

## Creating Entrepreneurial Museums

# Building Effective Relationships and Partnerships with the Business Community

A resource to support museums develop relationships and partnerships  
with businesses

November 2016

This guidance note has been produced as part of the SHARED ENTERPRISE scheme  
which is a Heritage Lottery Fund Catalyst Programme funded project



# Contents

Introduction	3
1. Why work in partnership? Benefits for museums Benefits for businesses	4
2. Different types of relationships and partnerships	6
3. Partnership ideas	6
4. Things to consider when developing a partnership	8
- Partnership objectives	
- Business planning for partnership projects	
- Who to work with	
- Different working cultures	
- Managing risk	
- Organisational barriers	
5. Making your pitch	10
6. Creating effective partnerships	11
7. Case studies	13
8. A quick step by step guide to developing partnerships with businesses	17
9. Additional sources of information	19
Appendix 1: Partnership Objectives Worksheet	20
Appendix 2: Super Short Basic Business Plan	21

## Introduction

*'In order to thrive, the arts and cultural sector must be able to adapt to changing circumstances without compromising its core values and the quality of its work. The sector must develop new ways of thinking and working that will increase its resilience.'* **Great Art and Culture for everyone**, 10 year strategic Framework 2010 – 2020, Arts Council England

Museums are increasingly looking at developing effective and beneficial partnerships as a way of supporting change and diversification of their operating models.

Being able to work effectively in partnership with a range of organisations is increasingly being seen as a key skill for museums. Partnerships not only provide a way of supporting the delivery of museum services to larger and more diverse audiences, they can also deliver financial benefits. Funders are also increasingly looking to support organisations that can demonstrate they can work effectively in partnership; such organisations tend to be outward looking and show an ability to adapt and change in order to become more sustainable.

Museums have a good track record around partnership development. Museums regularly work in partnership with each other to develop exhibitions, share collections, share and exchange knowledge and skills and pool resources for activity ranging from joint purchases to shared posts across services. Museums also regularly form partnerships with universities and other educational providers, arts organisations and individual artists. Whilst developing partnerships with businesses, and organisations in the commercial sector is something a number of museums have already succeeded in, many more would like to explore this area of work.

This resource has been produced to support museums that would like to work in partnership with businesses, and to provide them with some advice and guidance on this area work.

### **SHARED Enterprise project**

With funding from the HLF Catalyst Programme, during 2015 and early 2016 a number of museums worked with a team of consultants to explore opportunities for working more closely with local businesses, developing their pitches and reaching out to relevant businesses. The aim of the project was to equip the museums with the knowledge and confidence to be able to engage more actively and effectively with businesses to enable them to undertake work that would support them to be more resilient, and better networked within their local communities.

This resource draws on the lessons learnt by the museums as they worked to create stronger links and partnerships with businesses and other local organisations. The museums involved in the project included:

- The Museum of East Anglian Life
- Gainsborough House
- Ancient House Museum
- Much Hadham Forge
- Epping Forest District Museum

**Acknowledgments:** We would like to thank all the museums that took part in the project. Their willingness to try new things and to share the highs and lows of their experience in this area has made the development of this resource possible.

# 1. Why work in partnership?

There are a lot of reasons why museums and businesses might want to work together; both groups have important assets that the other can draw on. Both share the need to develop new markets and audiences for their products and services and a need to continue to innovate and evolve.

## The benefit of partnerships for museums:

Museums have a lot to gain by working in partnerships with businesses; new relationships can provide opportunities and stimulus for the development of new products and services, and can bring in fresh perspectives and ideas. Partnerships can support the following:

**Increased use of collections** – partnerships can stimulate creative approaches to using collections; they can also provide opportunities to use collections that have previously been underused.

**Reaching new audiences** – partnerships can bring museums into contact with new, broader audiences who may never have visited before. This may be as a result of the work that the partnership produces, or the association of the museum with a particular business or brand may encourage new people to visit.

**Increased use of specialist skills and knowledge** – people working in museums have extensive specialist knowledge, which is applicable outside the museum environment. Partnerships provide an excellent way to share this knowledge and skills with a wider audience.

**Raise the profile of the museum** – an association with another organisation, particularly supported by joint marketing and promotion can help to raise the profile of the museum and develop awareness with new potential visitors.

