



Tools'kit

A Practical
Guide for
supporting
Cultural
Enterprises

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PREFACE



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This Tools' kit - A Practical Guide for supporting Cultural Enterprises "is a deliverable of I.C.E. "Incubators for Cultural Enterprises" project which is cofinanced by the MED Programme (European territorial cooperation for the Mediterranean), within the Axis 1: "Strengthening innovation capacities".

Considering cultural and artistic activity as a promoter of development, the I.C.E. focuses on the strengthening of SMEs involved in the art and culture sector, through the reinforcement of their competitiveness and their capacity of creating economic and social value in the concerned territories.

The project aims at the creation of an integrated network of cultural enterprises, within which the enterprises can exchange experience and receive skilled support, in the spirit of an innovative management system.

ICE project is being set in 6 regions from 5 MED countries:

Country	Region	Name of the partner
Portugal	Central Alentejo Region	CIMAC - Comunidade Intermunicipal do Alentejo Central (Lead partner)
Spain	Andalucía	Promalaga (Municipal Society of the Malaga city council)
Italy	Basilicata	Sviluppo Basilicata SpA
Italy	Lazio	Regione Lazio
Greece	Attica Region	BIC of Attika
Malta	Valletta Region	The Fondazzjoni Temi Zammit (FTZ)

All the involved territories share similarities from historical, cultural and social point of view. They have a strong identity, both in terms of history and heritage, with presence of UNESCO sites in all the 6 regions. This presence facilitates the creation of a network of itineraries and the promotion of cultural enterprises deeply associated with the value of such territorial identity.

More information available on I.C.E: <http://www.ice-med.eu/>

INTRODUCTION



Tools'kit A Practical Guide for supporting Cultural Enterprises

Cultural and creative enterprises are a very particular kind of economic organizations; they could be originated by ideas that often rise from a cultural sentiment associated to a low business content or they could offer sophisticated and innovative solutions but often they are designed only for a market niche; typically this kind of enterprises are composed by entrepreneurs and people that have a professional background very far from managerial approaches.

All these factors could seem to be only a weakness for a business organization, but they are also their basic strength, because they produce a big amount of creative thinking and immaterial value. The matter is:

- How to emphasize the particular strengths of a cultural enterprise?
- How to avoid the business failure risks due to the particular starting point weaknesses?

The Toolkit for Cultural Enterprise Incubators aims to give a contribution in terms of reflection, approach and managerial instruments.

The observation begins from an analysis of the **main features of the cultural business**. It is defined scenario analysis.

Some features of the cultural business are both opportunities and threats (Cultural background, Unique Project, Intangible, Management approach); others are, without any doubts, bonds (Long Financial Cycle).

This scenario however, suggests which are the critical success skills for a cultural enterprise. These skills are the inspirational criteria for the toolkit.

Another more specific observation was conducted about the **main needs of a cultural enterprise**, originated by the scenario.



Each cultural, business characteristic could be associated to a main need:

CULTURAL BUSINESS ENTERPRISES FEATURES	MAIN NEEDS
- CULTURAL BACKGROUND (specific knowledge)	HOW TO MANAGE THE BUSINESS
- UNIQUE PROJECTS (each project could be different from the other. It could be difficult to use former productions)	HOW TO MAKE EFFICIENT PRODUCTION AND WORKFLOW
- LONG FINANCIAL CYCLES (from the idea to the project to the production to cash)	HOW TO REDUCE FINANCIAL STRESS
- INTANGIBLE CAPITAL (the value added perception could be difficult to catch)	HOW TO OBTAIN MONEY FOR THE DELIVERED VALUE
- SPECIFIC PROJECTS (high level of accuracy on very specific area)	HOW TO SATISFY 360° CUSTOMER NEEDS
- SKILLS LACK (english first of all)	HOW TO COMMUNICATE WITH FOREIGN MARKETS

These six couples of characteristics\needs represent a real challenge for the cultural enterprises. These challenges become consequently like a reason why a cultural enterprise incubator has to be built.

Six challenges for six expert teams. Each partner of the I.C.E. Project and its respective expert who worked in a transnational team with the other experts accepted in particular to deal each one with a couple of characteristics\needs, in order to, clearly, define the matter and to identify the effective methods and tools to manage one of the field of action indicated above.

Different needs require different approaches.

It is critical to face the start up difficulties and then towards the financial and efficiency stress.

A key factor is the communication skill need associated to the intangible value offered by the cultural enterprises. A cultural value becomes profitable and sustainable only if the customer perceives it.

Particular attention must be dedicated to the collaborative dimension need.

The cultural entrepreneur produces original ideas, but as an entrepreneur, he has to multiply the idea in terms of distribution. It is necessary to produce the idea\solution offered to the market. Then it will be requested to enrich the value offering others services and products related to the core idea.

To do this in an effective way the only chance is the collaborative approach inside the enterprise and the networking outside.

The different approaches and tools describe above, represent a great synergy opportunity for the cultural managers, entrepreneurs and tutors.
This Toolkit was written for them.

Chapter 1 corresponds to BIC Attika's contribution and focuses on:

CULTURAL BUSINESS ENTERPRISES

- CULTURAL BACKGROUND
(specific knowledge)

MAIN NEEDS

HOW TO
MANAGE THE BUSINESS



Start up and managerial support and strategy formulation for the cultural enterprise are the two managerial approaches proposed by the Greek experts team

About cultural background, the experts highlighted that new business models emphasizing on clustering and networking are emerging. By clustering around one common culture, the cultural enterprises, before being in competition, may first of all, collaborate with firms promoting it.

As it was recognized the need for openness, the experts lead us in turn to a question of strategic importance to the cultural enterprise: “how open should it become?”

It is suggested that cultural enterprises have two main options in formulating their strategy. The first way is to follow a closed model integrating all the processes in-house, and the second way is to open the business model to other actors of the value chain.

Chapter 2 corresponds to Lazio Region’s contribution and focuses on:

CULTURAL BUSINESS ENTERPRISES	MAIN NEEDS
<ul style="list-style-type: none">- UNIQUE PROJECTS (each project could be different from the other. It could be difficult to use former productions)	<ul style="list-style-type: none">HOW TO MAKE EFFICIENT PRODUCTION AND WORKFLOW

Efficiency support is the managerial approach proposed by the Italian experts team from Lazio Region and in particular the related tools are:

- **Project management**
- **Portfolio Management**
- **Buying Policy**
- **Problem solving**

The lack of efficiency (originated by the unique project theme) could start a domino effect with consequences on economics, service level and customer satisfaction, financial cycle, people motivation. The four tools proposed cover the management cycle (Plan, Do, Check, Improve), and they give a contribution to enhance the overall efficiency level for the cultural business.

Chapter 3 corresponds to CIMAC's contribution and focuses on:

CULTURAL BUSINESS ENTERPRISES	MAIN NEEDS
- LONG FINANCIAL CYCLES (from the idea to the project to the production to cash)	HOW TO REDUCE FINANCIAL STRESS AND CASH FLOW LACKS

Financial support is the managerial approach proposed by the Portuguese experts team, and in particular the following related tool:

- **The Business Plan**

A new paradigm for organizations seems appropriate, particularly as far as cultural micro and small business are concerned, whose economic growth should be based on innovation and knowledge.

The Business Plan represents a fundamental management tool to have access to funds. It has to demonstrate that the new paradigm is able to create value, if the financial support is adequate.



Chapter 4 corresponds to Sviluppo Basilicata's contribution and focuses on:

CULTURAL BUSINESS ENTERPRISES

- INTANGIBLE
(the value added perception could be difficult to catch)

MAIN NEEDS

HOW TO
OBTAIN MONEY FOR THE DELIVERED VALUE

Communication support is the managerial approach proposed by the Italian experts team from Sviluppo Basilicata, and in particular the related tools are:

- **Communication strategy**
- **Communication Plan**
- **Evaluation of the results and adaptation of communication strategy**

Cultural enterprises, more than traditional ones, are characterized by immaterial and intangible assets, able to produce value only when properly communicated.

The communication Strategy is a dynamic document that must be continuously updated by validating and confirming the suitable elements. The communication Plan is a dynamic document that makes communication strategies operative.

It is also required to evaluate the organic communication actions and adapt future communication strategies on the basis of the results achieved.

Chapter 5 corresponds to Promalaga's contribution and focuses on:

CULTURAL BUSINESS ENTERPRISES	MAIN NEEDS
- SPECIFIC PROJECTS (high level of accuracy on very specific area)	HOW TO SATISFY 360° CUSTOMER NEEDS

Management Customer and provider by networking is the managerial approach proposed by the Spanish experts team, and in particular the related tools are:

- **Networking tools**

It is described how to, successfully, undertake the task of seducing the market through the use of Network. Effective management principles about databases and personal contacts, Facebook, Skype, Web series, Network meetings, are described in this chapter.



Chapter 6 corresponds to TemiZammit Foundation's contribution and focuses on:

CULTURAL BUSINESS ENTERPRISES

- LANGUAGE AND SKILLS LACK
(English first of all)

MAIN NEEDS

HOW TO
COMMUNICATE WITH FOREIGN MARKETS

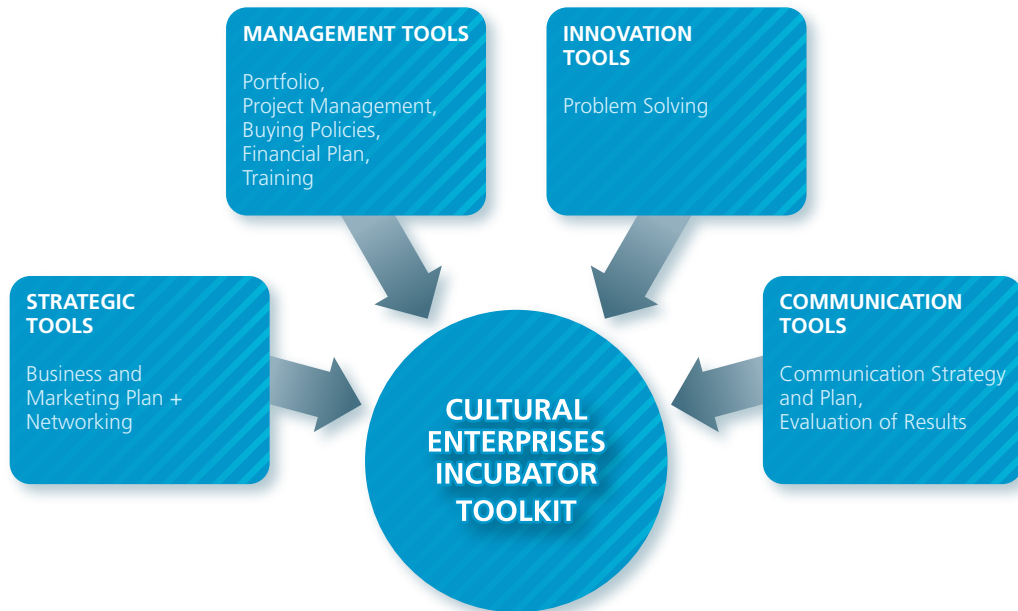
Critical success skills and the training support are defined by the Maltese experts team, and in particular the related tools are:

- **Training tools**

Critical success skills are first of all: marketing, networking, funding opportunities access, planning attitude. Training supporting approaches are then described and related to the typical stages of internationalization for a small business (from passive exporting to the transnational business).

As final results of all these contributions, the Toolkit proposes 4 kinds of tools.

Coherently with the framework former described and in order to reduce the cultural enterprise weaknesses and to promote the strengths.



1. CULTURAL BACKGROUND

(BIC Attika)



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1.1 Cultural background

The aim of this first part is to highlight one among the particularities of the cultural enterprise. Focusing on the cultural enterprise as well as on other actors offering cultural goods and services (e.g. the enterprise cultural department of a municipality), it stands to reason that competitiveness stems from the excellence of the offered content, in other words, how good and compelling the cultural content is for the audiences.

Cultural enterprises that co-operate with their clients, audiences, and other enterprises seem to fare well in the marketplace, moreover the term “co-opetition” is gaining ground¹. Accordingly new business models focused on clustering and networking are emerging. In other words, the cultural enterprises, before being in competition, may first of all, collaborate with firms gathering around one common way of life (e.g. the Fado culture) promoting it. Enterprises directly or indirectly implicated in a culture have to attract the target audience towards that culture before being in competition. The cultural enterprise’s competitiveness valorisation calls for a wider appreciation of the whole cultural ecosystem and understanding of the interconnectedness of several areas, such as arts education and training, organisation, management and support of professional arts and artists, operating environment of cultural enterprises. The capacity to produce excellent content without the core of the related culture well-being will be compromised; furthermore without viable enterprises, there are limited possibilities to exploit that content and to create income and jobs. In order to explain it with an example, if the cultural product “Evora”, comprising architecture, cuisine, music, etc., is not appreciated or it is not known by the ‘potential customers’, the firm that promotes the “Evora culture” won’t able to flourish.

¹ ‘Coopetition’ occurs when competitors work together for parts of their business. The term was initially.



1.2 Start up and managerial support

The cultural enterprise necessity for clustering with other companies, as well as the relevance of ecosystem of the cultural enterprise, shows the need for openness. Therefore, it leads us in turn to a question of strategic importance to the cultural enterprise: "how open should it become?"

The firms' aim for competing in the cultural sector, needs to define a kind of architecture that will organize internal and external expertise, in order to complete the missing pieces of the value-creating process in favour of the cultural enterprises.

