

# Strategies for New Value Models

— by Peter Løvschall for Musikalsk oplevelsesdesign ([cmec.mah.se](http://cmec.mah.se))



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One of the ambitions of the *Designing Classical Music Experiences* project was to develop new business models. The project has continuously had discussions about what values are important to a cultural institution, and how cultural activities can and should be measured and evaluated.

Currently, the institutions are assessed and valued predominantly on the basis of audience numbers and financial results. These values, however, say little about the qualitative values that the cultural institutions contribute to. Audience experiences, community benefit, and so-called non-use values—such as individual willingness to pay for maintaining a resource even if there is little likelihood of the individual ever using it—are other kinds of values that could be given higher priority.

Through experiments and concrete productions, the project has explored what opportunities philharmonic orchestras have to renew themselves—with the aim of making live classical music relevant to new audience groups. This may result in a wider demand for classical music, but also in acceptance of the fact that these institutions are publicly funded—a non-use value. The project has found it difficult to apply conventional business models (for example, the so-called business model canvas) since cultural institutions are guided by other value systems.

However, the results of the project show that co-production with external stakeholders—whose skills are complementary to those of the institution—can result in new concepts, processes, services, products, and productions. These new partnerships can, thus, create new contexts and platforms where the orchestras can be of service to new audiences, but also create value for other cultural-sector industries and associations. To conclude, an ongoing discussion on ‘values’ in the cultural sector is important because it may help create a better understanding of how to think about business models, evaluations, and the ‘criteria for success’ that govern publicly funded cultural institutions.

## **Conclusion summary:**

### **Incorporate every profession from within the organization when developing new values:**

- Take into account what is important to them and thereby anchor their value in the output of the development process.
- Maintain knowledge about the development processes in order to ensure sustainable future development.
- Make new value models an incorporated part of the identity of the organization.
- When initiating new value development ensure support from the top-level of the organization.

### **Legitimacy to the public:**

- Understand who you are.
- Stop talking only about “teaching the audience how to appreciate classical music”.
- Do engage the audience in new development.

- Understand and interact with your community. If done well, they're willing to share their experiences within their network and to be involved in defining and finding new values.

### **Acknowledge that instrumental values are hard to implement to classical music. But do try!**

- Make sure that everyone in the organization is introduced to the concept that metrics – measurable results – matters to politicians.

## **Strategies for new value models**

This report aims to look into new value models within the *Designing Classical Music Experiences* project. This includes describing how the involved organizations create, capture and deliver cultural, social and economic value within the projects developed.

An important element of doing so is to look at the definitions of what is art and culture - and how these definitions has transformed over the past decades. This includes looking into what kinds of values are embedded in cultural institutions: The audiences, the employees working in your ("the organization"?) organization, financiers, external partners and other stakeholders.

Through learning from a workshop at the Arts & Audiences conference, by exploring trends from reports released on the matter, and most important through interviews with the various stakeholders in the *Designing Classical Music Experiences* project, this report describes how to find and develop new value models for classical music institutions.

*“The word “Culture” is one of the two or three most complicated word in the English language”*

Raymond Henry Williams, Academic, Novelist and Critic<sup>1</sup>

When making strategies for new value development within classical music – or any other cultural art form for that matter – it is important to state that the task of defining art and culture itself and thereby values embedded within is controversial.

### **‘The times they are a-changin’**

The common notion is that classical music has historically been enjoyed by a small and generally well-educated part of society. A sophisticated art form that has co-existed but not really been mixed with "popular" or "mainstream" entertainment.

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<sup>1</sup> [http://pubpages.unh.edu/~dml3/880williams.htm#N\\_1\\_](http://pubpages.unh.edu/~dml3/880williams.htm#N_1_)

*“These old and prestigious institutions need to become more democratic and better connected to the outside world”*

– Dorte Grannov Balslev  
Outreach manager, Royal Danish Theatre

Some research indicates appreciation of classical music needs more effort and repetition than popular music<sup>2</sup>. In order to ensure relevance to the public, it's important to explore the barrier of classical music being “elitist” or an “old-fashioned” art form.

In the last decades, the sources of funding for the live performance of classical music – which typically came from regional and national governments – have changed. As with most public services, politicians have started to revise the financing of classical music institutions – often defined by quantitative rather than qualitative metrics. Many philharmonic orchestras across Europe have seen sizeable cuts in funding, and a few have even been closed down.