**Bring in new skills and knowledge** – partnerships are an excellent way to bring in skills and knowledge that isn't held 'in house', skilling up the museum workforce in new areas work that will be needed in the future. They can also bring in new ideas and highlight alternative ways of working.

**Generate income or reduce costs** – partnerships can support income generation, particularly those that focus on the development of commercial products or services. Collaborations can also lead to reductions in costs where they are shared across a partnership.

## The benefit of partnerships for businesses:

There are a lot of reasons why a business would want to have a strong relationship or a partnership with a museum. Museums can offer businesses –

**Fantastic and quirky collections** - museums have rich and varied collections that can provide the inspiration for the development of new products, be used to tell the diverse histories of some business, or support training and development activities for staff.

**Interesting and fun spaces** - museums can provide unique and quirky spaces for organisations to use.

**A huge range of desirable skills and knowledge** - as well as extensive technical and collections related knowledge and skills people working in museums possess highly sought after skills, particularly those around interpretation and storytelling and creating engaging experiences for the public.

**Access to museum visitors** – partnerships with museums can bring businesses into contact with visitors who may become new customers for their services.

**Association with a trusted brand** – museums are regularly cited as institutions where there is strong public trust and fondness, so forming an association could be beneficial for a business.

#### What businesses can offer museums

- New skills and knowledge
- Fresh ideas new perspectives
- An existing customer base
- Links to other businesses and the community
- New outlets and opportunities to share and raise profile of the collection
- Association with a recognised brand
- Increased opportunities for income generating activity

#### What museums can offer businesses

- Fantastic objects
- Unusual spaces
- Access to existing visitors
- Links to community and specialist groups
- Subject and technical knowledge and skills
- Exhibition creation and marketing skills
- A trusted brand
- Intellectual property

## 2. Types of relationships between museums and businesses

There are a number of different ways in which museums and businesses might be working together. The three most common ones are:

- **Museums as clients or customers of a business:** museums purchase a product or a service from a business, a conventional commercially based relationship.
- **Museums as supplier:** museums provide a service or product to a business for a fee.
- **Museums and businesses as collaborators:** museums and businesses work in partnership, for example producing something for a third party. This is a relationship where there is mutual benefit to both parties.

This resource focuses on the collaborative partnership relationship.

## 3. Partnership ideas

There are lots of opportunities for collaboration between museums and businesses, and there may also be funding available to develop some partnership ideas. Suggestions for potential areas for partnership include:

**Partnering to jointly produce a new product** – a museum might provide the inspiration from the collection with the partner providing the wherewithal to manufacture the product which is jointly marketed and sold.

**Producing a new service** – partners may work together bringing skills and experience from one partner with resources or space from another partner, for example to run successful events or wedding programmes.

**Corporate volunteering** – forming a partnership with a business so they provide volunteers to support the museum's work and the museum provides enriching and entertaining team building experiences, and an opportunity for a business to meet targets around corporate social responsibility.

**Pooling resources for common goal** - identifying a common area of development that could best be addressed jointly and pooling financial resources and staff time to undertake it, for example joint marketing campaigns to promote multiple sites or encourage visitors to a specific area

[See pg 13 for case studies]

### In Kind Support

The motivation for forming a partnership may be a desire to generate or bring in income, especially as museums look to become more entrepreneurial and business focused. Whilst it is definitely possible to use successful partnerships to boost income generation, in most cases they are more likely to deliver 'in kind' support from each partner, rather than direct financial contributions.

'In kind' support should not be underestimated, and partnerships that are based on this model of support are often the most successful. It is important to be clear from the outset what financial benefits are expected from a partnership and ensure that these are realistic, and understood by both partners.

## 4. Things to consider when developing a partnership

### Identifying partnership objectives:

Developing relationships and partnerships can be very beneficial, but they are not an easy or short-term option for museums. They require significant investment of staff time to develop and manage. Therefore it is essential that any museum that chooses to work in this way is very clear about what they want to achieve from this work.