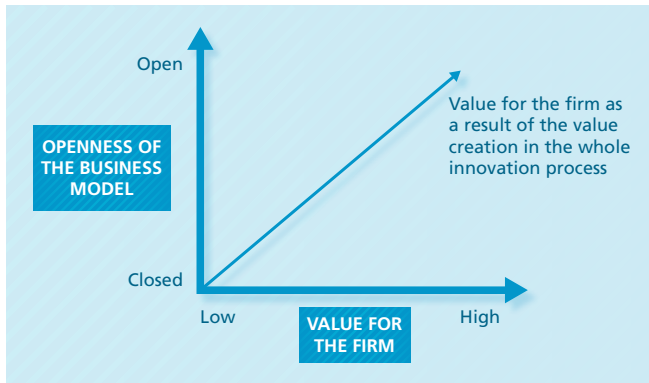
This architecture extends far beyond the traditional boundaries of management to encompass marketing, sales, support and even finances. Thus, it is expected that the business model permits the thorough exploration of the social domain, from customers to third parties and the surrounding elements of the value network.

A business model has two functions; it creates value and it captures a portion of that value. Open business models enable companies to become efficient in creating value.

On the other hand, no doubt closed models fit for capturing value, but they do not necessarily create it. In respect to this, the openness of a business model incorporates a trade-off. It is claimed that open innovation models are good for creating value but not necessarily for capturing it.

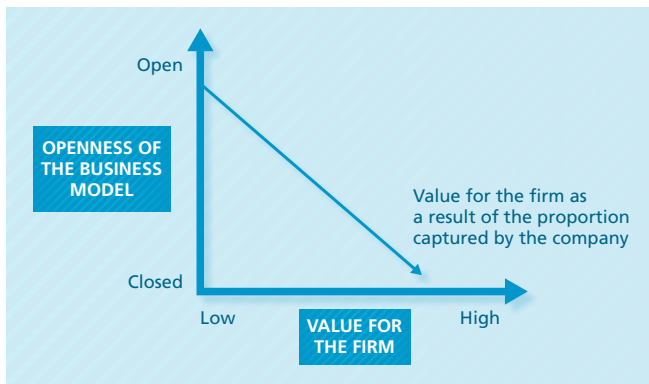
On the one hand, opening the firms' business model can stimulate the creation's value of the whole innovation process making difficult for firms to capture that value (Fig. 1).

Figure 1. Opening the innovation process



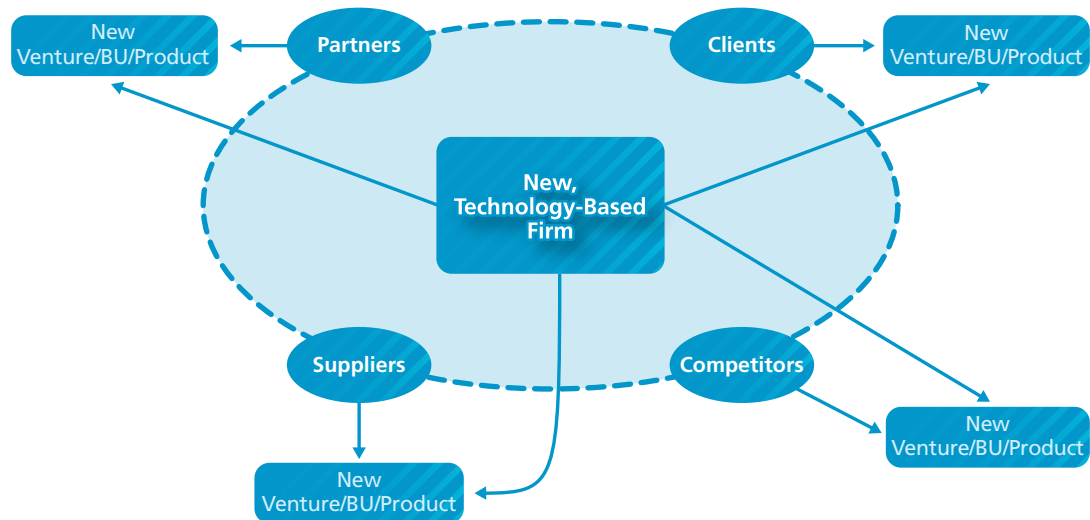
On the other hand, as the company is closing its business model, this could hinder the creation of value increasing though the proportion of value captured by the company (Fig. 2). The strategic decision about the opening of the firm's business model is a 'calculation' of whether the value of the firm is primarily created by the expansion (or the penetration) of the market as a result of increased value produced along the whole innovation process or whether it is primarily created by the integration of the largest possible share of the innovation process.

Figure 2. Closing the innovation process



1.3 Strategy formulation for the cultural enterprise

On the basis of the recognized need of openness for the cultural enterprise and the trade-off explained in part 2.1, the cultural enterprises have two main options to formulate their strategy. The first one follows a closed model that integrate all the processes in-house, from conceptualization of the idea till the sales; the second one opens the business model to other actors of the value chain. In this second case, more appropriate for the cultural enterprise, as previously described, cultural firm aims to formulate strategy and to stimulate growth in partnership with a) customers, b) suppliers, c) competitors and/or d) *complementary*. For this purpose, cultural enterprises may follow as an alternative to the existing growth strategies (as described in management literature) a different way based on going into selected partnerships which could i) intensify existing competitive advantages and ii) create new difficult-to-imitate competitive advantages. These new competitive advantages may now be routed in mutually beneficial relationships with customers, suppliers, competitors and/or *complements*.





2. UNIQUENESS OF THE PROJECT

(Lazio Region)



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2.1 Uniqueness of the project

One of the most important strengths of a cultural enterprise is the uniqueness of its projects. Generally each project has its own characteristics, it is based on the theme assigned by the customer or created to reach the solution that the company consider the most suitable for that specific case.

The most valuable result for the customer is a high level of customization, on the other hand, the cultural company has to deal one of the structural disadvantages of its business:

- each project requires a heavy contribute in terms of conception and planning
- it could be very difficult to use former productions (experience curve)

First of all this typical situation takes origin from the personal characteristics of the cultural entrepreneurs and of their staff.

They often have a humanistic background with no experiences in business management; they haven't referential business models that could support themselves and their organization in order to solve the risks hidden in the cultural business.

Planning, knowledge organization and sharing (about managerial experiences), workflow analysis and efficiency often, or too much often, are not owned by a cultural enterprise.

As a cultural enterprise approaches a new job, it focuses its efforts towards the efficacy.

This is no doubt a right way to carry on a project, but on the other side, the efficiency could be not enough or absent. The truth of the matter is that an efficient dose is required!

This typical condition causes a lot of important consequences, like a "domino effect":

- heavy needs of time (overall man/days required) that often became lack of time
- fewer possibilities to develop promotion actions due to lack of time
- fewer possibilities to dedicate time enough to management monitoring
- higher costs and consequently higher prices or lower profits, if the customer is not available to pay more. In the first case, this fact causes a lower number of customers (as demand laws normally demonstrate), in the second case the result is a "punishment" for the people in charge to plan new projects. This people, often owning the core competences in the cultural company, couldn't be rewarded as they desire and deserve. Obviously lack of motivation could rise.
- Last but not least the effect is the impact on the financial cycle. Longer periods of preparation, due to the project uniqueness, make postpone also the cash in.

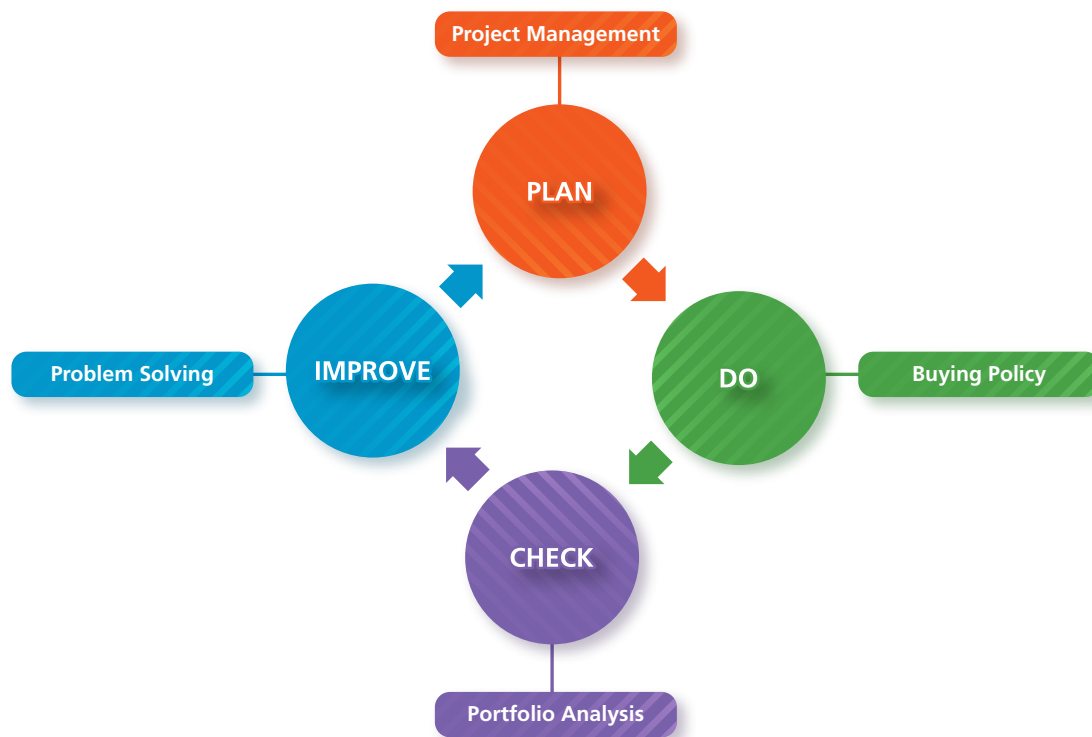


2.2 Support efficiency

The unique project theme is closely linked to the efficiency need.

A Toolkit for the cultural businesses has to support absolutely the company; otherwise, the lack of efficiency could start a domino effect with consequences on economics, service level, customer satisfaction, financial cycle and people motivation.

The Chapter 2.3 will describe four useful tools to enhance efficiency in the cultural companies. Each tool is linked to one phase of the management cycle, as shown in the following picture.



The Planning phase of a cultural project often is not enough specified. It is necessary to go into a deeper detail. Planning in terms of macro-steps or general activity areas is not useful to prevent lack of efficiency. On the contrary, it could be the main cause of the efficiency need.

Project management approach is the response to this need. It supports the company giving method in terms of single output definition, detailed description of required actions to reach each single output, expected resources need for each action. Project management diagrams give a fast overall view of the project, and could be used as a communication tool among the staff. The main advantage in using this tool is to prevent lack of efficiency.

During the Doing phase, some cultural business have to buy materials (e.g. artistic handicraft) or other goods to sell (e.g. books).

The cultural enterprise buying behaviour is often based on suppliers selling formats or on discounts proposals (this causes immediate advantage, but it also determines stock surplus and cash lack) or based on perceptions not supported by correct figures. The selection of the right volume to acquire is very useful also very simple to do. A correct buying policy could be obtained using only four data (see chapter 2.3).

The Checking phase is based on collected data. The cultural company generally is not used to collect measurable information about its activity. There is space for improvement but positive results in checking could be reached using at least the generally available data, as revenues, quantity sold. A checking system could be improved with others data and indexes as profits per product\service (first of all), payment periods, etc.

A good method to enhance the understanding of our management results is the Portfolio analysis. Putting in a matrix or in a table, data of two different but related indexes, it became possible to identify four different kinds of performances.

The final result is a snapshot of the business: it will be highlighted where it is necessary to maintain the policy, where it is necessary to develop, where it is fundamental to give more efficiency and where it would be better reduce efforts. The main advantage of this tool is to optimize the resource allocation and an effective segmentation of the management policies.



Important chances to improve could be the comparison between planned and budgeted activities; the unsatisfied results from the portfolio analysis; the efficiency problems encountered during the activity. The suggested method for the Improving Phase is Problem Solving approach.

The tool proposed in chapter 3 is composed of seven different steps which simplify the problem reducing its complexity and, in addition, they highlight priorities based on the impact of company objectives. Evaluation support systems, formats and diagrams, make possible an objective analysis of problems, causes and solutions.

2.3.1 Project management

OBJECTIVE – to have an overall view of a project

WHO CAN USE IT – companies who have to accomplish complex projects (many related activities, developed by different people –both internal and external- during several months)

WHEN USING IT – especially when the company has to manage more than 1 project at the same time

PHASE	TOOL	OUTPUT	SUPPORTED BY
TARGET DEFINITION	Table with clear definition of the measurable results that the company wants to reach (e.g. sales, customer satisfaction, awareness in the market, ...)	Checklist of the items that require activity definition	Excel – word or ad hoc sw
ACTIVITIES DEFINITION	Table with: action list, expected output, manager, time needed, resources needed	Time and resources need, responsibility assignment, agenda of activities to do	Excel or ad hoc sw
RESOURCES BUDGET	Table with the resources available vs needed (e.g. Total Man day vs Needed man day)	Efficiency\efficacy in resources management	Excel or ad hoc sw
GANTT	Table with week\activities relation	Overall view of the project, monitoring system	Excel or ad hoc sw
RESOURCES CHART	Graph-table with the distribution during the weeks of resources requirements (man days, money, tools...)	Efficiency\efficacy in resources management	Excel or ad hoc sw
PROJECT MONITORING	Few Efficiency-efficacy indexes (ratio resources allocated\results)	Awareness about project and company performances	Excel or ad hoc sw

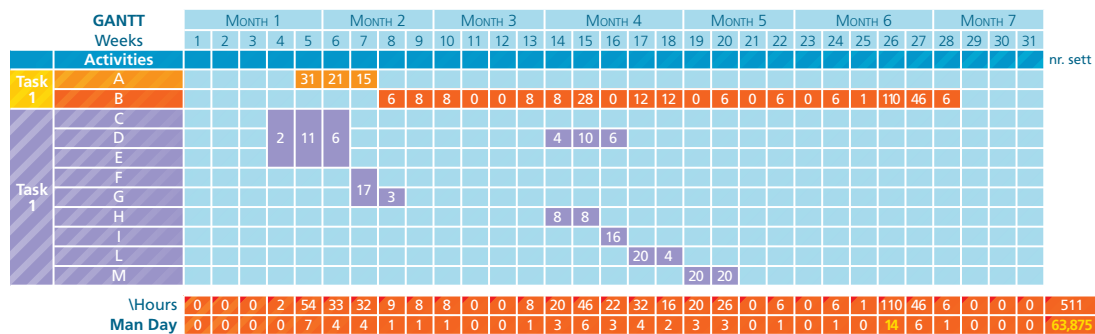
* see problem solving (2.3.4)



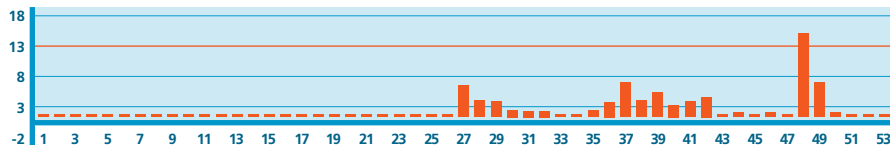
ACTIVITIES DEFINITION – EXAMPLE

PROJECT XY							
WORK PACKAGE	DESCRIPTION	OUTPUT	START	END	RESPONSABLE	PERSONS NEEDED	TIME NEEDED (DAYS)
1	GFGFD	OLKJ	21 Gen	21 Gen	X	2	0,13
2	HGFDGFD	HHGH	21 Gen	21 Gen	X	0	0,26
3	HGUTWS	POOPO	27 Gen	27 Gen	Y	1	0,26
4	.....	.....	02 Feb	03 Feb	Y	1	1,5
5	.....	.....	.....	.....	.....	.....	.....
6	.....	.....	.....	.....	.....	.....	.....
7	.....	.....	.....	.....	.....	.....	.....
8	.....	.....	.....	.....	.....	.....	.....
9	.....	.....	.....	.....	.....	.....	.....