*“How can the orchestra, an organization that is rooted in the past, find an authentic voice in the modern world?”*

– Uffe Savery  
CEO, Copenhagen Phil

As a result, classical music institutions have begun re-evaluating their relevance and legitimacy, not only in regard to how they are viewed upon by their funders – politicians and policy makers – but also in regard to how their audiences perceive them.

## **Defining value**

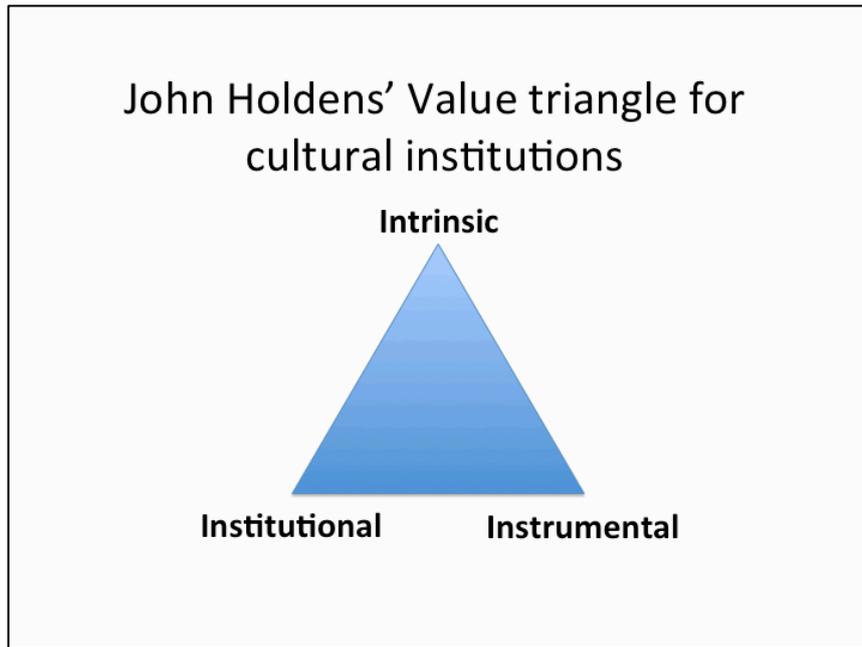
When running an organization with monetary goals as success factor, a number of tools are often used to build a strategy: SWOT analysis, Customer analysis, financial modelling etc. Malmö Symphony Orchestra, The Royal Danish Theatre and Copenhagen Phil – are publicly funded with objective to provide an artistic experience to the public. This calls for a additional methods of defining value output. The subjectiveness of the “end product” – sound and vision being perceived by the eyes and ears of the audience – means added complexity.

## **Value triangle for cultural institutions**

In *Cultural Value and the Crisis of Legitimacy*, John Holden (2006) presents a model that categorizes values within cultural institutions. The model divides ‘cultural value’ into three categories: Intrinsic, instrumental, and institutional.

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<sup>2</sup> J. Craig Peery, “Effects of Exposure to Classical Music on the Musical Preferences of Preschool Children” <http://jrm.sagepub.com/content/34/1/24.short>



### **Intrinsic values:**

When talking about *intrinsic values*, the concept of value describes a subjective experience of culture in an emotional, spiritual and intellectual sense measured on an individual level. Most of the classical musicians at a professional level have been training perfection of their instrument since childhood and *intrinsic values* are usually the most important success criteria.

### **Instrumental values:**

*Instrumental values* describe art as an objective concept represented in quantified metrics. *Instrumental values* can enable politicians and policymakers to show results, predictability and cost-effectiveness on a mass scale, including number of visitors, productions, performances and ticket sales.

### **Institutional values:**

Whenever organizations interact with the public it is defined as institutional values. It is about how they do things in order to create value to the citizens of a society – including “self-reflecting artistic experiences”, “comfortable seats and fair prices” and “the rootedness that culture provides”. Over the last decades, “the public” have changed from a relatively homogenous group to a fragmented multitude of sub-cultures with individual and rapidly changing consumption patterns.

## **Cases**

Very interesting learning have been done throughout Designing Classical Music Experiences in regards to new value models. But two projects stand out – especially in order to clarify the instrumental values: Joystick by Malmö Symphony Orchestra and – though not being a part of Designing Classical Music Experiences – The flash mobs by Copenhagen Phil.