Any museum wanting to develop partnerships and relationships with businesses needs to decide four key areas before they can confidently approach a potential partner. They are:

**What are the drivers for working with a business partner?** This might include the need to:

- Generate income
- Save money
- Develop new skills or knowledge within the organisation
- Develop new markets and reach new audiences
- Develop community support

**What do you want to produce (or do differently) by working with a business?**

- A new product
- A new service or experience for your visitors
- Work in a different way

**Who will the customers, clients or audience be for the product/ service?**

**How will the partnership support your museum's strategic aims?**

There may be more than one aim that it will support

**What assets can the museum contribute?** This could include:

- The collection,
- Existing audiences
- Staff knowledge and skills
- Museum buildings and land
- Reputation

**What do you need from a business? What gap could it fill?**

[See Appendix 1 for Partnership Objective worksheet]

## **Business planning**

Some partnerships are likely to be based on reasonably informal collaborations between two organisations to meet common goals. Others however might have more significant financial implications, and in these cases it is important to ensure that a number of business planning questions are considered before any partnership goes ahead. This may be particularly relevant if you will be producing a new product as a result of the partnership.

In these cases it might be useful to complete a quick business plan for the partnership project.

[See Appendix 2 for Super Short Basic Business Plan]

## **Who to work with**

When thinking about which businesses to work with, as well as considering one that is able to deliver the objectives of the project, it's important to think about which business will be the right fit for the museum. Think about whether potential business partners have values that complement and reflect those of the museum, or have a reputation and values the museum would like to be associated with.

It can be tempting to think in terms of working with large business and well known brands, however there are real benefits to working with smaller, local businesses. As so much of creating partnerships is based on developing personal relationships and building connections, working with local organisations where regular contact and communication can be established and maintained is very desirable. In a larger company more people may need to be involved in the process, making decision making slow and complicated and potentially reducing the chance of success for the partnership.

## **Different working cultures**

Despite the fact that museums are increasingly working towards becoming more businesslike, the organisational cultures and key drivers for museums and businesses are often very different. The majority of museums are charities who are guided by their charitable purposes and the provision of services for the benefit of the public, businesses are motivated by a need to generate income, turn a profit and meet the needs of their customers.

For those who haven't worked in or with a museum before, they can be difficult places to understand in terms of how they operate and the frameworks that guide their approaches to caring for and sharing collections. It may be useful once any partnership begins to take some time at the start to explain to partners how museums work so that they understand how it might impact on the development and implementation of any partnership work.

## 5. Making your pitch

Once you have begun to develop your partnership idea, and identified potential partners to work with – you need to develop a pitch to make to them.

### A pitch needs to be succinct, clear and compelling

It's crucial to think about everything from the businesses point of view. You need to put yourself in their shoes and test out everything you're thinking of saying. Will it make sense to the business? Will they care? Will they find it exciting, or at least interesting?

### If you're pitching in person it should last around 5 minutes and:

- Give people an attractive *image* of your museum – what it's like and what it does that's relevant to the idea you're pitching
  - Keep it brief. Conjure up a picture in people's minds
- Set out what you hope to achieve
  - Describe the product you want to create with the business / work you want to do with them. Be very clear about who you think will want to buy or use the product / participate in the activity and what they will get from it. If you have an idea about the size of the market, mention that
- Tell the business why they should be involved
  - Will they make a profit from it? Or are you suggesting they do it because it's good for their reputation? Will it expose them to new customers?
- Make clear what you can bring to the table
  - Cover all the assets that are relevant to the proposed product/ service/ activity; don't get sidetracked into talking about other things. If you've done anything like this before, then mention it
- Explain why you want to work with that business
  - Show that you've done your homework and that you've got good reasons to approach that business rather than another one. make them feel wanted

### So, at the end of your pitch the business should:

1. Know a bit about you
2. Know what you want to do with them
3. Know what they will get out of it
4. Know what you can offer
5. Know why you want to work with them

## 6. Creating effective partnerships

Partnerships can be very rewarding and beneficial for both parties involved, but they do require a significant commitment of time and resources to ensure that they are successful. If organisations are investing in partnership work, it is important to think about both the practicalities and the general characteristics that need to be in place to create an effective and successful partnership.

Good relationships and partnerships often demonstrate the following:

**Clarity** – to ensure a project and partnership is successful you need to have a clear idea of what you want to achieve and what role each partner is going to play, so a clear understanding and a brief for any work is essential.

**Organisational buy in** – it is essential that there is buy in across the organisation as the work is likely to involve a range of people. It is especially important to get buy in from the top to ensure commitment to the partnership is maintained.