GANTT/ RESOURCE CHART - EXAMPLE



RESOURCES CHART - MAN DAYS

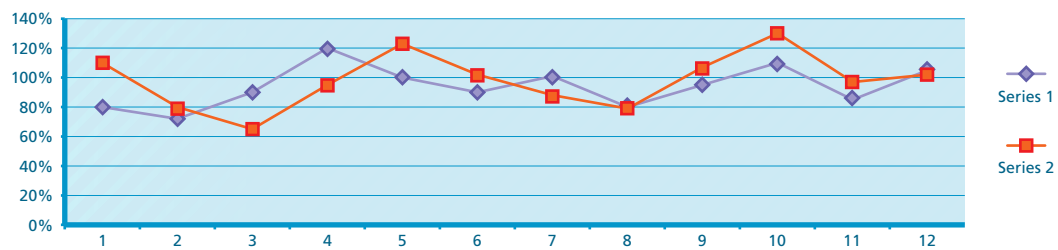


PROJECT MONITORING - EXAMPLE

PROJECTS

Objective: 75%
Progress: 58%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Product budgeted \ completed	80%	72%	90%	120%	100%	90%	101%	80%	95%	110%	85%	105%
Estimated time \ time used	110%	80%	65%	95%	123%	102%	88%	79%	107%	130%	97%	102%



2.3.2 Portfolio management

OBJECTIVE – to enhance efficiency of sales policy

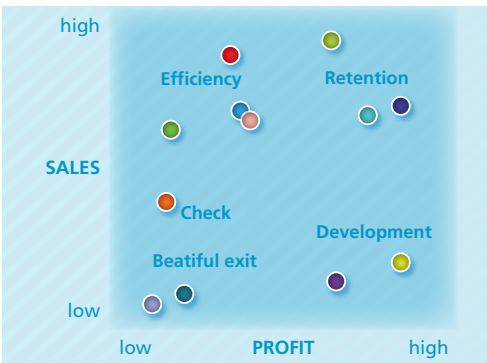
WHO HAVE TO USE IT – companies that operate with a large range of products\services

WHEN TO USE IT – immediately after the entry phase in the market and especially during the mature phase

PHASE	TOOL	OUTPUT	SUPPORTED BY
DATA COLLECTION	Sales and profit record classified for products or customers or areas (useful also volumes record and payment delay record)	Sales ranking profit ranking volumes ranking payment delay ranking	Excel or ad hoc sw
DATA ANALYSIS	Matrix sales/profits Matrix sales/payment delay Or similar	Identification of items to develop, to maintain, to verify, to make more efficient	Excel or ad hoc sw
SALES POLICY DEFINITION	Checklist and management guidelines	Sales policy for segmented offers	Excel or ad hoc sw

DATA COLLECTION - EXAMPLE

WORK PACKAGE	SALES year 1	SALES year 2	DELTA SALES %	DELTA SALES	MARGIN year 1	MARGIN year 2	payment delay year 1	payment delay year 2	stock year 1	stock year 1	DELTA stock
A	€ 206.104	€ 198.195	-3,8%	-€ 7.909	37%	37%	90	90	€ 69.864	€ 60.347	-13,6%
B	€ 92.571	€ 64.582	-30,2%	-€ 27.989	40%	40%	140	140	€ 9.458	€ 8.147	-13,9%
C	€ 33.667	€ 15.134	-55,0%	-€ 18.532	31%	31%	90	90	€ 2.957	€ 0	-100,0%
D	€ 10.477	€ 18.917	80,6%	€ 8.440	36%	36%	120	120	€ 7.122	€ 8.964	25,9%
E	€ 27.219	€ 34.560	27,0%	€ 7.341	40%	40%	120	120	€ 33.070	€ 19.485	-41,1%
F	€ 3.100	€ 4.491	44,9%	€ 1.391	40%	40%	120	120	€ 6.376	€ 5.416	-15,1%
G	€ 2.521	€ 2.787	10,5%	€ 266	36%	36%	0	0	€ 5.687	€ 3.722	-34,6%
H	€ 866	€ 334	-61,4%	-€ 532	45%	45%	125	125	€ 549	€ 563	2,6%
I	€ 1.951	€ 235	-88,0%	-€ 1.717	40%	40%	120	120	€ 48	€ 54	12,5%
L	€ 1.506	€ 791	-47,5%	-€ 715	40%	40%	150	150	€ 477	€ 300	-37,1%
M	€ 3.942	€ 5.807	47,3%	€ 1.865	40%	40%	150	150	€ 6.597	€ 6.606	0,1%
.....	€ 757	€ 2.607	244,4%	€ 1.850	50%	50%	120	120	€ 1.323	€ 1.336	1,0%
.....	€ 65	€ 1.986	2954,6%	€ 1.921	45%	45%	150	150	€ 309	€ 175	-43,4%
.....	€ 184	€ 36	-80,4%	-€ 148	40%	40%	150	150	€ 426	€ 349	-18,1%
.....	€ 40.867	€ 16.358	-60,0%	-€ 24.509	33%	33%	90	90	€ 6.247	€ 1.830	-70,7%
.....	€ 5.843	€ 2.288	-60,8%	-€ 3.555	41%	41%	90	90	€ 1.903	€ 2.462	29,4%
.....	€ 112	€ 176	57,1%	€ 64	40%	40%	90	90	€ 0	€ 535	
.....	€ 0	€ 1.086			50%	50%		150	€ 2.374	€ 2.430	2,4%
.....	€ 0	€ 2.009			100%	100%		0	€ 1.271	€ 872	-31,4%
.....	€ 0	€ 144			33%	33%		60	€ 18	€ 1.102	6022,2%
.....	€ 0	€ 173							€ 613	€ 1.118	82,4%
.....									€ 1.127		-100,0%
	€ 431.751	€ 372.695	-13,7%	-€ 59.055	#REF!	#REF!	#REF!	#REF!	€ 157.816	€ 125.813	-20,3%



DATA ANALYSIS SALES POLICY DEFINITION EXAMPLE

2.3.3 Buying policy

OBJECTIVE – to optimize the cash flow dedicated to buying policy and the stock level

WHO HAVE TO USE IT – companies operating in business that needs stock

WHEN TO USE IT – order placement

PHASE	TOOL	OUTPUT	SUPPORTED BY
SALES VOLUMES CALCULATION	Volumes record split for months/goods	Volumes selling in a period (e.g. a month)	Excel or ad hoc sw
COVERAGE PERIOD DEFINITION	/	Decision about service to supply to customers in terms of minimum stock level (goods availability)	Excel or ad hoc sw
AVERAGE STOCK CALCULATION	Stock level record split for months/goods	Average stock for the good	Excel or ad hoc sw
VOLUMES ALREADY ORDERED	Order schemes for goods	Data collection about volume ordered for the good	Excel or ad hoc sw
VOLUMES TO ACQUIRE DEFINITION	Specific formula	Order placement	Excel or ad hoc sw

CALCULATION EXAMPLE

Quantity to Order	Average Need	Coverage Period	Stock	Credit
250	150	3	200	0

$$Q = A.C. \times COV. - (STOCK + CRED.)$$

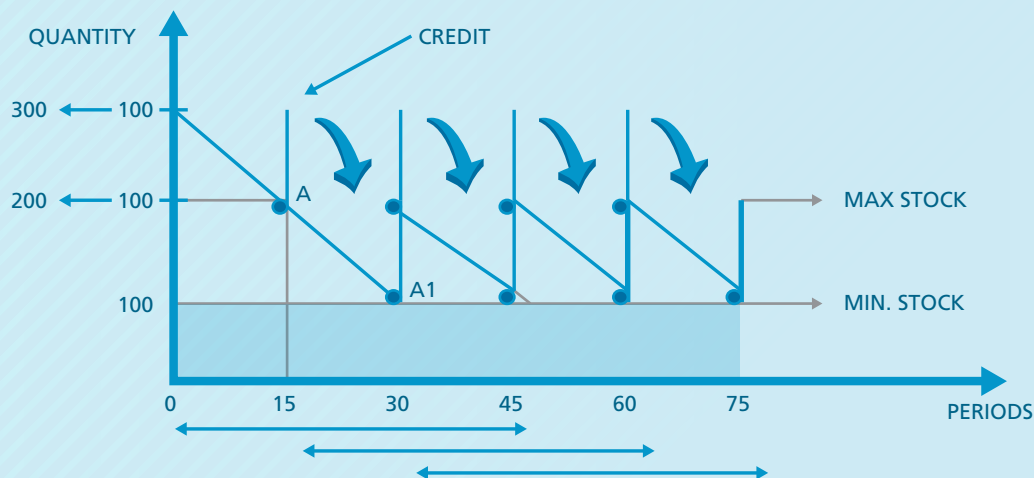
Q= quantity to buy

A.C. = item's average need during the period

COV = coverage period

STOCK = items' stock level

CRED = delivering items



2.3.4 Problem solving

OBJECTIVE – to solve problems about customer satisfaction or workflow

WHO HAVE TO USE IT – everybody

WHEN TO USE IT – once a month at maximum every 3 months

PHASE	TOOL	OUTPUT	SUPPORTED BY
PROBLEM DESCRIPTIONS	Checklist\format	Problems focused (who, when, what, how many, where)	Format or Excel or ad hoc sw
PROBLEMS PRIORITY	Problems\weighted objective to reach scheme	Problems ranking on the basis of their impact on objectives	Format or Excel or ad hoc sw
CAUSES IDENTIFICATIONS	Ishikawa diagram	Causes listed for categories	Format or Excel or ad hoc sw
CAUSES PRIORITY	causes\weighted objective to reach scheme	Causes ranking on the basis of their impact on objectives	Format or Excel or ad hoc sw
SOLUTIONS IDENTIFICATION	Brainstorming and other creative methods	Solutions list	Format or Excel or ad hoc sw
SOLUTIONS PRIORITY	solutions\weighted objective to reach scheme	Solutions ranking on the basis of their impact on objectives	Format or Excel or ad hoc sw
ACTION PLAN	See workflow tools	See workflow tools	See workflow tools

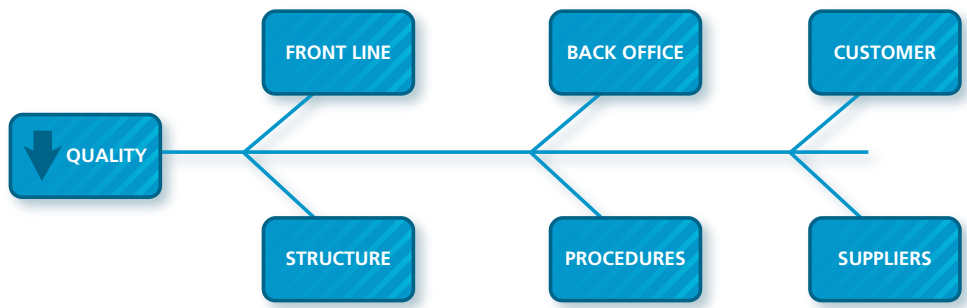
PROBLEM DECIPTION FORMAT - EXAMPLE

PROBLEM	WHAT	HOW MUCH	WHEN	WHERE	WHO

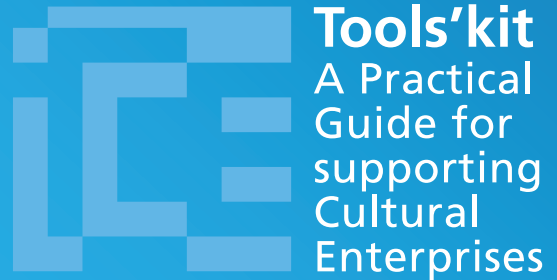
PRIORITY CALCULATION – EXAMPLE

	weight	33	34	33	100
ITEM	PRIORITY	IMPACT ON PROFIT	IMPACT ON CUSTOMER SATISFACTION	IMPACT ON ORGANIZATION	
fgfd		5	4	4	433
jhjgff		3	4	5	400
kiozas		4	5	2	368
hvsghsd		3	4	4	367
.....		4	4	3	367
.....		4	3	4	366
.....		4	2	5	365
.....		4	2	5	365
.....		5	1	5	364

PROBLEM DECIPTION FORMAT - EXAMPLE



3. LONG FINANCIAL CYCLE (Cimac)



3.1 Long financial cycle

Globalization and the current economic and financial context caused profound changes in economic models, which directly reflected in the results and expectations of companies, institutions and territories, with special focus on regions with a greater periphery, as Mediterranean countries, far from the main centres of decision-making and global value chains.

