

GUIDE

Entre  CULCHAship

**ENTRE CULCHASHIP:
CULTURAL ENTREPRENEURSHIP
AS A WAY TO WIDEN THE MIND
AND THE SPIRIT**

The purpose of this guide is to motivate other non-governmental organizations and youth workers to develop projects and initiatives to promote cultural entrepreneurship among young people in Europe.

Host organization:

Foundation for Entrepreneurship, Culture and Education, Bulgaria

Partners:

Asociatia Centrul Pentru Strategii de Dezvoltare a Tineretului, Romania

Urbana Mladez, Croatia

Euro Sud, Italy

Center for Educational and Development Initiatives Innova Lab Bitola, North Macedonia

Creative YouthLand, Greece

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The youth exchange *EntreCULCHAship: Cultural Entrepreneurship as a Way to Widen the Mind and the Spirit* took place in Plovdiv – the European Capital of Culture 2019. In the youth exchange, 31 young people took part aged 18-30 from six European countries: Bulgaria, Croatia, Greece, Italy, North Macedonia and Romania. The participants arrived in Plovdiv in the late afternoon on 23 June and left in the morning of 29 June 2019.

The topics of the project were:

- Arts and culture
- Entrepreneurship and youth entrepreneurial practices
- Improving the quality of youth work
- Marketing and management in the cultural and creative industries
- Professional and personal realization
- Combating youth unemployment
- Development of skills for creating a business in culture and the arts

The aims of the project were to:

- improve the level of key competences and skills in the field of cultural entrepreneurship
- encourage the active participation in community and labor market
- support intercultural dialogue, solidarity and social inclusion through the language of the arts
- improve the quality of youth work by deepening partnerships between youth cultural organizations
- strengthen the international dimension of youth activities in the field of culture and the arts

The used methods of non-formal learning included:

- Ice-breaking games and energizers
- Inputs from experts
- Simulations and role plays
- Intercultural and experiential learning
- Brainstorming and discussions
- Creativity and teamwork
- Workshops



Culture and Entrepreneurship

What is culture?

The term was introduced for the first time by the Ancient Roman orator Cicero in his *Tusculanae Disputationes*, who used the term *cultura animi* as “a cultivation of the soul”. In 1952, the German scholars Kroeber & Kluckhohn gave 163 definitions of culture.

Some of the most influential definitions of culture today are the following:

- Anthropologist Sir Edward Tylor (1871) – *Culture is that complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society.*
- UNESCO – *Culture is the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs.*
- *Culture is the arts and other manifestations of human intellectual achievement regarded collectively.* It includes the arts, cultural and creative industries.

What is entrepreneurship?

Peter Drucker defines entrepreneurship as *the mindset and process to create and develop economic activity by blending risk-taking, creativity and/or innovation with sound management, within a new or an existing organization.* Drucker shows that entrepreneurship is not natural, it is not a talent that some people possess, it can be learnt, it means *work*.

The connection between culture and entrepreneurship is controversial. Culture is a public good, while entrepreneurship is an economic activity. However, cultural entrepreneurship appears to be a new trend in the contemporary world. Paul DiMaggio introduced the term in 1984. Hence, cultural entrepreneurs is a new phenomenon, which empowers artists and managers to be innovative in the cultural field and enrich the cultural life of Europe.

Some of the most popular definitions of cultural entrepreneurship:

- Giep Hagoort (2000) – *Cultural entrepreneurship is based on passion and affection round a clear cultural vision, an external market orientation with an emphasis on innovation and societal responsibility. The cultural entrepreneur stands for a radical and personal involvement in creative processes and programmes.*
- Arjo Klamer (2011) – *Cultural entrepreneurs are cultural because they are about the cultural. Being focused on the (cultural) content, being about the art itself and the creative process is a moral attribute of the cultural entrepreneur. The economics has to be an instrument for them in order to realize cultural values...*

ENTREPRENEURSHIP vs. SHIFT WORK (Pros and Cons)

PROS ENTREPRENEUR

- + Following your dreams
- + Mastering your own destiny
- + Flexible working hours
- + No limit to your success
- + A blank salary cheque
- + Switching between tasks

CONS ENTREPRENEUR

- Erratic income
- Risky business
- Balance between work and life
- Mistakes part of the deal

PROS SHIFT WORK

- + Stable income
- + Guaranteed leave benefits
- + Predictable working hours
- + Fewer worries
- + Retired pay

CONS SHIFT WORK

- Job Insecurity
- Boredom
- Following someone else's dreams
- Limited opportunity for advancement
- Making someone else rich



Entrepreneurial Skills

Arjo Klamer (2011) gives us some insights on the important characteristics of the good cultural entrepreneur:

- Alert to opportunities
- Creative in terms of the artistic content but also in organizing the conversation and arranging the finances
- The artistic content is their passion and commitment
- Persuasive in the sense that are able to get people involved
- Prudent and exhibit courage, hope, and faith in their actions

The skills required for starting an entrepreneurial activity in cultural and creative industries are many. Today, young cultural entrepreneurs must work on developing the following skills:

- | | |
|--|--|
| ✓ Innovation | ✓ Strategic development |
| ✓ Marketing | ✓ Leadership |
| ✓ Risk-taking | ✓ Connecting companies |
| ✓ Creativity and thinking out of the box | ✓ Networking |
| ✓ Independence | ✓ Producing, setting a target group, selling, making |
| ✓ Self-organized and disciplined | |

Every entrepreneur must know the difference between efficiency and creativity. Lidia Varbanova gives us an opportunity to assess our personality by comparing both behaviors:

To be efficient

- ✓ You stick to your knitting
- ✓ You exploit what you know
- ✓ You meet current customer needs
- ✓ You plan
- ✓ You demand accountability
- ✓ You impose process and structure

To be creative

- ✓ You think outside the box
- ✓ You explore what you don't know
- ✓ You anticipate future customer needs
- ✓ You let things emerge
- ✓ You allow freedom and flexibility
- ✓ You avoid process and encourage unstructured interactions

In contemporary society, every entrepreneur must be aware with digital technologies and the power of social media. The online marketing and promotional tools can not only to present the entrepreneurs' art products and services to widen audience, but also to create truly fans and admires, to attract investors and partners, to rise his/her reputation and perspectives. Such tools are:

- Social media marketing and promotion: gaining website traffic or attention through social media
- Affiliate marketing and promotion: promotion by placing ads or links to the website
- Blogging: regular online posts (weblog) pertaining to particular
- Email marketing and promotion: direct marketing using electronic mail for advertising, sending e-bulletins, newsletters and announcements
- Search engine, marketing and promotion: paying for ranking the website in a prominent position in a search engine's result
- Online video advertising: placing a short video advertisement at the beginning of an online video

Besides online promotional tools, cultural entrepreneurs can use different tools for attracting people's attention to their work. In the Internet, there are specialized

professional platforms, dedicated to different arts such as Behance, DeviantArt, iStockPhoto. In these platforms, entrepreneurs can upload their artworks (or photos and videos of their products) in order to contact possible clients or companies, which are willing to hire their services, to network with like-minded creative individuals, to receive support and appreciation and to learn. Depending on the specific cultural or creative industry, entrepreneurs can employ offline methods of promotion, for example, urban interventions (when presenting their art in public spaces such as streets, parks, etc.). They can take part in creative residencies (where artists from different countries co-create together), present their work on a festival (festivals are the places where the community and fellow artists valorize innovation) or engage their audience in participatory activities.



How to market the acquired entrepreneurship skills?

Marketing plans can only be developed after a company or person determines several aspects about their business model. Making a careful self-analysis can help emerging business define their place in the market and so set realistic goals and objectives. The type of business a start-up strives to be will also affect its marketing decisions. The details of the plan will depend largely on the particular marketing strategy that one chooses. It is important to define which type of marketing to focus on, and then concentrate all efforts in that area.

Entrepreneurial marketing plans are based on input from every aspect of the company - from production, to finance, to personnel. In order to succeed, start-ups should work in a coordinated way to use their resources as effectively as possible.