**Time** – ensuring that there is a decent amount of time for the project is also important. If you are working with a new partner, you will need to take time at the start to get to know each other and how you both work.

**Communication** – this is vital, having clearly identified members of staff for partners to liaise with is an important way of ensuring effective communication. It might be also be useful to invite a range of staff from the project partners to a meeting so they can meet other people from the partner organisations who they might be working with, or just to get to know each other a little better and raise the profile of the work within the organisations.

**Recognising and accommodating different agendas** - both partners need to be clear about how the project fits with their business plans. The aims for the project do not need to be the same for each partner, but they do need to be compatible. Think about how you will ensure that no one's aspirations and goals get lost in the process.

**Decision making** – clarity around this area is very important. Be clear about how the project will be managed, and who can take decisions on behalf of either party.

**Duration** – discuss at the start of any joint working with your partner the potential length of any collaboration and whether it is likely to be for a fixed time or more open ended. This might be dictated by the type of project, agree to discuss again at regular intervals or at the end of the project.

In all relationships, collaborations and partnerships it is valuable to discuss and understand what everyone expects, what they need and want and how they work. A good way of doing this, if appropriate, is to take time to develop an agreement that works for everyone involved.

## Creating effective partnerships

### Partnership characteristics

- Mutual benefit for all partners
- Trust
- Openness and transparency
- Alignment of organisational values and project aims
- Strong and open communication

### Practicalities

- Clearly defined and agreed outcomes and deliverables
- Clear timetable
- Understanding of financial implications and commitments
- Clear roles and responsibilities of each partner
- Clearly identified personnel from each partner to lead and liaise
- Consider a partnership agreement (if appropriate)
- Agree issues around ownership / rights
- Termination / exit strategy

## 7. Case studies

There are lots of different partnerships or relationships that can be developed between museums and businesses. Here are a few examples of ongoing partnership and relationship development from the museums who took part in the **SHARED Enterprise** project, and some of the key lessons they learnt along the way:

### Gainsborough's House

#### Partnership development project:

To develop the museum's relationships with local and other businesses and corporate sponsors

#### Overview

Work has focused on developing three areas of partnership and relationship development:

- Developing a 'goodwill and awareness' launch event with local businesses into more concrete support
- Maintaining and continuing to strengthen relationships with local silk businesses
- Generally developing and maintaining partnerships

The museum's work to reach out to local businesses and play a more active role in the local community by participating in groups including the Chamber of Commerce and Sudbury Town Team is delivering benefits for the organisation. These relationships are supporting the development links with local business. 2016 saw the launch of 'Gainsborough's Sudbury' walking tour which was well received and aims to encourage visitors to spend longer in Sudbury with consequent benefits for other businesses.

The museum has increased its 'in kind' support from the local silk weavers, and they are now collaborating on a silk exhibition for the Museum in 2017. They has also been involved in a very successful partnership with NADFAS which led to a raffle of a painting kindly donated by Maggi Hambling which raised £17,000 for Gainsborough's House

#### Lessons learnt:

- Businesses are not sentimental and there needs to be something in it for them.
- Messages to businesses need to focus on the benefit they can gain from working with you, not the help you need from them
- That nurturing business relationships is a slow-burn
- That in-kind support is very valuable.
- Need to be flexible and act when an unlooked for opportunity arises

To find out more about Gainsborough's House visit: <http://www.gainsborough.org/about/>

### Much Hadham Forge Museum

#### Partnership development project:

To develop a partnership between the Forge Museum and the Henry Moore Foundation to support the sale of tickets for the Forge to visitors to the Foundation

#### Overview:

The Much Hadham Museum wanted to increase sales of tickets to its site as a much needed source of income. It identified a partnership with the neighbouring Henry Moore Foundation where a visit to the museum could be promoted to their visitors, and tickets for the museum could be sold at the Foundation.

Initial discussions proved beneficial and the Foundation have agreed in principle that they will sell tickets for to the Museum. Significant building works at the Foundation in 2016 have meant that implementing the partnership idea and selling tickets was delayed but should go ahead soon.

To support the partnership, the museum hosted a tea party for Foundation staff at the Forge so they could explore the venue. This event was designed to help Foundation staff gain a better understanding of the museum to enable them to promote a trip to the Forge to their visitors. The tea party was also a profile raising event for local “dignitaries” including shop and cafe owners and members of the newly elected Parish Council.