Therefore, a new paradigm for organizations seems appropriate, particularly in what concerns micro and small business, whose economic growth should be based on innovation and knowledge.

In this context, companies that integrate the “creative industries” cluster is also becoming an important source of economic and social development, with an increasingly strong position in world trade.

Nowadays, a high percentage of workers in industrialized and emerging countries of the world works in the “creative sector”, in various areas of knowledge such as science, engineering, technology-based industries, arts, music, culture and design.

To encourage entrepreneurship and to leverage the creative and cultural sector should be an objective of the various public and private Institutions, by ensuring the right environment for its growth.

In addition, the provision of relevant management tools, often relegated to a secondary position by creative managers, normally focused on the artistic component of business, can support the competitiveness of those enterprises.

In order to dominate the life cycle of the company at the management level - creation of companies, their legal and fiscal aspects, the obtaining of financing, copyright, training, strategy, among other things - is crucial to ensure the success of the cultural and creative initiatives that arise in our regions.



3.2 Financial Support

The Business Plan represents an important management tool in order to have access to funds, particularly in a period of illiquidity of the traditional agents of finance, like Banks. This document should always be prepared and updated by every SME, containing information such as company goal and profile, management team, business model, markets, financial summary, financial forecast, proposed investments, among other contents. The Business Plan should be an instrument capable of a first approach to financial organizations, business angels and venture capitalists.

BUSINESS PLAN

OBJECTIVE – To support investment applications by SME

WHO CAN USE IT – SME in general and entrepreneurs

WHEN TO USE IT – Before venture capitalists, Business Angels and to support financial applications.

PHASE	TOOL	OUTPUT	SUPPORTED BY
Investment / Financial Application	Business Plan	Sustained Plan to analysis by investors	Excel and angel soft
Business idea definition	Questionnaire	A definition in terms of: customer needs, proposed solution, organization and management support required, competitive advantage	Excel Access, Web coach\tutor
Market	Questionnaire	Market characteristics in terms of: size, structure, growth rate, customer	Excel Access, Web coach\tutor
Financial Forecast	Questionnaire	Revenues, Expenditures and Net.	Excel Access, Web coach\tutor

3.3 Business plan for financial needs

OBJECTIVE – To support investment applications by SME

WHO CAN USE IT – SME in general and entrepreneurs

WHEN USING IT – Before venture capitalist, Business Angels and to support financial applications.

PHASE	TOOL	OUTPUT	SUPPORTED BY
Investment / Financial Application	Business Plan	Sustained Plan to analysis by investors	Excel and angel soft



Company Contact Information

***Company Name:**

***Company Website:**

***Activity:**

***Phone Number:**

E-mail:

***Address:**

***City:**

***Country:**

***Zip/Postal Code:**

Logo:

Image must be no larger than 1MB, or
1000x1000px in resolution.

Management Team

First Name

Last Name

Title

Company Profile

***Number of Employees:**

Please enter only a number.

***Founded Date:**

***Sector:**

Manager (s)

Questions

One Line Pitch:

Investors fund businesses, not ideas. So tell them about the business you are building. Use this to summarize your whole plan. Don't include specific financial information here, or repeat what's said in any other field.

Summarize your business:

It is important that your management team has a proven track record in leadership and performance. Give specifics. Experience in the target business segment is key.

What specifically makes your management team most qualified to build this business?

Investors fund pain killers, not vitamin pills. What critical customer need does your company address?

Define customer problem.

How does your product solve the customer pain you have described above?

Describe the solution you sell.

Define your SPECIFIC market. "Males between the ages of 18-30" is not specific enough and shows a lack of analysis. Include market size data, growth rate, customer segmentation, and market structure where applicable.

Define your market.

Investors are more likely to invest after talking to customers who will purchase your products. List several current or potential customers of your solutions.

List your current or potential customers.

How do you plan to make money? Are you selling products or services? Are you giving away razors in order to sell razor blades?

Describe your business model.

Every product has competitors (type writers replaced pencils). What products are your customers now using as pain killers? Who is providing these products to your potential customers? Are these competitors small companies or large public companies?

Describe the competitive landscape and list your competitors.

Do you have patents or other proprietary technology? How will you avoid your competitors from quickly copying your products and selling them to your customers? Describe the difficulties your competitors will have in duplicating your solutions.

Define your competitive advantage and list barriers to entry.

Investors typically invest at the Prototype Ready stage or later. They are looking for businesses, not ideas.

Financial Summary

***Company Stage:**

Concept Only

Investors typically invest at the Prototype Ready stage or later. They are looking for businesses, not ideas.

***Currency:**

EUR - Euro

Select the currency in which you are entering your financials below.

***Previous Capital:**

€

The total amount that has been invested in your business including your own money and investments from friends and family. Investors like entrepreneurs that "have skin in the game".

***Monthly Net Burn:**

€

Total monthly expenditures minus current monthly revenues.

***Pre-money Valuation:**

€

The value of your company before receiving any additional investment.

***Capital Seeking:**

€

The total amount your company is looking to raise this round. The investors will try to look at your business goals and calculate how much capital you require to get there, then compare it to what you are asking.

Additional Information
(Optional):

Financial Forecast

The forecast should calculate sales based on YOUR activities. The thought process should be: "We will spend X on advertising to X people and we expect to convert X% into paying customers which = X" as opposed to "If we only get 1% of our potential market we'll make \$100 million." The second example is a wish, not a forecast.

	Revenues		Expenditures		Net
2012	€ <input type="text"/>	€	<input type="text"/>	€	<input type="text"/>
2013	€ <input type="text"/>	€	<input type="text"/>	€	<input type="text"/>
2014	€ <input type="text"/>	€	<input type="text"/>	€	<input type="text"/>

4. INTANGIBLE CAPITAL

(Sviluppo Basilicata)



Tools'kit
A Practical
Guide for
supporting
Cultural
Enterprises

4.1 Intangible capital

Preface

In the past, when the economic context was much more stable and exchanges of information less rich, each enterprise was completely photographed, measured and communicated by playing on tangible aspects, such as economic, financial and productive ones.

In the current scenario, characterized by instability and by a huge exchange of information, the tangible capital provides a reductive view of the competitive essence of the company.

In order to find effective market, a company must, therefore, accept the challenge and make the most of the so-called intangible capital, characterized by aspects that seem to be “soft”, but prove to be extremely important to create wealth in today’s knowledge-based economy: talent, skills, know-how, know-what and relationships.

Let’s leave out the aspects referring to the economic exploitation of the intangible assets, in the form of exclusive rights, licenses, patents, and to the legal defence of the intangible assets, in the form of copyright, to face rather the central role intangible and immaterial resources play in a cultural enterprise, and the means to communicate this centrality.

The cultural product-service and its dimensions

Cultural companies bring to market products and services affecting creativity and artistic and handicraft skills, or products and services representing a territorial, historical, natural, architectural, artistic context.

The products or services provided by cultural enterprises, unlike traditional companies, are characterized by a reference dimension, which allows to compare these products/services with a number of other similar products, which may belong to the same discipline, or to another discipline, gender, history. The comparison with other products/services has a considerable weight, and it is often based on intangible aspects, such as the talent and the ability of the artist, craftsman, contributing to prefer the product to other similar ones. Thus, men and women “make” the difference, the value of a cultural enterprise.



The products/services themselves or their production process have a technical dimension as well: the ability to do and to know what to do, often referring both to the productive tradition of the context, and the capacity of the context itself to adopt and foster technological innovation processes, ut this dimension again refers to the ability of people that “make” a product or a cultural service and to the relationships the enterprise has built in the course of time.

There is lastly a circumstantial dimension, referring to all the intangible components that characterize the fruition of the cultural goods or services: the place’s atmosphere, the user’s mood, the audience or the artist, the relationships between the artist and the audience, the genius loci, the nature and the art of a certain environmental context.

The product of a cultural enterprise is quite complex, and its complexity may vary according to the characteristics of the product/service itself, to the characteristics of the user and the audience, to the perception the users have, which also depends on their mood or on the context of use.

It is quite clear that such complexity depends on a sum of tangible and intangible factors, one of which is represented by territoriality that is to say the historical, artistic, environmental, productive context and by the relations within which the cultural enterprise operates.

Moreover, the relationship with the territory can be very diversified: some companies “sell” the territory, provide territory-related services or they offer products and services that can be enjoyed everywhere, but there is a territorial characterization to be exploited in this case as well: the territory is the physical representation of the relationship network each company or person working within the cultural sphere have built with other enterprises, people, public bodies and institutions.

The territory must, therefore, be regarded as a “material and immaterial resource” of the company assets and, as such, it must find the proper means of communication.

In this perspective, the cultural enterprises operating within UNESCO sites must give value also to this precise territorial location, which refers to a symbolic framework, shared worldwide.

4.2 Communication support

Cultural enterprises, more than traditional ones, are characterized by immaterial and intangible assets, able to produce value only when properly communicated. Talent, skills, *know-how*, *know-what* and relations are the intangible assets of cultural businesses to be communicated and enhanced. Even more significant for the cultural enterprises in UNESCO sites is the relationship with the territory.

Some elements to which pay attention

Each enterprise, most of all in the cultural sector, communicates itself in everyday life, in the relationship with suppliers, and customers, employees, and collaborators. Paradoxically, it communicates even when "it does not communicate". It is necessary to be aware of this for developing a consistent and effective communication strategy.

A recurring error of cultural enterprises - also due to a lack of resources and time - is the fact that, often, cultural goods and services or art expressions communicate the enterprise, the artist or the craftsman, as well. Sometimes it may happen, but most of the times it doesn't. Internal communication is another neglected aspect: all employees and collaborators must be aware of business strategies and objectives, and must feel active in the communication component, which - as already stated - is not limited to specific times and places, but it is a permanent activity.

Communicating the intangible

Communicating the cultural product/service means to bring value to the circumstantial dimensions that characterize the cultural product itself, in addition, of course, to technical dimension. As stated, this is possible by placing the product/service within a symbolic, cultural system, which refers to a precise place and time, and makes this product/service and its use - in some respects - unique. It is not a coincidence that the cultural industry of a place, unlike other types of industries, can hardly be relocated: whether it is an artistic expression or provides cultural services in a broad sense, the large part of the goods and services benefit from the relationship with the context, the territory, the community of reference. The communication strategy of cultural businesses must, therefore, bring value to the membership of a community of reference, through which the intangible aspects of a cultural good or service can be represented, as well.



The community of reference and the network

A company develops by identifying and creating relationships with its own community of reference. If a community is made of people, agencies and associations that share the same “cultural space” and contribute to define and redesign it in the course of time, the cultural enterprises operating within UNESCO sites have an additional “global” community of reference.

Cultural enterprises may get strongest by developing alliances and partnerships and by placing themselves within a network. In this case, starting from one’s own creative and artistic potential, a collaborative mode prevails on a competitive approach. A cultural enterprise must, therefore, develop consistent communication strategies towards its internal organization, the network and the community of reference.

A general framework

The cultural company must acquire an organized map of the variables affecting its own communication processes: this tool allows to define the communication’s strategic directions and, moreover, to develop and manage the different actions to undertake.

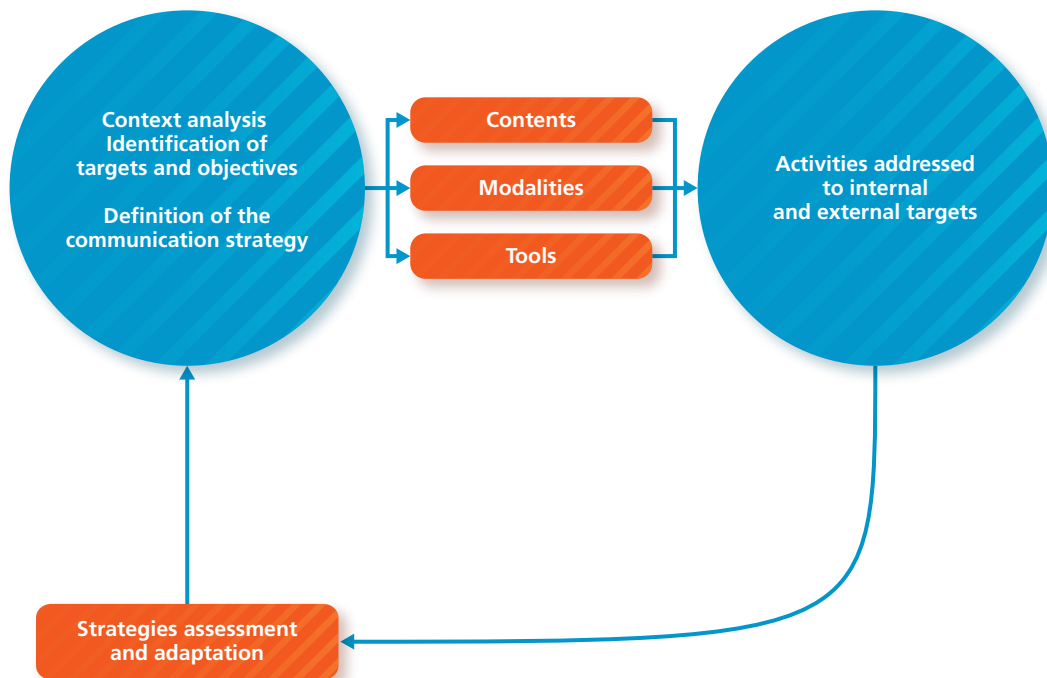
The availability of a general reference framework allows to:

- Understand the very broad and diversified context, which claims an articulated, customized, but above all very organized approach to communication,
- Evaluate not only what can be done, but also what cannot be done,
- Identify action priorities on the basis of the optimization of cost-efficiency / benefits-effectiveness ratio.

