success, largely due to the demographics of Amstelveen. Many people who work in Amstelveen are not permanent residents there 'so there is no emotional connection with the city'.<sup>19</sup> P60 still needed to raise extra income so refocused their energies on a loyalty programme for regular visitors who each pay a maximum €50 per year. This has been successful on a number of levels. As well as bringing additional income, the low cost of the membership scheme means staff time doesn't need to be focused predominantly on this group. This could have been an issue with the previous model as people paying high membership fees may have demanded exclusive events. Faced with these issues, staff may increasingly focused their attention on a small group instead of their target audiences.

<sup>16</sup> Lee, Hye-Kyung. 2005. "When arts met marketing: arts marketing theory embedded in Romanticism." *International Journal of Cultural Policy* 11 (3): 289-305.

<sup>17</sup> Stevenson, David, Gitte Balling, and Nanna Kann-Rasmussen. 2015. "Cultural participation in Europe: shared problem or shared problematisation?" *International Journal of Cultural Policy* 23 (1): 89-106.

<sup>18</sup> Unpublished project document, 2017.

<sup>19</sup> Interview, Amstelveen, February 2018.

### Catalyst Action Three: Digital Infrastructure

A third action was investing in the digital infrastructure, in particular the website and a planning and ticketing system. In developing their cross-selling further, P60 was restricted by the lack of data it had about visitors. Since many visitors bought tickets on an outsourced digital platform, P60 did not have a direct means to contact them. Changing to a new ticketing system with enhanced customer relationship management software will be a step forward in improving this situation. It will give P60 opportunities to communicate directly with audiences, cross-sell events and report. In these activities, there was a clear prioritisation of activities that generate good returns for minimal investment. Decisions about which audiences to target are based on their ability to pay. However, staff saw cross-subsidy and using the building more effectively to be ways to ensure P60's cultural programme and other activities were not compromised.

### Results and Discussion

As P60 continues to develop a commercial mindset and ways of working in order to increase and diversify income, some staff are ambivalent about this, accepting the shift in approach as a pragmatic and important way of ensuring organisational sustainability. One member of the team was concerned that these practices were in tension with 'what culture is about' given the sustained attention on maximizing the income and profit generated from each event and attendee as opposed to 'offering a great programme and making sure that people enjoy themselves'.<sup>20</sup> This individual identified with an imagined form of a cultural organisation as something other than a straightforwardly commercial endeavor:

*'It is kind of frowned upon to use commercial strategies in cultural institutions...it feels as though I am cheating or something...at this point we need to think about the financial part and we see it clearly in the books that the hospitality part gives us the most income and the most profit, we can't rely on the gift of funding every year anymore'.<sup>21</sup>*

But, in spite of recognizing that the developing commercial orientation of P60 represented the introduction of practices that may challenge residual expectations about cultural institutions, strengthening relationships with audiences was seen as a practical necessity given the funding climate:

*'Personally I think we need to let go of the funding, we don't have to have it in our mindset, we should go and do what we always do but just*

<sup>20</sup> Personal communication, October 2018.

<sup>21</sup> Interview, Amstelveen, February 2018.

*commercialise it in a creative way so we can expand the experience of the customer. For us, it's more income but for them it's just more of a nice experience, it's relaxing, it's fun, and not a negative environment'.<sup>22</sup>*

Focusing on the customer experience has been productive for P60 as it has ensured that new sources of revenue have been identified. But such a pragmatic approach may have implications for P60 as a space where access to culture is predicted on older notions of accessibility or inclusivity. While it is unhelpful to hark back to a 'golden' age where cultural organisations were accessed and accessible to all, focusing on those individuals with the means to contribute to revenue generation strategies may have implications for how limited staff time is spent, and the type of experience made available to different groups and why.