Once this partnership activity is up and running, the Forge hope to use a similar model with other attractions in the local area including a large garden centre.

**Lessons learnt:**

- Have learnt that “we are not alone”, lots of museums are struggling with funding and income generation but partnerships can be one way to tackle this
- It can be daunting trying to adopt a business way of thinking and approach, but the passion people have for the museums they work in can be harnessed and communicated to businesses to encourage partnerships

To find out more about Much Hadham Forge visit: <http://www.hadhammuseum.org.uk/>

## **Museum of East Anglian Life**

### **Partnership Development Project:**

Develop partnerships to support the growth of weddings and functions at the Museum.

### **Overview:**

The museum had identified wedding and corporate venue hire as key potential income streams for the service, and wanted to develop these areas of activities and become recognised as a desirable local venue for events. Through funding support the museum had been able to acquire key equipment including a marquee to put on these events, but they lacked some of the key skills and knowledge in house to really be able to make a success of these activities and get them to deliver the income needed. Hiring new staff to run events was not financially viable for the museum, so the museum decided to form a partnership with Marie Clarke, a wedding planner. She was able to bring expertise and contacts, and was able to promote the venue at wedding fairs and through other channels.

The partnership has given the museum the expertise it needed without the cost of employing a new member of staff. Bookings for weddings and other functions are now increasing and this area of income generation has strengthened.

To find out more about the Museum of East Anglian Life visit:  
<http://www.eastanglianlife.org.uk/home.html>

Here are some examples of other partnerships

### **Ditchling Museum of Art and Craft**

Ditchling Museum is involved in partnerships with a number of different organisations, and it has made working in partnership a strategic aim for the organisation.

Partnership projects include a broad partnership with other business in Ditchling to jointly market the village as a visitor destination. They have produced joint marketing materials including a website and leaflet which highlight different venues including local pubs, cafes, shops and the museum.

The museum has also formed a partnership with the Brighton Festival and Brighton University in order to bring its more of its collections to wider audiences.

To find out more about Ditchling Museum of Art and Craft visit:

<http://www.ditchlingmuseumartcraft.org.uk/>

### **National Railway Museum (NRM)**

The NRM formed a partnership with Hornby PLC to develop season of events and activities to celebrate the last surviving A4 locomotives and the Mallard. To coincide with the central event Hornby worked with NRM to produce sets of model A4 locomotives.

As a result of Mallard 75 Season the museum attracted in significant numbers of visitors to its sites in York and Shildon, it generated extensive media coverage and brought new visitors to York raising the profile of the city and all of its museums. For Hornby PLC the partnership enabled them to increase their customer base and bring 'new blood' into the world of model railways.

To find out more visit: <http://artsandbusiness.bitc.org.uk/awards-ab/35th-awards/hornby-and-national-railway-museum>

### **Irish Linen Centre**

The Irish Linen Centre has formed a partnership with Thomas Ferguson, the last remaining Irish linen damask weaver in Ireland, to produce a range of linens based on designs from the museum's collection.

Despite having a working hand loom in its collection, due to the labour intensive nature of production it had previously only been able to make sample pieces for visitors to look at and none have been available for visitors to buy.

Through the partnership linen designs from the museum's collection have been brought back into productions, and the museum is looking at other historical patterns in its collection which could be turned in to commercial products. The museum is also considering licensing other shops to sell its linen products.

### **Sir Richard Archwright's Cromford Mills**

Cromford Mills has established a number of partnerships with local businesses and locally based national businesses to offer corporate volunteering opportunities. As a result of the

partnerships the Mill gets a lot of free labour for important infrastructure development projects and the businesses get an enjoyable and different team building day and a chance to donate some time to a charity. Some of the relationships have been in place for number of years.

An example from the wider arts sector:

### **High Tide Theatre Company**

The Theatre company have formed a partnership with a local communications firm, through the partnership they are offered free office space and infrastructure from the business in exchange for providing training and development for staff and the providing entertainment for staff and some corporate functions.