The analysis of the results achieved from time to time will also allow to launch a system of continuous coaching aimed to correct, amend and complete schedule of communication activities, ensuring compliance with the strategic choices and consistency with the operational calendar.

Communication Strategy

Communication Plan



4.3.1 Communication strategy

OBJECTIVE

To obtain an organic and dynamic vision that gives meaning to the activities of internal and external communication of cultural enterprise.

WHO CAN USE IT

Cultural Enterprises and/or cultural incubators in Start up phase or in search of new markets and customers. More generally, it can be used by companies that have found deficiencies and problems in brand or product communication.

WHEN USING IT

When the company prepares the annual budget and the investment plan.

PHASE	TOOL	OUTPUT	SUPPORTED BY
1. Analysis of the company and the context in which it operates	Map of the variables affecting the potential of the company's communication	SWOT of strengths and weaknesses, opportunities and threat factors	Excel – word or ad hoc sw
2. Identification of the objectives	Map of - internal and external - objectives of communication	Calendar of priorities	Excel – word or ad hoc sw
3. Identification of the target and the stakeholders	Map of - internal and external - target and stakeholders	List of priority target	Excel – word or ad hoc sw
4. Definition of the strategies	Map of the relations between the enterprise, the context, the objectives and the targets to be reached	Strategic document	Word or ad hoc sw

1. Analysis of the cultural enterprise and its context

The (example) map shows the variables affecting the potential of the company’s communication.

Date of the analysis	Element considered	Strengths	Weaknesses	Threats	Opportunities
dd/mm/yyyy	The sector in which the XXXX company operates, its products and services. Years of activity.				
dd/mm/yyyy	Are the collaborators, employees and suppliers aware of the company's <i>mission</i> ?				
dd/mm/yyyy	Is the company located in a system that communicates itself as such? Example: cultural incubator, cultural district...				
dd/mm/yyyy	Competition: how is positioned the XXXX company's brand in the reference market.				
dd/mm/yyyy	Potential partners: are there companies that can benefit from the development of the XXXX company?				



dd/mm/yyyy	Relationship with the territory in which the company operates: it is strong, it is weak, it is decisive...				
dd/mm/yyyy	Description of the reference territory, level of cultural consumptions, age of the inhabitants, tourist market, spending capacity of the inhabitants. Appeal of environmental factors. Logistics, transports hospitality.				
dd/mm/yyyy	Institutional territorial policies: development plays on cultural and tourist offer. Incentives and funding for culture are foreseen.				
dd/mm/yyyy	Is the territory equipped with its own communication tools? Which ones? How do they work? Does the company access to these communication tools?				
dd/mm/yyyy	The territory is a UNESCO site: is this element communicated? Does the enterprise use the UNESCO trade mark? How?				

SWOT

Strengths	Weaknesses
Opportunities	Threats

2. Individuation of communication's objectives

The (example) map organizes the objectives, indicates the elements of interest and the difficulties, as well as the preconditions to achieve them.

Deadline to implement activities and achieve the objective	Objectives	Preconditions to achieve the objectives	Interest (1 to 10 scale where 10 stands for the higher interest)	Difficulty (1 to 10 scale where 10 stands for the higher difficulty)
dd/mm/yyyy	Start-up company - brand presentation and launch			
dd/mm/yyyy	Start-up company - market positioning and accreditation			
dd/mm/yyyy	Start-up company - presentation of product/service			
dd/mm/yyyy	Start-up company - information and launch of new products/services			
dd/mm/yyyy	Start-up company - internal communication Sharing values and mission			
dd/mm/yyyy	Start-up company - internal communication Sharing organizational model			
dd/mm/yyyy	Launched company – brand consolidation, positioning, and repositioning Target: customers			



dd/mm/yyyy	Launched company – brand consolidation, positioning, and repositioning Target: stakeholders and relations network			
dd/mm/yyyy	Launched company – brand consolidation, positioning, and repositioning Target: institutions			
dd/mm/yyyy	Launched company – reaching new markets			
dd/mm/yyyy	Launched company- information and launch of new products/services			
dd/mm/yyyy	Launched company- internal communication Sharing values and mission			
dd/mm/yyyy	Launched company- internal communication Sharing organizational model			

PRIORITIES CALENDAR

Objective	Interest	Difficulties	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12

3. Identification of the target and the stakeholders

Special attention should be devoted to international targets: communication products must be arranged in English or in the languages spoken by potential customers, distributors, and partners, as well.

EXAMPLE

Target type and characteristics	Communication objectives	Level of interest 1 to 10
Customers acquired		
New customers		
Suppliers		
Competitors		
Local Partners: hotels, transportation, restaurants, museums, businesses operating in the same chain, cultural associations, events and festival organisers		
Foreign partners		
Distribution Network		
Sponsors and donors		
Banks and credit institutions		
National UNESCO sites		
Foreign UNESCO sites		
UNESCO		
European Union - Culture, Tourism, Entertainment, Social Cohesion Sector		



National Agencies: Ministries, Fine Arts Superintendence...		
Supra-local entities: Region, Province, Film Commission, Archives, Development Agencies, Trade Fair Organizations		
Municipality, APT (Tourist Boards), industrial associations and traders, Chamber of Commerce		
Citizens		
Consumers		
Local Media		
National Media		
Employees		
Collaborators		

LIST OF PRIORITY TARGETS (EXAMPLE)

Target	Objective	Level of interest
New customers	To reach and inform	10
Old customers	To reach again	10
Municipality	Brand consolidation and repositioning. Target: institutions	10
Employees	Sharing organizational model	9
...	...	x
...	...	x

4. Definition of strategies

The strategic document represents the map of the connections between the enterprise, the context and the territory, the objectives of business communication and the target to be reached.

Example of a summary of the strategic document

- General considerations
- Key assumptions
- Sphere of activity and keywords
- Process, Stages and Objectives of internal and external communication
- Positioning
- Target
- Stakeholders
- Time

As to the temporal dimension of communication strategies, it can be useful to have a process diagram highlighting - in certain key concepts - the current situation of the business communication and the situation wished in one or two years.

EXAMPLE FOR A COMPANY IN START UP PHASE

Key Concept	Current assessment	Assessment desired within one year
Communication of the identity	0	8
Sharing values inside the organization	7	9
Relationship with the media	0	7
Relationship with the territory	---	---
Coherence between the image and the goods and services		



4.3.2 Communication plan

OBJECTIVE

A coherent framework of contents, methods, instruments, economic resources and time needed to develop the communication strategy of the company.

WHO CAN USE IT

Cultural enterprises and/or cultural incubators in Start up phase searching for new markets and new customers and requiring the optimization of the communication strategy.

WHEN USING IT

It must be arranged at the time that the company prepares the annual budget and the investment plan, but it must be constantly updated: a fixed-term is recommended (months 3,6,9,12).

PHASE	TOOL	OUTPUT	SUPPORTED BY
1. Communication contents	Contents map	Definition of priorities	Excel – word or ad hoc sw
2. Communication modalities	Table of the modalities used in the different fields	Evaluation of the effectiveness of communication modalities	Excel – word or ad hoc sw
3. Tools	Map of communication tools to activate	Choice of tools	Excel – word or ad hoc sw
4. Workplan	Map of the correlations between communication strategies, objectives, targets, content, tools, time and costs	Vision of the scheduled activities	Excel – word or ad hoc sw

1. Communication contents

In the first phase, it is important to map all the contents that are meant to be communicated, and then priorities must be identified on the basis of the objectives and targets. An effort to identify the contents that are accidentally communicated by the company - with informal tools and modalities - is required, as well.

The map is also useful to make a check of what has already been communicated: how, when and in which way.

EXAMPLE

Content	Priorities From 1 to 10	Previously communicated	Result	Success factor	Criticality factor
Mission					
Company's values					
Brand					
Internal organization					
Company's management					
Balance					
Social balance					
Context/community/network					
System of values					
UNESCO's brand name					
Product A					
Product B					
Service A					
Service B					
Event A					
Event B					
Innovation					
Technological contents					
Uniqueness of the brand or product/service					
Specialized skills					



2. Communication modalities

The map of communication modalities is useful to acquire the awareness that the way we communicate information, emotions, objective data or intangible aspects related to the brand mark and to the supply of goods and services is as important as the content itself.

This is even truer for cultural companies, thus referring to a symbolic, values and emotional system to share with the identified target.

For example, a company providing environmental and naturalistic services should avoid coated and heavy-weight papers, thus preferring recycled paper and natural colours. In general, all communication texts must be very correct, with a clear and effective language or again, a company working in the multimedia sector should have a very effective website, representing an entrepreneurial skill in a direct way.

It may seem commonplace, but very often the cultural businesses' websites are similar to commercial sites and this means a lack of coherence with the reference values of the enterprise.

In order to acquire this awareness is useful to check - as compared with the existing situation - the modalities used in corporate communication, its strengths and critical factors.

The use of foreign languages in corporate communication, both in brand and specific activities, is a key element.

EXAMPLE

Communication scope	Coherence with the values of reference	Level of objectivity of the communication	Result	Strength	Criticality
Company's web site	Can be improved	High	Satisfactory. There are a good number of accesses and many people contact us through the website	Speed in the update	Graphics and settings are not very original The English version is not available

3. Tools

The usefulness of an organic map of the available tools, allowing to have an immediate vision of the possibilities, must be underlined in this case too.

The map will include an updated calendar of the communication actions the company has carried out, so to monitor the effective use of all available instruments.

It will probably realize that, being all available resources equal, some tools are not properly used, because also communication field tends to repetition.

EXAMPLE OF MAP

General objectives	Type	Tool	Envisaged/ not envisaged Notes
Corporate Identity		<ul style="list-style-type: none">- Brand, Logo and Payoff- Sign- Materials for coordinated image: stationery, business cards, press kit, digital templates, etc.	Yes No Yes
Internal Communication	Traditional	<ul style="list-style-type: none">- Brochure, leaflets, posters, book on values, annual reports, social budget, etc.	
	Digital	<ul style="list-style-type: none">- Intranet- Other digital tools: newsletters, forums, internal blogs, web radio, web TV, etc.	
	Direct actions	<ul style="list-style-type: none">- Audit – Researches (to understand-listen-share)- Training- Presentations, meetings, conferences, etc. (to inform-explain-share)- Working lunches and dinners, social trips...	



External Communication	Traditional	<ul style="list-style-type: none"> - Brochure, leaflets, videos, posters, advertisements, etc. 	
	Digital	<ul style="list-style-type: none"> - Web site - Other digital tools: newsletter, forums, blogs, web radio, web, TV, etc. 	
	Direct actions	<ul style="list-style-type: none"> - Audit – Researches (to understand-listen-share) - Presentations, meetings, conferences, etc. (to inform-explain-share) - Events 	
PR and Media Relation	Traditional	<ul style="list-style-type: none"> - PR activities - Press Office (editing) - Press release - Press conference 	
	Digital	<ul style="list-style-type: none"> - Digital PR - Dedicated area (website) - 2.0 web activity - Project archive 	
	Direct Actions	<ul style="list-style-type: none"> - Events, meetings... 	

EXAMPLE OF AN UPDATED CALENDAR OF COMMUNICATION ACTIONS (JANUARY - DECEMBER 2010)

Date	Target	Communication action	Assessment	Feedbacks
dd/mm/yyyy	Internal	Presentation of corporate objectives	Positive	Greater involvement of employees and workers
dd/mm/yyyy	Media	Press campaign for the adoption of the social budget	Very positive	The company is often mentioned when talking about media and social budget
dd/mm/yyyy	Corporate Identity	Graphics and brand updating	Negative	The new mark is not as recognizable as the previous one
dd/mm/yyyy	---	---	---	---



4. Workplan

It is the summary plan highlighting the connections between communication strategies, objectives, targets, content, tools, time and costs.

EXAMPLE OF WORKPLAN

Time	General Purposes	Objectives	Target	Actors	Contents	Tools	Costs
Before June 2012	Strengthening of the Corporate Identity	Brand renewal	All	Graphic study XXX. Employees and collaborators.	New graphics	Brand, Logo, Payoff. Coordinated image: stationery, business cards, press kit, digital templates.	€
From June 2012	Improvement of internal communication	Involvement of employees and collaborators in the use of the company brand	Employees and collaborators	Graphic study XXX Employees and collaborators	Guide to the use of the brand	Handbook on the company's website Presentation of the handbook	€
January – December 2012		To share company's objectives	Employees and collaborators	Information system	Budget Balance Presentation of the objectives	Intranet and internal blog activation	€
February 2012 November 2012		To share company's objectives	Employees and collaborators	Management Information system Employees and collaborators	Budget Balance Presentation of the objectives	Two presentation meetings	Time/ work

February 2012 July 2012	External communication actions (1)	Presentation and promotion of spring and autumn activities calendar	Media Potential customers Agencies Public bodies Stakeholders UNESCO sites network	Graphic study XXX Employees and collaborators Press agency	Calendar of the activities and scheduled events	Brochure	€
February 2012 March 2012 June 2012 September 2012		Presentation and promotion of spring and autumn activities calendar	Media Potential customers Agencies Public bodies Stakeholders UNESCO sites network	Graphic study XXX Employees and collaborators Press agency	Calendar of the activities and scheduled events	Site updates 3 newsletters Note: verify the address book and the newsletter	Time/work
March 2012 July 2012 September 2012 December 2012	External communication actions (2)	Presentation and promotion of spring and autumn activities calendar Evaluation of the activity results	Media Agencies Public bodies Stakeholders UNESCO sites network	Employees and collaborators	Calendar of the activities and scheduled events Evaluation of the results of proposed actions: number of events, number of participants	Four meetings Ex ante and ex post spring and autumn	€
From January to December 2012	Improve the relations with media (1)	Support company activities through the involvement of media	Media Agencies Public bodies Stakeholders UNESCO sites network	Employees and collaborators	Contents of company's activities for media Reviews of published articles	Press release	€
From January to December 2012		Support company activities through the involvement of media	Media Agencies Public bodies Stakeholders UNESCO sites network	Employees and collaborators	Contents of company's activities for media Reviews of published articles	Activation of the website's area for media	€
September 2012	Improve the relations with media (2)	Support company activities through the involvement of media	Media Agencies Public bodies Stakeholders UNESCO sites network	Employees and collaborators	Presentation of the achieved results	Meeting with the press	€



4.3.3 Evaluation of the results and adaptation of communication strategies

OBJECTIVE

Evaluate the organic communication actions and adapt future communication strategies on the basis of the results achieved.

