

# Essential read - Dynamism

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Arts Council England



Cultural organisations and individuals are dynamic and able to respond to the challenges and opportunities of the next decade.

This principle outlines a flexible and adaptable approach to business. It includes the need for innovation in business models; for developing leadership, talent and wellbeing within the workforce; for appropriate use of technology across activities and for using evidence and data in decision making.

The impact of the pandemic on business models in the cultural sector has made the need for dynamism more essential than ever. It has revealed the need for organisational cultures and structures that enable change inside by sensing changes externally. This means people within organisations, including leaders and board members, will need resilience, and will need to understand and reflect the communities they serve.

The Dynamism investment principle is broken down into three pillars:

# Business model innovation

## Our ambition:

We want a sector that ensures that their creative and cultural missions – and the business models that support them – can adapt to the changing environment and the needs of the communities they serve. Organisations will be committed to actively and continuously examining their business models, understanding the many ways in which they can create and realise value and should seek out practical and innovative ways to improve and develop.

## What this means for you:

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Business models in the cultural sector are often complex. They meet the needs of many stakeholders from audiences to funders, resulting in multiple and interdependent sources of income. Existing business models need to be flexible to respond to external shocks and challenges and adaptable enough to search for efficiencies and improvement. At the same time, a structured approach to innovation and the search for new business models is required to develop and exploit opportunities for new partnerships, products and services.

In practice this could mean:

- Examining your mission, vision and purpose to ensure they are appropriate to your context. Taken together they should allow you to deliver the value you create to your many stakeholders.
- Having a structured approach to forecasting and strategic planning that draws on the diverse skills, knowledge and experience of everyone in your organisation

- Dedicating and prioritising time and resources to ongoing exploration of your business model. This should lead you to innovate, both in making existing models more efficient and in developing new ones
- Having a strategic approach to partnership development and resource sharing. Actively engaging in existing networks or creating new ones within the cultural sector as well as outside it (e.g. place-focused alliances)
- Having a rigorous approach to financial management that allows for maintenance of core assets as well as investment in innovation and new ventures
- Taking an entrepreneurial approach to developing and optimising your income streams. As well as earned income and fundraising, this should include effectively maximising your assets and understanding and leveraging the value of your Intellectual Property (IP)
- Accessing and exploring alternatives to grant finance (e.g. social impact investment, commissioning, and commercial income generation)

# People and skills

## Our ambition:

We want the sector to have effective governance and inclusive leadership adept at inspiring positive change. Organisations will build and develop teams that are resilient, inclusive and able to draw on the widest range of experiences. They will recognise that the diverse knowledge, skills and experience of staff and boards are assets to be nurtured and developed and that leadership can come from anywhere within the business.

## What this means for you

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To work effectively, productively and contribute fully to organisational missions, we need safe, happy and healthy workplaces, with inclusive cultures which attract and develop talented people. These are workplaces where good performance is recognised and rewarded and poor practice and bad behaviour can be called out, challenged and addressed. This is key to the long-term success and sustainability of both your organisation and the wider cultural sector. It needs as much strategic planning as a strong, successful programme of work. In practice this could mean:

- committing time and resource to developing teams who are resilient and feel safe and valued.
- utilising the diverse knowledge, skills and experience of all your employees in strategic decision making and encouraging ideas and leadership to come from anywhere within your organisation.
- investing consistently over time to ensure the knowledge, skills and experience of your staff are fit for purpose and up-to-date

- investing in developing your governing body, ensuring their skills and expertise are regularly reviewed, maintained and refreshed in line with current and future business needs.
- supporting the governing body to review and reflect on performance with senior leaders
- articulating the part freelancers pay in delivering your mission and engaging, contracting and paying freelancers openly, fairly and on time
- ensuring you have transparent, equitable employment and management policies right across your business (including freelance and volunteer staff) and that they are regularly updated, widely understood and work in practice.

# Using technology and information

## Our ambition:

Cultural organisations are committed to using data and appropriate technology to develop and improve their businesses. The ongoing development of digital skills and data literacy is prioritised, and decision making is informed by relevant, accurate and up-to-date evidence and data.

## What this means for you

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The rapid pace of technological change has increased expectations from stakeholders, but also created opportunities. To make the most of these opportunities, you should:

- embed the use of appropriate technology and tools across your activities and seek to understand and exploit the opportunities technology can provide.
- build confidence and skills to use technology across your organisation and regularly review to ensure that knowledge and skills and systems are up to date and match business needs.
- have a strategy in place for your use of data, which is shared with your stakeholders.
- collect the right evidence and effectively ask questions of your data in a structured manner that should support your decision making and inform the development of your business.
- draw on a wide, but relevant range of sources
- make information and data available across your organisation and provide staff with the skills, mandate and curiosity to probe, question and problem solve

## In conclusion

The Dynamism principle represents a set of behaviours to embed throughout your ways of working. We are looking to governance and leadership to inspire and embody an approach that is self-reflective and creative, but also outward facing and responsive.

Dynamism acts as an underpinning principle for the three other principles. It outlines the behaviours, cultures and activities that are required to have the most effective engagement and impact across them all. It also remains interdependent, as the three other investment principles are themselves, hallmarks of a dynamic organisation. Therefore, a holistic approach to understanding their importance and how they impact on the way an organisation does its work is key.

To learn more about our expectations around this principle, and particularly for those in receipt of, or with ambition to apply for, regular funding, look out for further resources this summer. To ensure you get notified of new material, **you can sign up to our newsletter here** (<https://www.artscouncil.org.uk/our-organisation/sign-our-email-updates>)

## Additional content

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Not sure where to start? Read our three blogs that consider different responses to the need for dynamism. Richard Watts talks about why we need dynamism now in his call to action, Firstsite's Sally Shaw explores dynamism in practice and its link to creativity whilst Zak Mensah from Birmingham Museums Trust dives into what the future has in store and the questions he's asking on how to build a business model around it.



If you're looking for further inspiration, why not watch Francis Runacres, our Executive Director Enterprise and Innovation, discuss all things dynamism with Tarek Iskander of Battersea Arts Centre in this **Mutual Ventures webinar** (<https://www.mutualventures.co.uk/post/webinar-dynamic-business-models-for-arts>) focused on Business Models in the Arts. For more, delve into this report from 2018 by Golant Innovation and The Audience Agency exploring '**What Is Resilience Anyway?**' (<https://www.artscouncil.org.uk/publication/what-resilience-anyway-review>) and take a look at what it means to 'bounce forward' and the skills and behaviours people think organisations need to adopt to achieve resilience.

For a range of views on what creative leadership looks like now, this **series** (<https://www.theculturecapitalexchange.co.uk/2021/06/02/creative-leadership-now/>) offers short essays, poems and provocations on the topic in a mini publication presented by The Cultural Capital Exchange.

Or if technology and data is where you want to start, head to our very own Digital Culture Network **Knowledge Hub** (<https://digitalculturenetwork.org.uk/knowledge/>), where the Arts Council's Tech Champions share top tips, case studies, practical support and more. And if you're still unsure how data can be good for business, check out this **blog** (<https://lab.cccb.org/en/the-art-of-analytics-using-bigger-data-to-create-value-in-the-arts-and-cultural-sector/>) by Centre de Cultura Contemporània de Barcelona on the Art of Analytics, an oldie but a goodie and more relevant than ever!

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