There is a need to shine a light on these subtle shifts in organisational practice and audience experiences as part of a broader discussion about the role of cultural organisations. This must be coupled with explicit discussion of where the need for such changes to their form and function comes from. P60 does not want to change its business model or relationships with audiences but it needs to do so in order to keep going as an organisation. Despite staff recognizing that the drivers for change were external not internal, there was reluctance to consider whether the organisation's change in emphasis may have implications for its core purpose. Reflecting on this, one member of the team noted that audience research findings demonstrated a change in the composition of the programme were unwelcome, and in many cases, denied by colleagues:

*'I really noticed in the results the difference in the amount of events for young adults and the amount of events for music lovers once we had that information on paper and it was visible, but everybody was like "no, we also do this and we also do this" for young adults to make up for the difference between what we'd like to do and what we actually do... people recognise that there has been a change but it is hard for organisations and individuals to say that they were wrong'.<sup>23</sup>*

But it is not organisations and individuals who are wrong: they negotiate organisational priorities from within a context that they have little say in determining. Initiatives based on introducing commercial mindsets and changes to programming for low-spending audiences are part of this context. Yet what this case tells us is that there is a tendency to downplay how gains

<sup>22</sup> Interview, Amstelveen, February 2018.

<sup>23</sup> Interview, Amstelveen, February 2018.



in one area might require losses in another. Even where an individual's job role means they have direct knowledge of what these losses are, the attribution of blame to the individual, 'it felt like you are doing something wrong and you don't want to admit it, means open discussion of the effects recent changes to how the organisation is funded is avoided.<sup>24</sup> Starting from an explicit identification of why organisations like P60 are pursuing business model change would help to encourage reflection and debate to help practitioners learn from each other, and to advance policymakers' knowledge of the enabling and constraining impact cuts to public funding are having on the ground.

Uncertainty as to what will happen in the future has pushed the organisation to consider ways to improve their financial sustainability through increasing the amount of income it generates. A combination of adjustments to the programme, the introduction of loyalty schemes and emphasis on surplus-generating events (such as tribute acts where attendees tend to spend more on alcohol in comparison to other music events) all hold the potential to replace the funding lost from the municipality. Furthermore, additional revenue raised could be used to further the organisation's objectives as regards talent development. This indicates that business model change via income-generation need not be detrimental to an organisation's mission, provided these strategies are implemented in combination with other mission-focused activities.

However the emphasis on income-generating events led to a reduction in events for audiences who do not spend much money and who require additional spending on costs such as security. Likewise, an approach to audience development centred on personalizing the experience for those with the ability and willingness to pay has the potential to further increase inequalities of access between different social groups. There is also the matter of planned redundancies. Plans for efficiency savings include switching from a staffed cloakroom to a locker system and outsourcing the restaurant to an external company.

P60 is a case of negotiation between a commercial mindset and commitments to the integrity of the programme and the narrative of 'cultural responsibility' amongst staff. It is easy to see how minor changes carefully implemented can mitigate problematic consequences, yet what is less clear-cut is the trade-offs involved in this process. An open discussion of these consequences – both positive and negative – is needed, yet the core role of the external environment in shaping possibilities is equally important,