WHO CAN USE IT

It must be used by all companies with an organic communication plan, on the basis of defined strategies.

WHEN USING IT

It is a dynamic document that must supplement the entire implementation of the plan.

A fixed-term compilation, together with the plan updating, is highly recommended (month 3,6,9,12).

1. Evaluation map

This document integrates the communication plan in a dynamic way. It must be compiled by the management, but it must be shared by all employees and collaborators.

It must contain an objective assessment of the results achieved, and the assessment of activities that have been developed but not envisaged in the plan.

Time	General Purposes	Objectives	Target	Tools	Costs	General evaluations	Corrective
Before June 2012	Corporate Identity Strengthening	Brand renewal	All	Brand, Logo, Payoff. Coordinated image: stationery, business cards, press kit, digital templates, etc.	€ €		
Fulfilled	From 1 to 10	Achieved from 1 to 10	Achieved from 1 to 10	Activated yes-no	Respect expectations	Positive	Keep on implementing the action, also planning a new website and a new newsletter
Not in July 2012	8	10	9	Yes	€ 2.000 deviation		

From June 2012	Improvement of internal communication	Involvement of employees and collaborators in the use of the company brand	Employees and collaborators	Handbook on the company's website Presentation of the handbook	€		
Fulfilled yes – no	From 1 to 10	Achieved from 1 to 10	Achieved from 1 to 10	Activated yes-no	Respect expectations		
January – December 2012	Improvement of internal communication	To share company's objectives	Employees and collaborators	Activation of the website's area for media	€		
Fulfilled yes – no	From 1 to 10	Achieved from 1 to 10	Achieved from 1 to 10	Activated yes-no	Respect expectations		
February 2012 November 2012	Improvement of internal communication	To share company's objectives	Employees and collaborators	Two presentation meetings	Time/work		
Fulfilled yes – no	From 1 to 10	Achieved from 1 to 10	Achieved from 1 to 10	Activated yes-no	Respect expectations		
February 2012 July 2012	External Communication actions	Presentation and promotion of spring and autumn activities calendar	Media Potential customers Agencies Public bodies Stakeholders UNESCO sites network	Brochure	€		
Fulfilled yes – no	From 1 to 10	Achieved from 1 to 10	Achieved from 1 to 10	Activated yes-no	Respect expectations		
February 2012 March 2012 June 2012 September 2012	External Communication actions	Presentation and promotion of spring and autumn activities calendar	Media Potential customers Agencies Public bodies Stakeholders UNESCO sites network	Site updates 3 newsletters Note: verify the address book and the newsletter	Time/work		
Fulfilled yes– no	From 1 to 10	Achieved from 1 to 10	Achieved from 1 to 10	Activated yes-no	Respect expectations		



March 2012 July 2012 September 2012 December 2012	External communication actions	Presentation and promotion of spring and autumn activities calendar Evaluation of the activity results	Media Agencies Public bodies Stakeholders UNESCO sites network	Four meetings Ex ante and ex post spring and autumn	€		
Fulfilled yes – no	From 1 to 10	Achieved from 1 to 10	Achieved from 1 to 10	Activated yes-no	Respect expectations		
From January to December 2012	Improve the relations with the media	Support company activities through the involvement of media	Media Agencies Public bodies Stakeholders UNESCO sites network	Press release	€		
Fulfilled yes – no	From 1 to 10	Achieved from 1 to 10	Achieved from 1 to 10	Activated yes-no	Respect expectations		
From January to December 2012	Improve the relations with the media	Support company activities through the involvement of media	Media Agencies Public bodies Stakeholders UNESCO sites network	Activation of the website's area for media	€		
Fulfilled yes – no	From 1 to 10	Achieved from 1 to 10	Achieved from 1 to 10	Activated yes-no	Respect expectations		
September 2012	Improve the relations with the media	Support company activities through the involvement of media	Media Agencies Public bodies Stakeholders UNESCO sites network	Meeting with the press	€		

NOT ENVISAGED ACTIVITIES (EXAMPLE)

Date	Type	Objectives achieved	Target	Tool	Costs	Description	Repeatable?	Evaluation
Nov. 2011	External communication	Presentation of the company's activity in territory	Media Institutions Citizens	Participating in the presentation meeting of local cultural enterprises to the press and citizens	€ 5.000	The Municipality organized the meeting and asked all the enterprises to participate	Yes, because it is included in the Municipality's activities. It can be included in the communication plan for the following year.	Positive because it has strengthened the relationship with the territory
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5. MANAGEMENT APPROACH (Promalaga)



Tools'kit
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Guide for
supporting
Cultural
Enterprises

5.1 Management Approach

The cultural entrepreneur must possess a variety of skills to ensure his professional development in the Creative Industries sector. As a summary we can say that the people who want to work in the Creative Industries sector must have:

1. Vocation

Common value inherent in emotional and creative industries. This is a sector in which it is difficult to find an entrepreneur that works “only” for money. It is necessary and vital to have patience and perseverance. That is why the creative entrepreneur resists the unspeakable to push through his Project. We can say that usually, the abortion rate of creative businesses is often lower than in other sectors because of the degree of commitment to their project. The willingness to assemble and dismantle companies are not usual in the creative sector unless the activities are related.

For example, the creative entrepreneur, such as the manager of a theatre, film maker or director of a publishing company wants, needs, to live from their product or service linked to creativity. Creativity is as intangible as powerful as difficult to measure.

2. Business vision and market orientation

Meeting the needs of consumers. The entrepreneur must be able to distinguish what “he likes” and what the market “likes”. What I would like to do could not be immediately profitable. However, we want to think most of the times is a temporary situation until we can live from our true creativity.

For example, the cultural entrepreneur of the arts has not yet reached public recognition will first carry out many more classic representations before undertaking a project of their own 100%.



3. Offering a quality, innovative and high added value product

a. Quality

After years of working with cultural industries we conclude that there is a tendency to offer more quality than the customer is willing to pay. There are always *creatives* who complain bitterly of having offered to their customers most in terms of quality, what the customer ultimately paid but ... what is quality? For a definition of quality we are left with Moses Joseph Juran (1904-2008), renowned management consultant twentieth century. Juran defined quality as:

“(...) The client’s suitability for use.”

In this context we must respect the client’s needs.

For example, a pen of one euro might just as well write one hundred and eighty Euros pen. Both products have quality. Both work well and serve the same purpose: to write. However, these two products, have a number of different and intangible attributes that the consumer is willing to pay (status).

b. Value added

The classic among classics. What added value, I bring to my clients? Why are they going to buy my product? To be very clear about this is quite important and “simple” at a time.

4. Manager

Same as the manager of a company is not “required” to be creative; the creativity should not be required to be a manager or businessman. It is obvious that if the creative wants to make talent their way of life will have to learn to be managed like a business.

Within the scope of corporate governance, it is essential for the creative entrepreneur how to plan and optimize their resources, including time management. You must also learn to understand the marketing you need for your business that do not necessarily go through what you like but what the market demand, as stated in section “2”.

5. Be Informed.

a. Analyse information daily

Usually the creative entrepreneur is immersed in the process of creation and production for improving the final product. That is why we often spend a little time to obtain information relevant to our business. We cannot remain indifferent to what happens around us.

For example, a news release may stimulate our business vision and even cause us to create something that meets that need.

b. Access to sources of public and private funding

We must explore what possibilities exist in our region to access sources of public and private funding. It is clear that in the current economic environment, this search becomes more complex but we must not relent in efforts to identify the formula that best suits your product or service. Local Development Agencies and Regional can be of great help in identifying this “list” of sources of public funding. The private fundraising is now very difficult to obtain. To do this, we must make a study of our network and direct those who have investment capital. In this sense, local development agencies can also contribute a case by case approach to this task.

6. Language skills and Internationalisation

a. Think big

We cannot continue to sell locally. In this sense, the cultural entrepreneur has to have mobility and the ability to leave its territory to explore. Participate in meetings, seminars, programs and know international markets can help us in developing our export capacity. In addition to this, we must not forget the possibilities offered by the Internet to the majority of companies. The internet offers a relatively low cost business models viable and scalable to the needs of your product. It is important to ask oneself a question: Is my business susceptible of development in the digital world? If yes, explore the possibilities.



b. Language skills

Related to the above. We meet regularly with creative companies, which have an excellent 100% exportable product. Language often represents the main barrier to exports. We must be aware that, compared to a global market, it is necessary to acquire language skills. English is recognized as the language of business, and that is why what we strive to start or improve our knowledge of it.

5.2 Customer management and networking provider

The creative industries generally show a weakness resulting from the dissociation of the creative, often also “manager” and the businessman. As a result of the creative event, this situation is uncomfortable. However, it is obvious that if the creative businesses are sustainable these must take a number of techniques to fill these gaps. The adoption of the tips outlined here is aimed successfully undertake the task of seducing the market through the Network.

1. Databases and personal contacts

Speaking of Network, we have to differentiate the “Database” and the network of personal contacts. Databases is a few listings or contact sheets where we dump all the relevant information about customers or contacts.

In order to create this database, it is essential to know to whom we want to “sell”. For that purpose, we will use indirect information sources like the Internet. We look for the Internet companies that we think may be potential customers for our products. There are also companies by sector, offering you access to the databases. Primarily, since the target doesn’t know the enterprise it is very important to meet other actors either through a commercial visit or taking advantage of any opportunity (public presentation, press conference, seminar, conference, marketing, etc.).

On the other hand, we already have the Network constitutes by personal contacts acquired over the years.

We must be patient because the Network is not something we build in a day. It’s a marketing tool with considerable investment of time and money. The good news is that the network, over time, can only get better if we offer a quality product or service but how do we build our Network? Well,

appearing and disappearing in places where our potential customers usually attend.

For example, since an association to the presentation of a book through a seminar or conference. Any place is good to meet people. Although it sounds funny, and maybe it is can become over time a fair heavy. The Network is a job for which some are born, and others are made because there are no more options. Sometimes you just have to “be there” because you cannot wait that the phone rings and someone give you a job.

How do you generate business? Maintain, expand and update our Network is a task that must be cared every day. We cannot forget that business is generated by the trust. Trust is produced in two forms and manifests itself with thousands of variations and exceptions. Through a personal relationship, with a customer or by prescription. In other words, trust or confidence that such person or company will work while the request in a timely way and with appropriate quality at the agreed budget.

Trust

In the case of trust, it seems clear that if we have a personal relationship or contact with the manager of a company will be more likely to choose our services. The emotional component, ultimately, the confidence derived from this “friendship” that make it easier to derive the work done. Customers, like everyone, enjoy working with people that have a particular affinity.

a. Prescription

The second point is the prescription. If I have not a clear preference for an individual or company for the performance of work, I will seek an opinion or a reference to the supplier. The prescription becomes vital because the opportunities are endless unexpected that this can generate. It is unexpected because it is an acquaintance who recommend us for a customer. The prescriber is the person who tells our potential client: “... working with this company is very good, and the manager too is a very dynamic and enjoyable person.” In short, being a great professional and a great person it make possible that people will remember you and your product.

One of the weaknesses of Start up is precisely the network of contacts because at the beginning the creative thinks that he is not a manager, he just wants to dedicate himself to “create”. Unfortunately, as noted in the previous paragraphs, if we won’t believe in our creativity and we won’t adopt a set of habits of business we won’t able at least to make our company a sustainable business or we won’t find a patron willing to pay for our work.



That is why before starting a business, we have to address the question: Where I will sell my product? To whom I will sell my product?

In order to answer to this question, the ideal is to draw up a good business plan.

Even though the Business Plan is not the panacea. We often lack the financial resources or knowledge to write ourselves. One of the most useful sections of any business plan is that of Market Research.

The study examines the customer market and competition or companies that offer our same product or services.

Traditionally we focus on the Network of Clients often forgetting that the Network of Providers (partnerships) is one of the most important aspect. This is a particular feature of companies based on creative where someone has an idea but to make it available to a multitude of clients it is necessary to involve a chain of reliable suppliers.

For example, in publishing the writer writes the book but afterwards: who carries out proofreading, book layout, artwork, cover, printing, website ...?

We spend a lot of time looking for the ideal customer. The big firm or brand or organization could give us prestige but the time spent in meeting creative companies in our own city is always too little.

It is essential to have a good network of trusted suppliers or partners. What happens, in fact, when that customer calls us, and we always look for work? It is important to spend a few hours a week in a relaxed interview with those who show interest in working with us. A cheap and efficient way to find qualified staff for current projects and most importantly for future projects.

In this same way, we also suggest the participation in existing professional associations, if they do not exist in your region you should found them! You should belong to an association that provide you for managers and workers contacts, accessing it in other way is really difficult. From making appointments with clients one by one, we get over to attend a meeting with a group of people sharing our same goals; then meeting people of the association and trying to find common ground.

5.3 Networking Tools

The creation process of the Networking Tools was carried out in several phases:

1. Previous study about need

For example, improving communications needs between companies and Experts.

2. Initial operation of the tool.

For example, activation of a private group on Facebook for each region and for all ICE area.