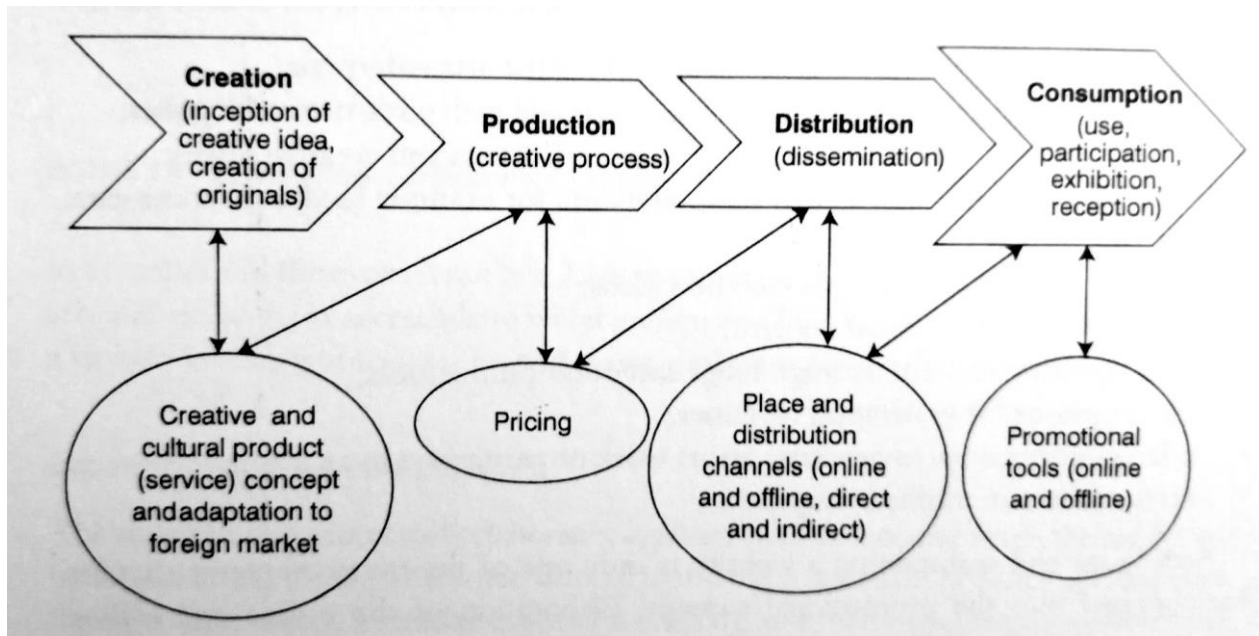
Marketing decisions should reflect the real world circumstances facing the entrepreneur or start-up!

Useful tools

- Professional networks for Art
- Behance, DeviantArt, iStockPhoto, etc.
- Urban interventions
- Creative residency
- Festivals
- Participatory activities



The young cultural entrepreneurs can use the value chain for culture for identifying their place in the complex network of cultural and creative activities. Lidia Varbanova presents a valuable scheme (below) for developing the promotional tools for innovative cultural and creative start-ups.



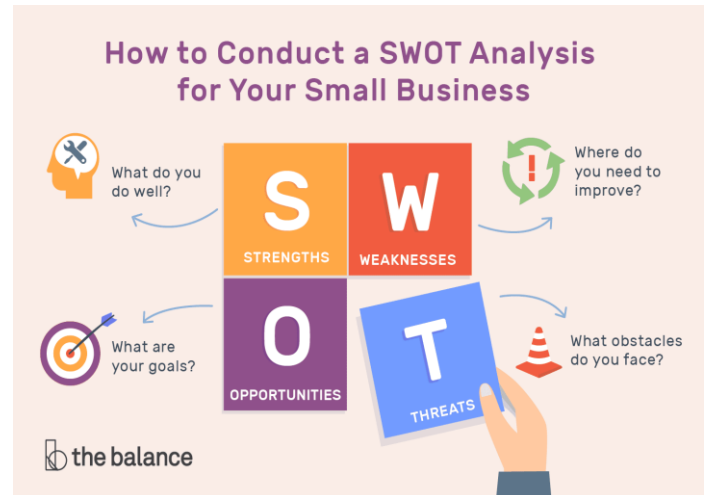
Orientation in the Cultural Environment

A **cultural orientation** is an inclination to think, feel or act in a way that is culturally determined. It defines the basis of differences among **cultures** such self-identity, interpersonal relationships, communication, resolving conflict.

Furthermore, every cultural entrepreneur must perform an environmental analysis of the cultural scene before starting his business endeavor. He must know his competitors, but also supplies, potential collaborators, and most significantly the audience. There are many tools for performing analysis of the cultural environment. One of them is conducting a SWOT analysis.

Conducting SWOT analysis

1. Determine the objective. Decide on a key project or strategy to **analyze** and place it at the top of the page.
2. Create a grid. Draw a large square and then divide it into four smaller squares.
3. Label each box as identified in the grid
4. Add Strengths, Weakness, Opportunities and Threats
5. Draw conclusions!