## Case: Copenhagen Phil and the Flash mobs

*In 2012, Copenhagen Phil launched a YouTube video showing a flash mob: The ensemble playing Peer Gynt in the Copenhagen Metro to an amazed crowd. Today the video has generated more than 10,000,000 views. Copenhagen Phil used the development process of flash mobs not only with the goal of making a viral campaign, but as a journey to open doors for new value development.*



The idea of the flash mob was created at their first internal workshop held at Copenhagen Phil with the objective to develop the orchestra's legitimacy towards the public by reaching their audience on new platforms. It was very important to CEO Uffe Savery to involve everyone in the organization – including the musicians – in the process of developing new experimental formats which made it much easier for everyone to buy into the idea of leaving their well-known element, the concert hall, and play in a moving metro train.

The recording of the flash mob became a team-building experience itself and the massive response from users all over the world contributed to the a significant pride of the project across the whole organization.

It was a very important factor of the flash mob that the event in the metro train was respectful to the intrinsic values of the members of the orchestra: Giving an audience a unique experience with their musical performance.

At the time of the flash mobs, talks about closing Copenhagen Phil were on the political agenda. According to CEO Uffe Savery, an exceptional high amount of online views played an important role when politicians finally decided not to close down Copenhagen Phil.

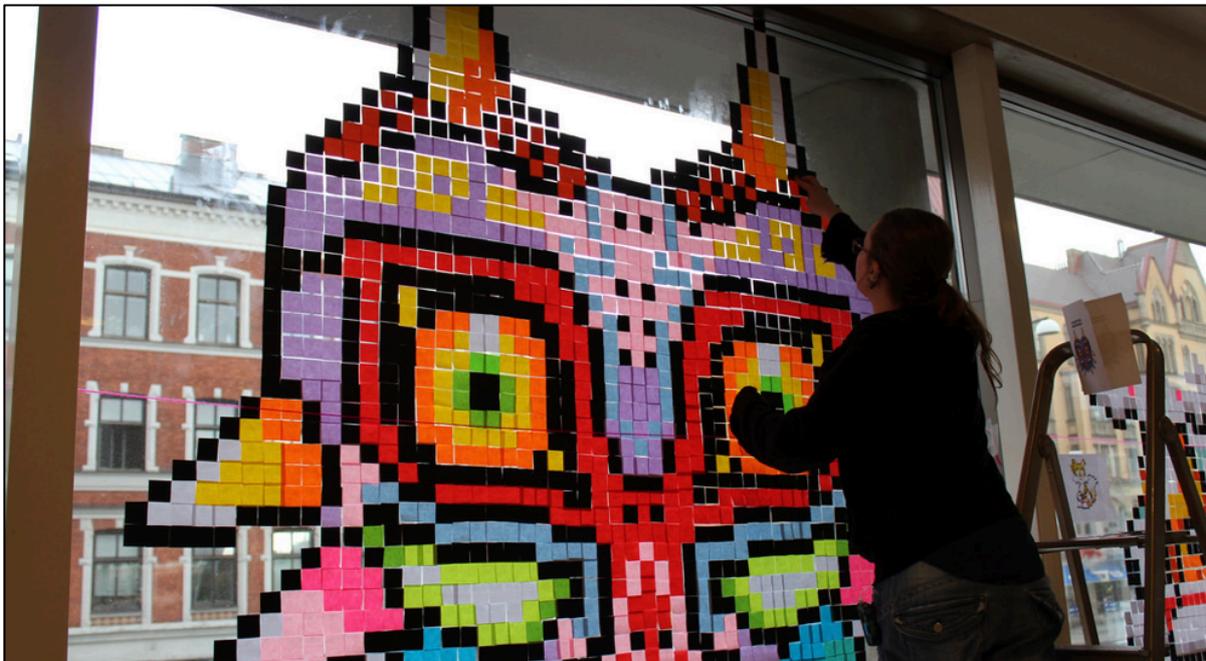
The flash mob is a great example of how to develop a new value where intrinsic, instrumental, and institutional values are all included and addressed.

The flash mob was the direct cause that Copenhagen Phil made contacts to entering another market segment: Playing classical music for private corporations using their story of development of legitimacy towards their “customers” (the public).

Copenhagen Phils learnings from the flash mob was used in development of their next digital project World Online Orchestra (WOO) within the realm of Designing Classical Music Experiences and activities directly related to the flash mobs also resulted in development of a concrete format using classical music to inspire and private companies to inspire and improve collaboration among co-workers. This concrete format has become a concrete source of revenue to Copenhagen Phil.