3. Operative actions

For example, the experts communicate to the companies the availability of this new tool. Thus, Facebook becomes the business meeting point and the place where it is possible to ask general questions to experts about several fields of interest, useful for the rest of the group. As previously section exposed, during the period of the ICE project and currently too, we have the follow some tools to ensure sustainability:

Facebook

Just a few years ago the creation of an intranet in order to work among business groups simultaneously would have meant a significant outlay.

Therefore, each partner can now creates a “private group” on Facebook where companies from different regions can be connected to the experts (online consulting level) and to each other (level Network).

The problem that many companies do not cooperate with each other was due to ignorance on the type and quality product or service offered. With this tool ICE, project allows to be connected, to share informations, to collaborate together and to access to the experts panel in each region.

During promotional meetings of the Network, it needs that ICE companies know products or services of the other firms. Through this canal, companies are able to know in real time the products or services from other participants in the project ICE, in the same region. Experts through this same channel could resolve questions or problems useful for the companies sharing knowledge with others.



Once the first channel on Facebook of each region is revitalized it needs to open another channel / Facebook group to integrate all other companies in the EU ICE. This group was created on Facebook <http://www.facebook.com/groups/iceeunetwork/> and all interested companies will be connected to this way ensuring the sustainability of the ICE project in the next years. Today, the companies belonging to the Facebook ICE network also keep real communication receiving regularly input from experts, specialists in several fields, living in each ICE region.

Skype

Similar to the Facebook groups it has been created Skype accounts to hold meetings by video conference to allow partners work together in different regions and to offer online consulting for businesses (Experts to SMEs).

This network of contacts in Skype still works as an additional tool of international communication for free. Skype has become the most efficient tool for ICE network communication today.

Network meetings

Simultaneously with the creation of online tools, many companies face meetings were carried out between the different ICE territories. As a result of these meetings, many companies began working together and even collaborate on common projects. Taking advantage of the 6th meeting held in Évora transnational from 30th of November to 2nd of October many presentation sessions were conducted, and it was worked with the vast majority of companies of different ICE regions.

Web Series

The Web Series produced during the ICE project development has been aimed at the enhancement of ICE companies in each region and of the most important attractions of each region. On the one hand, it was attended by the same ICE companies in production (filming) of the Web Series. On the other hand, along with stakeholders, number of tourist spots were produced where history transpires an innovative promotional way of the various territories.

The production of the web series (audiovisual) forces the SMEs to collaborate and to know each other in a better way. Sharing experiences it has been vital to strengthen business relations between ICE regions. This event, the movie shooting, has created a lot of motivation and team spirit.



6. CRITICAL SUCCESS SKILLS

(Temi Zammit Foundation)



Tools'kit
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Enterprises

6.1 Critical success skills

Marketing

Common value inherent in emotional and creative industries. This is a sector in which it is difficult to find an entrepreneur that works “only” for money. It is necessary and vital to have patience and perseverance. That is why the creative entrepreneur resists the unspeakable to push through his Project. We can say that usually, the abortion rate of creative businesses is often lower than in other sectors because of the degree of commitment to their project. The willingness to assemble and dismantle companies are not usual in the creative sector unless the activities are related.

For example, the creative entrepreneur, such as the manager of a theatre, film maker or director of a publishing company wants, needs, to live from their product or service linked to creativity. Creativity is an intangible as powerful as difficult to measure.

2. Business vision and market orientation

Every business should ensure that the service or product offered could reflect the customers needs. For a successful business, it should precede the customers and anticipate the future customer needs and meet those needs. This can be done by conducting market research (face-to-face interviews or focus groups to obtain in-depth informations; questionnaires/surveys to obtain quantitative data), analyse the market trends and devising an appropriate marketing/business plan.

To design an effective business plan, every SME has to adopt a defined USP (unique selling proposition). This means that the company must define what is the product/service offered, in what it is different from competitors and which are the customers benefits if they purchase its product/service. This can be done by devising a customer profile worksheet, such as the one presented below²:

² Mitchelmore, S. (2011). Week 2, Starting Your Own Business [PowerPoint slides]. Available from: https://blackboard.bangor.ac.uk/webapps/portal/frameset.jsp?tab_tab_group_id=_2_1&url=%2Fwebapps%2Fblackboard%2Fexecute%2Flauncher%3Ftype%3DCourse%26id%3D_59712_1%26url%3D



1. Who is my customer?
2. Where are my customers located? Locally, Regionally, Nationally, Internationally?
3. What influences buying decisions of my customers? Price, Quality, Service?
4. How often will they buy/need my product/service?
5. What are the needs of customers filled by my product?
6. What are the needs currently filled?
7. Where do my competitors place themselves in the market?

Furthermore, creating a business plan for an enterprise is important in order to have a clear and realistic understanding of how the enterprise will be structured. An example of a business plan is as follows:

- Company Analysis (background, services/products, and benefits offered)
- Industry Analysis (economical situation of the country where the organisation operates, opportunities, and possibilities)
- Market Analysis
- Specific Market Target
- Market Readiness (sizable and reachable market)
- Competitive Overview
- Marketing tools to be used (how will awareness about the business be created? Which is the most important marketing tool to use for the business, word-of-mouth, social media marketing?)
- Financial Implications (the monetary costs involved)
- Long-term view of the business (what goals are to be achieved?)

Networking

Networking involves the collaboration, cooperation and coordination between different organisations³. By entering into partnerships, the different organisations will be able to reach out to a vast audience⁴. For a successful networking, there must be more communication between the different organisations. To improve their networking systems SMEs have to meet with other businesses and to exchange ideas and information. This can be done through activities and events organised by one of the SMEs involved in the culture and arts sector.

Networking is important to create a shared vision amongst the culture and arts businesses, both locally and internationally, to share ideas and to exchange suggestions. Through networking SMEs can also gain support for their diverse events and initiatives. By organising joint events, SMEs will also be minimising expenditure costs. Networking can also help to connect the information about culture and the arts through the different countries and localities thus providing a better overall experience for the visitors attending.

To be able to start networking with other organisations, SMEs can create events and activities and invite the partners they are interested in entering business with, to participate in the event. The SME has to show the product or service they offer and highlight the quality of their product/service and the benefit or advantage that the business partner would gain. SMEs interested in networking should also attend activities and events organised by other entities in order to enter the networking channels of a particular sector. SMEs could also participate in trade fairs amongst other events.

³ (Timothy, D.J. (1999). Cross-border partnership in tourism resource management: International parks along the US-Canada border. *Journal of Sustainable Tourism*, 7 (3/4), 182-205).

⁴ (Gilmore, A., Carson, D. and Ascencao, M. (2007). Sustainable tourism marketing at a World Heritage site. *Journal of Strategic Marketing*, 15, 253-264).



Funding opportunities

Financial constraints have been identified as the biggest obstacle for any enterprise. It is important for cultural enterprises have fundamental skills for market accessing and then they will be able to finance and to access funding. Loan guarantees may be a useful tool for improving access to financing for cultural enterprises whilst at the same time encouraging actors to take an entrepreneurial approach.

Guarantees give a way for cultural enterprises considered as high-risk to access conventional financial services. The fact that the loans are obtained from the commercial sector, even if they may be guaranteed by an NGO or a public institution, pushes entrepreneurs to be more business-like, for example, by requiring them to write a business plan. If there are no funds available within a region, cultural enterprises should develop financial instruments. Culture banks are a recent innovation in micro-finance for cultural enterprises that go in this direction. In many countries, there are available microcredits which are an effective source of investment funds for creative businesses. Some of the advantages of microcredits could be the following ones:

- Providing suitable amounts both as Start up and working capital;
- Microcredits have the potential to develop small-scale enterprises to a point where they become more attractive to investors;
- Flexible and adaptable to specific local conditions;
- Microcredits offer a way of overcoming some of the problems of commercial financing such as risk management and the intangible nature of creative assets.

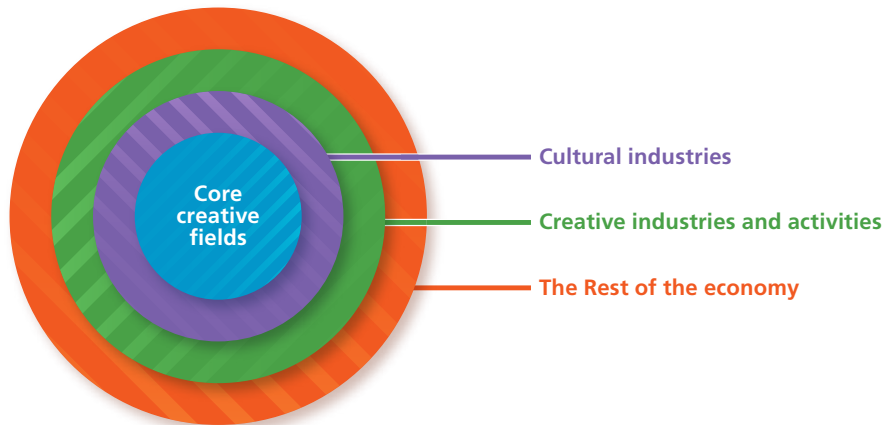
Management Planning

In order to be successful, a business must have a good management layout. This means that the business should have a good organisational structure. This entails defining jobs and functions of an organisation in order to have a clear distribution of the employees' roles. By means of a management plan, an SME will have a clear definition and identification of its goals. Developing and collaborating with the employees is also a way of managing one's own team. An effective management plan means that there is a good leader at the head of the company. Management planning also entails a detailed understanding of how many hours are involved in carrying out a particular task and practical distribution of costs involved.

Tips for success

For the past few decades, cultural industries have been positioned within the core of creative fields. In order to remain on this way, cultural related industries, have to develop permanent and successful strategies (see Figure 1 - The Creative Industries)⁵:

THE CREATIVE INDUSTRIES



⁵ Source: Department of Culture, Media and Sport, UK, June 2007

Cultural enterprises have attracted attention from policy makers and private sector actors which are now more and more aware of the important contribution the cultural industries make to their local economies.

Growth in cultural enterprises necessitates a complete range of needs, from the initial creative act of production and distribution. For successful cultural enterprises, it will need to follow strategies which require technological expertise, training in business skills, assistance in assessing markets and last but not least figure high profiles in competitive and international markets. Some of the most important tips for success within the field of the cultural business are listed below.

Business awareness

It is complex for artists to see their enterprise as a business, however, it is crucial for the development of cultural entrepreneurs to understand the significance of an entrepreneurial approach in order for them to achieve successful results⁶. The biggest obstacle to cultural enterprise's development lies within the attitude of the individuals involved in the enterprise: cultural operators often do not consider what they do as being an enterprise, and there is little awareness on the part of individual actors of being part of a bigger industry. This is especially true for those involved at the beginning of the cultural value chain. The lack of an entrepreneurial attitude could further lower the development of a cultural enterprise, especially in terms of specialisation and professionalism.

Professionalism

One of the key barriers to the successful development within cultural enterprises is a lack of professionalism. This is true especially within the performing arts and music sectors. Cultural actors often lack appropriate training skills, both in the art they exert, as well as in the basic business and management skills. There is a lack of skilled workers within the cultural sectors. For instance, in many countries around Europe, film production units lack professional workers; theatres can have deficiency related to trained actors and so on. It is important for cultural enterprises to realize that professional skills help construct an environment for creativity and innovation which is fundamental to the creative sector. For this reason, there should be professional training schools or formalised training programmes which specify in various sectors related to culture. This will allow entrepreneurs to expand their skills and to develop further their businesses.

⁶ Gray, Colin, Enterprise and Culture, Routledge Studies in Small Business, p. 66

Expertise

It is a common situation where one often sees a significant lack of specialisation across the cultural actors. Many cultural entrepreneurs across Europe wear several hats, a practice that is generally seen in transatlantic countries. Several cultural actors are forced to undertake tasks in which they do not have an advantage⁷. For example, many visual artists act as their own agents, even though having a specialised agent with a wider range of contacts would be more efficient. In the music sector, bandleaders often take the responsibility of sourcing new touring and contract opportunities, which minimises time that could be used practicing and creating⁸. The ideal situation is one where creators can focus on their art, however for lack of resources few artists are able to do this. Thus, they have to show extreme flexibility and learn how to embark on non-artistic tasks as efficiently as possible, which is not always that easy.

Clear Target

It is a common condition that cultural enterprises often fail because of lack of business and management skills. Many enterprises, especially within the Mediterranean area do not consider their actions as business oriented and in such cases cultural entrepreneurs fail to notice the appropriate business tools. On one hand, artisans and cultural entrepreneurs often sell their products at prices lower than the cost because in some cases proper records are not kept. What is really important for cultural enterprises is accurate costing and pricing, even though it might seem tedious.

On the other hand, video recording companies tend to monitor sales in terms of artists, not in terms of where a sale has taken place, missing out on important market information.

Many cultural entrepreneurs tend to have a poor knowledge of market research and marketing techniques, the product development process and IPR and other legal issues.

Cultural enterprises must have a business plan along with clear medium and long term strategies. The latter will enable the enterprise to access finance and it will therefore develop the possibility for new business opportunities.

⁷ Information extracted from face-to-face interviews with enterprises in Malta

⁸ http://www.unctad.org/en/docs/ditctab20103_en.pdf



Confidence and Information asymmetries

Many cultural enterprises often lack the confidence required to take risks which are crucial for entrepreneurship.

In numerous cases, enterprises ignore this important point and actually concentrate on their products. By lacking confidence cultural entrepreneurs are unable to seek new markets, to expand their enterprises, or even in some cases to establish their own enterprises. Lacking confidence will only hold back cultural entrepreneurs. Artists simply feel overwhelmed by the wide variety of skills required to run a business. So the setup of general qualifications within the cultural sectors may help enhance confidence. The success of market within the cultural sector might also be hindered by reducing access to information. Individuals operating in the cultural field must have market information, types of support structures and last but not least what other people within their field are actually doing. Research Professor for Creative Entrepreneurship and Social Equity Jackie Guille⁹ notes that a crucial issue for creators is a lack of awareness of the wider context of their activities and the regional/global market in which they operate - the problem is not solely "knowing where they are going" but "knowing where they are."¹⁰

Market development

Market development is the most crucial element in the success and sustainability of any enterprise. Finding a market allows actors across the value chain of a product to earn a living from creative commotions, and permits cultural enterprises to reassure a long term income without the aid of donor funds. Finding a market and keeping this market requires a continuous strategic process.¹¹

⁹ <http://www.northumbria.ac.uk/sd/academic/scd/aboutus/designstaff/jackieguille>

¹⁰ Guille, Jackie (2004) : Kenya Comparative Field Survey.