Fundraising for Culture

Cultural and creative business needs external funding mostly for:

- Help artists/entrepreneurs to start a business
- Investing in new products and services, including experimentation, research and development that pose certain risks
- Access to markets
- Investing in growth

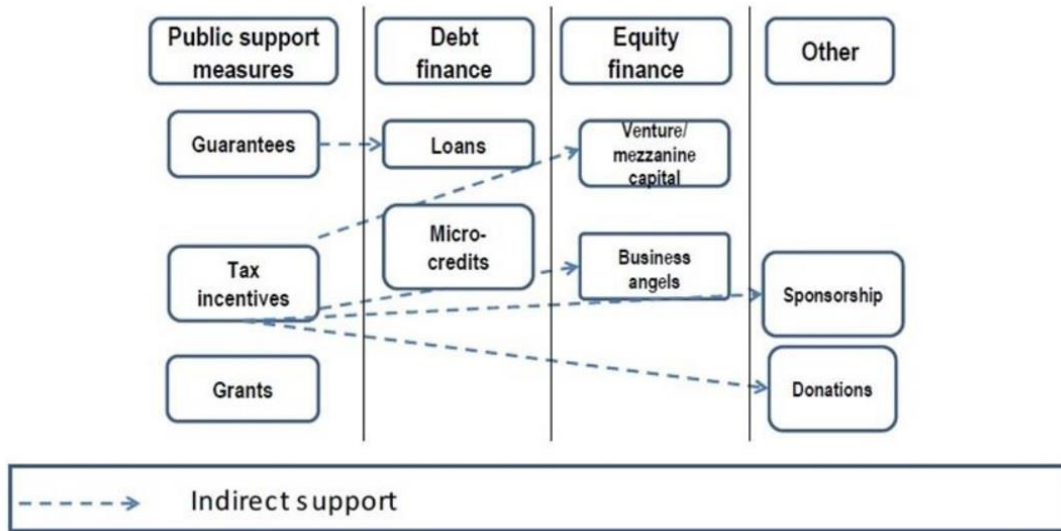
Forms of public support

- Direct public support for culture by the state and/or other public authorities – subsidies, awards, aids, lotteries, etc.
- Indirect public support for culture covers measures adopted by the state and/or other public institutions in favor of cultural organizations without the transfer of funds – tax cuts

Creative Europe Programme (2014 – 2020) – the biggest programme for culture and the arts managed by the European Commission

- Providing support for the emergence of the cultural and creative sectors at international level
- Strengthening the financial capacity of small and medium size enterprises
- Promoting policies, innovation, creativity, audience development and new managerial models in culture

Private funding



Each phase of starting a business initiative is characterized by different financial sources. While the entrepreneur only has the idea, the required financial resources are more likely to be spent on marketing research and business management. When developing the prototype, the entrepreneur needs micro-credit and business support, such as a business angel.

Following the development of the prototype, the business model is already based on the development of at least one product or service that is typical of a small business. The cultural entrepreneur can benefit from micro-credits, project funding and working capital.

For business expansion in a medium or large enterprise, external financing is required (debt or equity finance). The cultural entrepreneur extends the business

model to more products and services by creating a company portfolio and a long-term business plan.

No “one size fits all” financing model for cultural and creative industries exists.

Innovative funding opportunities: Crowdfunding

- Armin Schwienbacher- *Crowdfunding involves an open call, mostly through the Internet for the provision of financial resources either in the form of donation or in exchange for the future product or some form of reward to support initiatives for specific purposes.*

Models of crowdfunding

- The patronage model, which is suitable for the arts and humanitarian projects, places the users in the position of philanthropists who do not expect direct returns on their donations. This model is used by the so-called civic crowdfunding.
- Lending model considers received finance as loans, which will be refunded after the completion of the project. This model also contains an element of patronage. It can be considered as an alternative to bank loans. The advantages are the flexibility in forming the interest rate and the minimum amount of loans.
- Reward-based crowdfunding suggests different types of rewards depending on given contribution. Rewards are generally commensurate with the received amount. They include ‘thank you’ letters, unique products and services or pre-sale of produced product.

Check out two of the most popular platforms of reward-based crowdfunding for cultural and creative entrepreneurs: *KICKSTARTER* and *INDIEGOGO*.

Copyright laws

A key element in the business models used by cultural entrepreneurs is copyright management. Cultural products are different from other goods and services in that they are subject to copyright. The modern development of copyright began to take shape as early as the 18th century. The concept of copyright and its protection is governed by the laws of nation-states and international conventions. Generally, copyrighted works are all works of literature, science and the arts.

The World Intellectual Property Organization (WIPO, 2015) notes that copyright law protects only the form of expression of ideas and not the actual ideas. Depending on the legislation of the national states, the legal systems of copyright have different scope in terms of forms of literary and artistic works: books, music, plays, photography, choreography, films, paintings and sculptures, computer programs and databases.

The overriding aim is to protect the right of the author over his work from an unauthorized disposal of the form in which the original work and the author's ideas are involved.



Copyright is faced with the challenge of tackling a new position in which consumers are empowered. File sharing, peer-to-peer cultural content sharing, amateur creativity and user generated content are just some of the phenomena that have emerged as a result of the evolution of communications networks, the decline in consumer software and hardware, and the emergence of Web 2.0 platforms.

