



Arts Regional Trust: Te Taumata Toi-a-iwi

# ART Venture Review

## Report for Arts Regional Trust

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## Executive summary

### This review

ART Venture is a capacity building programme for creative entrepreneurs, led by Arts Regional Trust Te Taumata Toi-a-iwi (ART). Based in Auckland, the programme has to date operated between 2007 and 2016. In total, 80 entrepreneurs participated in ART Venture, over seven programme intakes/iterations.

ART Venture offered an intensive, year-long development and growth opportunity for creatives to develop their business and marketing skills, explore their creative core and motivations, and access a small pool of investment funding to provide a springboard for their next stage of growth as entrepreneurs.

This review, commissioned by ART, explores the impacts and learning from ART Venture to date, to support future decision-making by the trust. In particular, the review explores how ART Venture has impacted on creative entrepreneurs and their own developmental journey, the creative sector and communities, and the Auckland economy.

The review was undertaken through an in-depth survey of alumni, interviews with stakeholders connected with the programme, and case examples of ART Venture alumni from across the breadth of the programme's delivery.

## Key findings

### Impacts of ART Venture on creative entrepreneurs

ART Venture supported entrepreneurs across a wide range of creative endeavors. Some 90% continue to work in Auckland and contribute to the creative sector and economy in the region.

The broad direction of feedback from participants was that ART Venture was both a challenging and rewarding experience, and one that has generally accelerated their development as creative entrepreneurs. The programme strengthened confidence and networks, brought clarity to creative aspirations, and built practical business skills.

ART Venture impacted positively on many aspects of their entrepreneurial development:

- 75% saw ART Venture having a 'considerable' or 'very high' impact on personal development (i.e. rating 4 or 5 on a 5-point scale from 'no impact' to 'very high impact')
- ART Venture also rated highly for confidence and ability to manage risks (63% rating considerable or very high), resilience in the face of challenges (61%), and confidence in pitching for and asking for investment (58%)
- 60% rated considerable or very high impact of ART Venture in network connections.

- Across most domains of entrepreneurial development, more than 75% recorded at least a 'moderate' impact (i.e. a rating of 3 or more on the 5-point impact scale discussed above).

Alumni were particularly appreciative of one on one specialist mentoring and coaching, investment panel and seed funding, monthly get-togethers and development workshops. Participants strongly valued the alumni relationships that they developed, and a consistent theme was a desire to see this area developed further.

The personal development aspects of ART Venture tended to polarise alumni, between those who valued this component very highly and continued to reflect on learning, and those who saw little value.

Business skills were generally strengthened, but this was also an area that many thoughts could be extended further.

## Contribution of ART Venture to the creative sector and communities

Alumni remain substantially based in the creative sector, with 95% reporting most (26%) or all (69%) of their work is in the creative sector. There was a generally positive view of ART Venture's impact on the creative sector among alumni. Key areas of impact were in the following:

- Capacity of creative entrepreneurs to take on new opportunities, where ART Venture was seen to have a 'considerable' or 'very high' rating by 67% of alumni respondents (on the same 1-5 scale as discussed previously)
- Creative entrepreneurs passing on knowledge to their teams and networks (72%)
- Growth in the number and range of creative entrepreneurs (70%)
- Fostering unique creative offerings that would not have occurred otherwise (70%).

Stakeholders interviewed in this review stressed the small scale of ART Venture and the parent trust, relative to other funders regionally and nationally. Any impact on the creative sector would therefore be constrained by this small scale. Nevertheless, a common theme across stakeholders and alumni was that ART Venture was injecting new leadership into the creative sector, across New Zealand and internationally; the programme was also seen to be successfully maintaining the creative energy of people to remain in this sector.

ART Venture was widely seen to be a unique offering within the creative sector, certainly in its early stages, and this was seen to continue despite a range of leadership and business incubators now on offer.

Relatively few community impacts of ART Venture were identified; the most commonly reported were supporting community vitality and creativity, and engaging community members in creative activities.