### **Case: Joystick**

*In 2006, Malmö Symphony Orchestra started “Joystick” – a series of concerts playing computer-game music. As part of Musikalsk Oplevelses Design, researchers from Malmö Högskola and the gaming community MEGA initiated a project of broadening relationships between the gaming community and Malmö Symphony Orchestra within the Joystick format.*



The research projects had a primary focus on development of the institutional values, focusing on the target group: “Gamers” and their social and cultural values and motivation factors by building a deepened relationship with them. By inviting the audience to co-create artworks, participate in workshops and develop communication platforms, the value of engagement expanded to much more than just the concerts.

The various experiments were created in accordance with respect of the musicians of Malmö Symphony Orchestra in order to respect the intrinsic values of the artists.

Due to the success of the research project, Malmö Symphony Orchestra ended up hiring a permanent blogger to communicate classical music to the gaming community.

Furthermore, the new initiatives resulted in a concrete increase in instrumental values: A 6,1% increase of visitors of the Joystick concerts, and a stunning 58% conversion of non-paying to paying visitors.

As a result of the deepened engagement with the gaming community, opportunities of recording commercial music for computer games have appeared in the horizon. This very well could lead to increased revenue for Malmö Symphony Orchestra.

## **Conclusion**

### **1. The audience**

Inviting the audience and external stakeholders into a collaboration process can develop new value models. Working with institutional values by giving audiences new experiences and means of deepened engagement with classical formats, new values – institutional as well as intrinsic and instrumental may very well appear.

### **2. The organization**

New value models must be built upon the core values from within the organization. This includes the approach of incorporating co-workers in the process of finding new value models and external organizations.

If development processes are not clearly anchored within the organization – for example if solely managed by an external consultant – it is very likely that the learning will disappear and leave the organization without knowledge of future development.

Large organizations with multiple internal departments make decisions and implementation of new audience development more complex. Under the executive department, the Royal Danish Theatre operates five subdivisions including Sales/Planning, Finance, The Opera, The Theatre and The Ballet, counting a total of XXX employees. Copenhagen Phil's CEO is running the entire philharmonic with less than ten people besides the orchestra.

Organizations also have to consider other core values related to its history, geographic location, vision and mission etc.

As part of creating a tool for analysis, Malmö Symphony Orchestra classifies their productions into categories. For example “newly composed” productions as “Svårtillgänglig” – and their “Mozart series” as “Lättillgänglig” referring to how easy approachable the programs are to their audience. Knowing that the numbers of visitors is higher to “Mozart series” than to “newly composed” productions and thereby leading to a higher self-financing of Malmö Symphony Orchestra is providing the ability to decide which value is most important to the organization.

### **3. Politicians and policy-makers - The Funders**

During the past decades, the funders of public cultural institutions have increasingly involved both quantitative and qualitative metrics in funding programmes. According to Peter Duelund

“Experience and turnover have gradually replaced the original goals of cultural policy, i.e. participation, education and enlightenment”<sup>3</sup>.

Since most cultural institutions rely solely upon public funding, the management of cultural institutions must not only incorporate instrumental values – metrics – into their reporting but also try to give an understanding of why it is important to consider instrumental values within the organization.

#### **4. Be open for collaborations**

Involving external stakeholders is a good approach to developing new values. Various stakeholders including universities, interest groups, private companies and a variety of segments of audiences took part in the process and projects.

Engagement from stakeholders from outside the organization will typically contribute with new work methods. It is a good way challenge and eventually break isolated work patterns within the organizations.

Whether it being new technology or new methods of concept development, it can be difficult for an organization to allocate the resources to keep up with the latest development. Companies, organisations and/or freelancers usually possess a deep knowledge within their field of work and they can contribute with knowledge and experience from other projects they have been working at.

*Designing Classical Music Experiences* was by mainly driven by researchers contributing with new experimental approaches to developing audiences and their involvement with development of audience experiences also included students working with the subject. Applying cutting-edge research in productions can be a difficult task for employers hired for musical productions.

The key to a good collaboration is a mutual understanding of the motivation and goals of the respective stakeholders within the collaboration process. Unless stakeholders are paid to deliver a specific service, it is important that collaboration is done without compromising the core value of the respective stakeholders.

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<sup>3</sup> Page 9: “The Rationalities of Cultural Policy: Approach to a Critical Model of Analysing Cultural Policy, Peter Duelund, Associate Professor, University of Copenhagen”  
[http://neumann.hec.ca/iccpr/PDF\\_Texts/Duelund\\_Peter.pdf](http://neumann.hec.ca/iccpr/PDF_Texts/Duelund_Peter.pdf)