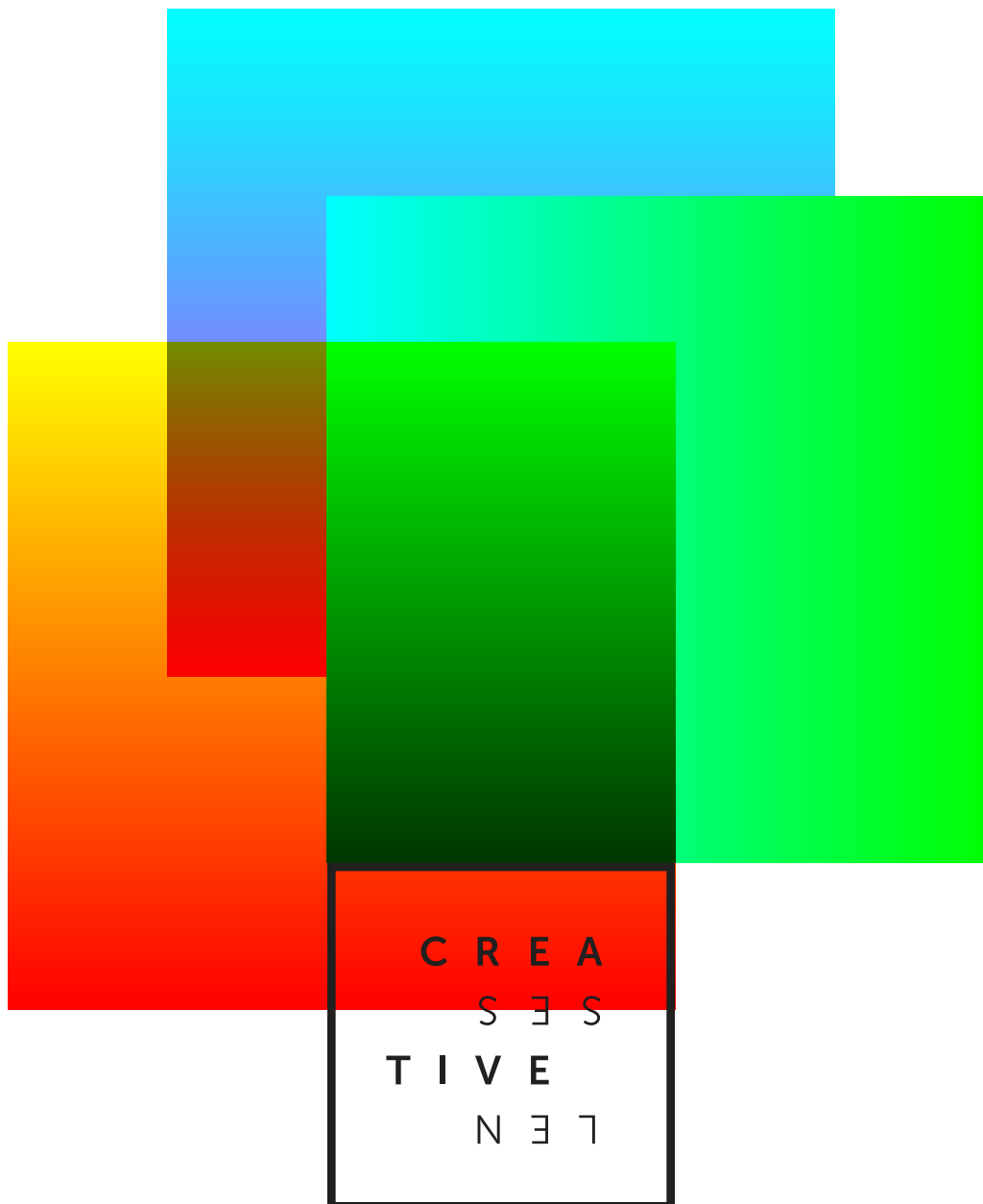
in order that efforts to change or adapt business models are classified as part of a broader shift in public policy. This would require further support for opportunities where groups facing similar challenges could learn from each other, and a recognition that different audience groups may experience 'successful' business model change differently.

## ABOUT THE AUTHOR

**Dr Bethany Rex** is a Research Fellow in the Innovation Insights Hub at the University of the Arts London and a Visiting Research Associate in Media, Culture, Heritage, Newcastle University. Her research focuses on cultural institutions and the people who manage, encounter and make decisions about them. She has a particular interest in how public cultural infrastructures are changing, both in form and function, as a consequence of austerity measures in the UK. Her doctoral research explored the use of the community asset transfer process as a means to avert museum closure.

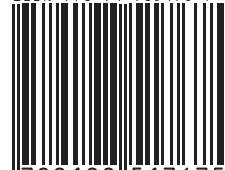
**Dr Lucy Kimbell** is professor of contemporary design practices and director of the Innovation Insights Hub at University of the Arts London. She is also associate fellow at Saïd Business School, University of Oxford. Her expertise is in design thinking and the use of design to address social and policy issues. Lucy led UAL's contributions to Creative Lenses which included research, knowledge exchange, evaluation and training. Current funded projects include developing 'smart regulation' to address the challenge of anti-microbial resistance in India and exploring the potential for AI in professional services firms.

<sup>24</sup> Interview, Amstelveen, February 2018.



**STRONGER ARTS AND CULTURAL  
ORGANISATIONS FOR A GREATER SOCIAL IMPACT  
[WWW.CREATIVELENSES.EU](http://WWW.CREATIVELENSES.EU)**

ISBN 978-91-985176-7-5



9 789198 517675