Nation-states find it difficult to control and regulate these new social practices through intellectual property laws and often resort to restrictions to tackle the illegal

distribution of content on the Internet. This situation calls for a rethinking of the foundations for understanding copyright and protecting it, especially with regard to the digital environment.

Four simple steps you can take can help ensure your work is safe!

1. Ensure your work is properly marked: A correctly worded notice will deter infringement, as it states that the work is protected under the law.
2. Register your work: If your work is infringed and your claim to copyright is disputed (i.e. in a plagiarism case - where the other party claims the work is theirs), you may need evidence to help prove your claim.
3. Keep or register supporting evidence: Supporting evidence falls into two categories:
 - 1) Evaluation of ideas: This is evidence of the progression of the work. Early drafts, synopsis, rough recordings, sketches, etc. are all evidence that the work progressed over time, rather than being copied from elsewhere. Although it is possible to fake such evidence, it is often time consuming to do so, so it can be fairly good evidence to demonstrate that you created the work from scratch over a period of time.
 - 2) Footprints or watermarking: This is normally evidence inserted into finished documents that will identify the author in some way, such as deliberate mistakes, or hidden data that can be read using special applications.
4. Agreement between co-authors: If your work is a joint venture, be sure you know exactly where you stand, who will own what rights, and what happens when someone leaves.

Creating a business plan as a first step to start UP your own initiative

“Your time is limited, so don’t waste it living someone else’s life.”

Steve Jobs

A business plan is, first and foremost, a tool for you to use in planning your future activities and operations. It is the story of the future that your organisation wishes to create. It is a plan for action!

It should clearly and concisely:

- set out the goals your organisation wishes to achieve over the plan’s duration
- map how these goals are to be achieved
- explain why these goals are achievable

Dawn Langley and Susan Royce in their *Business Planning Guidance for Art and Cultural Organisations* gives

us valuable information and tips for creating our business plans:

| Addressing the key questions | The business planning cycle | Writing your business plan: structure and contents |
|---|----------------------------------|--|
| What difference would you like to make? | Planning | Executive summary |
| Why do you want to make a difference? | Understanding the big picture | Vision, mission and values |
| What do you do to make a difference now? | Developing the plan | Aims and objectives |
| What will you do to make the difference happen in future? | Testing the plan | External environment |
| | Sign off, communicate and engage | Resourcing |
| | Monitoring and evaluation | Finance |
| | Annual revision and update | Risk assessment |
| | | Monitoring and evaluation |
| | | Appendices |

Stage 1: Planning

1. Agree what roles everyone involved in the process will be undertaking
2. Identify key internal and external deadlines and constraints such as board and committee meetings, funding commitments
3. Produce a clear project plan and share it with everyone involved

Stage 2: Understanding the big picture

This stage includes determining what business model(s) the business plan will be based upon. Investment of time and effort in this early phase will pay dividends when you come to write the plan and create the budgets.

Do not forget to use SWOT analysis!

Stage 3: Developing the plan

1. Develop a strategy tree to provide a framework for your plan
2. Develop key strategies to underpin the main plan
3. Write the plan
4. Develop your financial projections
5. Develop a milestone plan to provide a timeline for your plan
6. Agree key objectives

A strategy tree is a one page explanation of how all the elements of your business plan connect and work together to deliver your vision for change. Developing a strategy tree for the business plan should help you demonstrate to others how you have thought about developing your organisation. There needs to be a very clear connection between the big ambition or purpose and the detail of how you are going to achieve it. It includes your values, vision, mission, aims, and objectives.

A business plan that is built upon a strategy tree and includes the following elements:

1. Executive summary

2. Introduction

3. Vision, mission and values

This is a high-level statement of your core purpose and ethos: why your organisation exists, who it exists to benefit, what it does and what it believes.

Aims are the key areas upon which the organisation intends to focus upon over the lifetime of the plan. A possible structure for this within a plan would be a page per aim with the following headings:

- aim
- current position and why this aim is important
- issues and challenges associated with achieving the aim
- future direction and/or what success would look like

5. External environment

This should set out a succinct explanation of the internal and external factors that have most strongly influenced the shape of the plan and the business model it is based around.

6. Resourcing

This section is a summary of how your organisation will invest in the development of its resources (people, systems and assets) to support delivery of its aims.

7. Finance

This section should tell the financial story of the plan and explain how the organisation's financial model will change over the lifetime of the plan.

8. Risk assessment

This is a summary of the key risks, which your organisation faces in meeting its goals.

9. Monitoring and evaluation

Monitoring and evaluation should be a core element of any business.



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If you have any questions, please feel free to contact us:

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