¹¹ Graeme Hodge, Privatization and Market Development, Global Movements in Public Policy Ideas, published 2006, UK

Define a Need

Finding a market starts with the identification of a need within the local, regional or international markets. This need may be one that is currently not being satisfied, or there may already be some actors responding to the need, in which case one looks for a novel way in which to satisfy the need.

A craft enterprise may identify a product that can be a replacement for presently imported products; a visual artist may discover a demand for fine art that is not being filled within the corporate and hotel sectors; a theatre company may identify the need of NGOs for dramatic groups to carry out their social-educational campaigns; a film production unit may identify the need for films and TV series relevant to the local setting, and so on.

Given that in the cultural sector demand is often not expressed, identifying market needs is not always obvious. The identified need may not be linked directly to the market, but rather depart from cultural or artistic needs. For instance, a dance company may choose to focus on contemporary dance even though there is no noticeable market for this type of dance locally. What is crucial in these cases, is that a proactive marketing strategy is followed in order for companies to develop markets.

Market Exploration

Market research is important in the identification process and helps to reduce the risk associated with innovation. Information should be gathered on the following elements:

- The existing markets. Markets are always segmented and the company's owner needs to understand which segment is most relevant to the enterprise's project.
- The market features – age, gender, income, trends, particular requirements.
- The products that compete directly and indirectly with the enterprise's own product.
- The existing market channels. What are ways to reach the target markets – retail, wholesale, festivals and fairs.



The marketing strategy should be constantly updated and we should not become satisfied with markets that are already found, but be ready to recognise changes and opportunities for diversification. Market diversification is important because it helps to decrease some of the risk inherent in cultural entrepreneurship. The internet development is one example of market diversification, as it increases sales since it allows an enterprise to reach distant markets. However, experience in the craft sector shows that businesses are more sustainable when they choose to master a single market before trying to supply several markets simultaneously. Often product diversification is part of a market diversification strategy - finding a new product that will appeal to new markets.

The diversification processes are most important for products that face a very thin market, or products that face a risk of market saturation. For example, a fine artist in a developing country may not find many clients able to afford his/her works, yet postcards of his/her work could attract a wider market.

Essential questions that each enterprise should ask itself:

1. What are our targets? (How old are they? What is their gender? Where do they live? What do they do?)
2. What income do they have at their disposal to purchase our product – game, concert, craft product, music CDs/cassettes, paintings, etc.
3. How do we ensure that they spend this income on our products rather than on the competition or other substitutes?
4. How do we generate new markets and increase our market share locally, regionally and internationally?

Creative contributions

1. Who provides our creative inputs– artists, composers, scriptwriters, designers, etc?
2. How do we generate “new inputs” that correspond to our demand (competitions, festivals...)?
3. What contractual and financial conditions are best suited to ensure that they are productive and dedicated (i.e. how can we contribute to fostering creativity)?
4. Do they require any support for training their skill? (in terms of creative, artistic, and technical skills)?
5. Do they require management support?
6. What support does they require in terms of access to equipment?

Invention facilities

1. How do we use existing facilities for our products?
2. What is the opportunity cost of developing our own facilities (e.g. theatre, arts studio, kiln for clay products), independently or in coordination with other actors, as opposed to making use of existing facilities?
3. What steps can we take and what steps should others take to ensure greater access to necessary equipment?

Circulation and distribution

1. Which circulation and distribution channels can we utilise to make our products more accessible and affordable to our market?
2. Should we develop our own circulation and distribution channels or should we co-opt existing channels (locally, regionally and internationally)?
3. How do we monitor the nature and extent of audience reception for our products (sales records, competitions and awards, newspaper coverage, market research...)?
4. How do we use the feedback in terms of audience reception to refine our operational strategy?



6.2 Training support (language, foreign markets, etc.)

The importance of language

Many enterprises around Europe lack language skills, therefore, a considerable amount of business is being lost as a result of language skills lack.

In order to overcome communication barriers, cultural and other enterprises should be aware of four main elements related to language management. These elements are usually associated with successful export performance.

Needless to mention, cultural enterprises should have a language strategy, be actually able to appoint native speakers, recruit staff with language skills and last but not least use translators.

It is important to note that English is a key language towards internationalisation¹².

For instance, Russian is broadly used in Eastern Europe as a lingua Franca (along with German and Polish). French is used to trade in areas of Africa, and Spanish is used in Latin America.

Long-term business partnerships depend upon relationship-building and relationship-management.

In order to accomplish this, cultural enterprises must know which linguistic knowledge of the target country is necessary.

Foreign Markets

Nowadays, cultural enterprises are finding it challenging to enter international markets. It is fundamental for many of them not only to concentrate on their products, but also to concentrate on expanding their businesses internationally. Domestic markets are becoming extremely competitive and therefore, continuous growth requires research about new markets.

¹² Peter Lang, Language Use in Business and Commerce in Europe, published 2010, p. 63

The problem in many cases is that cultural enterprises do not have the financial tools to enter international markets.

Some of them also lack human resources. It is important for cultural enterprises to predict and control the market, rather than adapt to it.

As previously mentioned in this paper, another challenging situation for cultural enterprises to enter foreign markets is the lack of management skills along with the poor foreign market information.

It is therefore, fundamental for cultural actors to undergo extensive preparation and research if they wish to be successful in their attempt to go international. This requires management development and formalization of the company's strategic planning process.

Formalization of the strategic planning process will overcome another possibly negative characteristic of many small businesses; that is, that many strategic decisions are made according to the owner/manager's "personalized objectives" or anecdotal experience, rather than on solid, objective evidence and thoughtful research.

So, how do cultural enterprises become international?

Many of them take an approach where they start as passive exporters, filling international orders but not actively seeking worldwide sales.

Later, the company may start selling overseas with a more proactive approach to global sales. Joint ventures and other forms of direct investment will then follow. This probably applies to the majority of small business/cultural enterprise's efforts at internationalisation.



The typical stages of internationalization of a small business include:

1. Stage - **Passive exporting**: the company fills international orders but does not seek export business. At this stage, many small businesses/cultural enterprise owners do not realize that they have an international market.
2. Stage - **Export management**: the owner or a specific manager specifically seeks export sales. Because of resource limitations, most small businesses in this stage rely on the indirect channel of exporting. However, this stage is often a major change in orientation for the small business manager. Exporting is seen as an opportunity for new business.
3. Stage - **Export department**: the company uses significant resources to seek increased sales from exporting. Managers no longer see exporting as a prohibitive risk. The key for most small businesses is finding a good local partner for distribution.
4. Stage - **Sales branches**: when demand for the company's product is high in a country or region, it justifies setting up local sales offices. Small businesses must have the resources to transfer home managers to expatriate assignments or to hire and train local managers and workers to run these operations.
5. Stage - **Production abroad**: production moves a company beyond downstream value-chain activities. It allows companies to gain local advantages such as easy local product adaptation or production efficiencies. Companies may use licensing, joint ventures, or direct investments. This is often a very difficult stage for a small business because the cost of a failed direct investment can put the whole company at risk for survival.
6. Stage - **The transnational**: small size does not prevent a small business/cultural enterprise from developing an internationally integrated network that characterizes the transnational business.

6.3 Training Tools

In order for companies to succeed, they must have capable and committed employees. Training the employees properly for the job they are starting and providing training and development throughout the years is essential to have motivated individuals working for the company.

Maintaining the level of employees' motivation high is not an easy task. However, a number of activities that can enhance the motivation of staff are: to appreciate the work they are doing and verbally acknowledge it, having a system of rewards recognising the behaviour of employees (giving something in return for the good job done) and giving employees the possibility to develop their skills. Having committed and motivated employees enhance the likelihood of retaining employees.

To have loyal and committed employees one should also organise team building activities. Team building can help employees identify more themselves with the company, and enhance the commitment of an employee. Team building activities tackle issues such as communication amongst team members, planning, task orientation, creativity, and cooperation. Through team building activities, weaknesses that have been identified by employees can be addressed and turned into strengths. The best way to start a team building activity is usually by using an icebreaker. An icebreaker is a warming up activity that helps set the tone for the rest of the team building exercises. It is essential that when team building activities are organised the manager conducting the activity develops the activity with a specific purpose in mind.

Conducting a training needs assessment is also essential, in order to understand the areas in which employees need to develop. It is also important that during the training provided to the employees the aims of the job of the employee are in line with the objectives and goals of the company. It is essential that the training provided to employees is motivating and engaging in order to provide employees with practical tools they need.



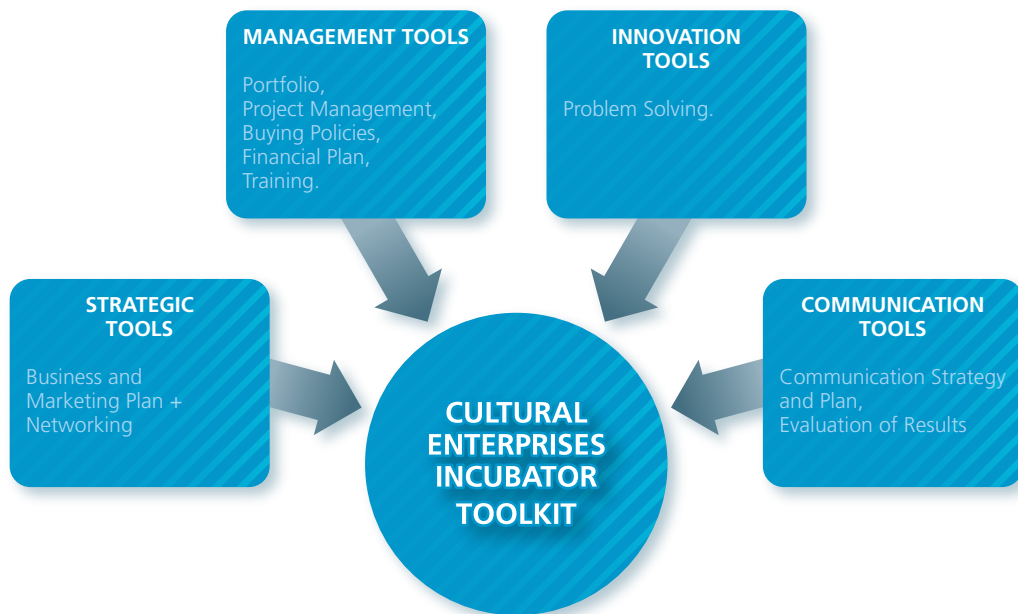
CONCLUSION: MONITORING CRITERIA OF TOOLS EFFICIENCY



Tools'kit
A Practical
Guide for
supporting
Cultural
Enterprises

A tool can be defined as effective if it allows to reach the objectives. The Toolkit for Cultural Enterprise incubators have to obey to the same rule.

To define if the criteria are useful to evaluate the effectiveness and efficiency level of the toolkit, we need first of all to resume the 4 considered areas:



What can prove that the strategic, management, innovation and communication issues are well satisfied by the toolkit?

The most important monitoring criteria and index for each area could be the following:

TOOL KIT AREA	CRITERIA	TOOL KIT AREA
STRATEGIC TOOLS	<ul style="list-style-type: none"> - Enterprise duration - start up phase - overtaking time - growing customer relations (related to networking) 	An index of how the strategic tool will be able to support the enterprise will be the duration of enterprise, or the “survivor index” after the first 3 years. A good planning system must be able to guarantee a longer life to the organization.
MANAGEMENT TOOLS	<ul style="list-style-type: none"> - Portfolio balance - Output produced - Exploited Resources - Cash flow and money cost - Skills development 	<p>The networking strategic theme would be considered well supported if using the toolkit the company will see a growing numbers of customers contacts, a longer duration of relations with this customers and more profitability (Relation Box)</p> <p>A good measure of a balanced portfolio will avoid the dependence from few products or clients (80/20 law).</p>
INNOVATION TOOLS	<ul style="list-style-type: none"> - Customer Retention - New products\services launched 	The project management tools will demonstrate their good support if the organization measure a better number of output reached carrying on a plan, and also a better use of resources needed (less resources for better results)
COMMUNICATION TOOLS	<ul style="list-style-type: none"> - awareness - reputation - viral marketing 	<p>About financial and buying polices it will be possible to evaluate the tools kit contribution observing the cash flow availability in comparison with the financial costs. To compare entry competencies to a training course with exit competencies will be a measure of effectiveness of training tools</p> <p>Innovation means to be up to date with the customer needs, so the customer retention index could demonstrate that the innovation tools gave support in up to date the enterprise offering system.</p> <p>Obviously, another way to monitor innovative area will be the number of new product\services launched every year in comparison with the ones eliminated.</p> <p>How many customers were aware of the company offer before the use of the tool? And how many after its use? The reputation was better or not, more people tell about the company? Word of mouth is growing? These factors show us if the planning tool give support to the enterprise.</p>

A fundamental aspect is to have an overall view of the context in which the Toolkit will operate. In this context we have:

1. The instruments (Toolkit)
2. The method (how the tool is used, when it is used)
3. The Tutor expertise
4. The enterprise (with their skills, motivation, constancy in using tools)

If the items 2, 3, 4, are very poor, we cannot expect big results by using the toolkit.

If only one item, between method or tutor expertise, won't be at the appropriate level, it is reasonable that a very good toolkit could reach the fixed aims but it will be impossible to reach relevant results if the enterprise's contribution won't be enough.





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