## Business and economic impact of ART Venture

Alumni consider their participation in ART Venture had strong and positive impacts on the scale, performance, and viability of their creative enterprises. Participating in ART Venture helped about one in eight alumni to start creative enterprises that they otherwise would not have and helped about 40% of alumni to establish their creative enterprises faster and/or make them perform better than they otherwise would have.

Half of alumni estimated that participating in ART Venture had a positive impact on the revenues of their creative enterprise since they completed the programme, with nearly one in five alumni reporting that half or more than half of their creative enterprise revenues after completing the programme were due to participation in ART Venture.

Participating in ART Venture helped more than a third of alumni creative enterprises to be more profitable. Alumni estimate that participating in ART Venture made it more likely that two-thirds of their enterprises will still be in operation in five years, with half of alumni reporting a 'significant' impact of ART Venture on long-term viability of their enterprises.

To estimate economic impacts of ART Venture, we developed low, medium and high scenarios of impact, based on feedback from alumni on their enterprises' development and their views of the contribution ART Venture made in this regard. Our analyses indicate that ART Venture has made a small but positive contribution to Auckland's creative economy:

- In the medium scenario, we estimate that alumni creative enterprises generated \$123m of total revenue, paid a total of \$81m in wages and salaries and earned profits of \$6.1m during this ten-year period that ART Venture has operated
- We estimate that ART Venture participation boosted total revenues of alumni creative enterprises by \$35m over the ten-year period from 2007 to 2017, and wages/salaries paid increased by just over \$14m. Increases in profits were more modest, with ART Venture causing a net increase in profits of \$1.8m over ten years
- We estimate that ART Venture increased economic activity in Auckland and New Zealand by a net amount of \$12.7m over ten years (with a plausible range from \$2.6m to \$30.5m)
- Economic activity in Auckland's creative sector is estimated to be around \$2.8b per year, and total economic activity across all of Auckland's industries is around \$84b per year. <sup>[1]</sup> ART Venture's contribution is therefore modest relative to aggregate economic activity in Auckland, but it is notable that the estimated contribution of ART Venture significantly exceeds its own costs (around \$3.3m over ten years).

## Feedback on improvement and change

Alumni and stakeholders offered a range of suggestions for improvement and/or change in ART Venture's direction. There were no particularly dominant themes from participants; for the most part, suggestions

were directed towards incremental and ongoing programme improvement, consistent with ART Venture's development since 2006. A small number (three alumni respondents) proposed more fundamental changes.

Areas of suggested improvement that reflected more adaptive change were the following:

- Strengthen business and mentoring components
- Build stronger connections across alumni network
- Clearer indication of time commitment
- Enhanced individualisation/optionality of programme components
- Improvements to some aspects of facilitation, and range of people involved in programme design
- Improve structure with fewer reflective elements
- Co-creation and leadership of programme with alumni
- Pooling support and investment funding
- Strengthened cultural components.

Suggestions for more fundamental change from a smaller group of alumni were in the following areas:

- Separate Māori and Pacific-focused programme(s)
- Scale investment funding further with collaboration of other funders
- Substantial re-design and scaling back of elements (i.e. less intensive model).

## Conclusions

The ART Venture model, in its form developed and implemented to date, is unique among creative entrepreneurial development programmes for its length of time in operation, and its breadth and scale of support. The programme precedes, and from our analysis, extends further than its international comparators.

The feedback from alumni indicates that the programme is substantially succeeding in its objectives of accelerating the creative, professional and enterprise development of its participants.

For the most part, the programme's content is appreciated by those participating and is attributed by many to have a lasting impact on their personal and enterprise development. The programme is credited with building confidence among its participants and linking them with valued business and creative networks.

The available data suggests that ART Venture is positively supporting enterprises in generating revenue, creating employment and contributing to the New Zealand economy.

Whilst there are always improvements that can be (and have been) made to the programme, its broad direction and content is well-designed and is supporting participants in their development.

## Acknowledgements

We would like to extend our grateful thanks to all participants in this review. Our particular thanks are extended to the alumni who gave substantial time and thought to this review, and in doing so provided invaluable information on their experiences with and learning from ART Venture. We are also grateful to ART Venture stakeholders who shared their knowledge and insight of the programme.

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