## 8. A quick step by step guide to developing partnerships with businesses

### Step 1: Is your organisation ready to work in partnership?

- **Make sure everyone in the organisation is on board and up for it.** Partnerships require time and effort to develop and manage and it may be necessary for organisations to work in different, more flexible ways to meet the needs of partners.
  - **If you have worked in partnership with other organisations before** – think about what went well and what you would do differently so you can use that learning when you plan your new partnerships.
  - **If you haven't worked in partnership before** – get all staff involved in discussions about working in partnership. Think about how your organisation may need to adapt or change its working practices to accommodate this approach. Talk to other museums that have done similar work and ask how it went.

### Step 2: Think about why you want to work in partnership and what you want to achieve

- **Look through your forward plan and other strategic documents and think about what areas of work would benefit from being done in partnership,** or could provide bigger impacts if they were developed and delivered in partnership – if a project supports an organisation's strategic objectives it is far easier to justify the use of time and resources
- **Identify the outcomes you want the partnership to support,** they could include: increasing the use of your collections, reaching new audiences, sharing your specialist skills and knowledge, raising the profile of the museum, bringing in new skills and knowledge, generating income or reducing costs.
- **Think about external funding** – does the project you have identified fit with the priorities of any funders? There may be funding available to support the partnership work

### Step 3: Think about who you might want to work in partnership with

- **Based on the areas of work you would like to develop in partnership, who might be suitable partners?** Carry out a bit of research into potential partners to see if they will be a fit for the museum
- **Think about inviting potential partners to a special event** – a private view, garden party, behind the scenes tour and breakfast – they can provide a great way of introducing the work of the organisation in an informal social setting

### Step 4: Making your pitch

- **A pitch needs to be succinct, clear and compelling.** It should focus on the needs and point of view of the business. Keep it short, to around 5 minutes (this gives them time to ask questions to probe a bit deeper if needed).
- **Your pitch should:**
  - Give people an attractive image of your museum – what it's like and what it does that's relevant to the idea you're pitching
  - Set out what you hope to achieve
  - Tell the business why they should be involved

- Make clear what you can bring to the table, which could include: an interesting and fun space, fantastic and quirky collections, lots of desirable skills and knowledge, access to museum visitors, association with a trusted brand
- Explain why you want to work with that business

#### **Step 5: Things to agree before the partnership begins**

- **Once you have agreed to work in partnership it's important to agree key areas** so that each partner knows how the partnership is going to work and what each partner's responsibilities are.
- **At the outset it would be useful to agree:**
  - outcomes and deliverables
  - a timetable
  - any financial commitments
  - clear roles and responsibilities of each partner
  - who will lead on the work at each partner organisation, and liaise with partners

#### **Step 6: Ongoing partnership management and development**

- Once the partnership is up and running, you might think about doing the following to keep it on track and ensure it is an effective and positive experience:
  - Meet regularly, invite members of staff from each partner organisation to meet with each other and discuss the work. If appropriate think about opportunities for meeting in a social setting
  - Revisit and reaffirm or refine agreed outcomes and objectives as needed
  - Celebrate successes and learn from things that didn't go well.

## 9. Sources of further information

### Organisations:

- **Arts and Business**  
<http://artsandbusiness.bitc.org.uk/>
- **Association of Cultural Enterprise (ACE)** The Association for Cultural Enterprises promotes commercial best practice in the cultural, heritage and visitor attraction sector [www.acenterprises.org.uk/index.asp](http://www.acenterprises.org.uk/index.asp)
- **Museum Copyright Group**  
A network of museum professionals with a common interest in sharing knowledge and expertise about copyright and related issues <http://museumscopyright.org.uk/>

### Resources:

Toolkit to support Museums and the Creative Industries working together

<http://www.nimc.co.uk/what-we-do/guidance-and-information/museum-and-creative-industries-toolkit>

## **Partnership Objectives - What you want to achieve by working with a partner?**

*There are four things to decide before you can confidently approach potential partners*

**1 What do you want to produce/ develop by working with a particular partner? - *Who will the customers, clients or audience be for any new service or product?***

**2 How will doing this partnership work support your museum's strategic aims?** (There may be more than one aim that it will support)

**3 What assets can the museum contribute?**

(Examples might include: collection, audience, knowledge, building, reputation...)

**4 What do you need from a partner? What gap could working with them fill?**

# Super-short Basic Business Plan

## PRODUCT

- What will you sell?
- Who will produce and distribute it?
- How will it be produced?
- Who are the customers and why do they want it?
- What market are you in and who are the competitors?
- Does your product have a USP?

## PRICE

- What can you reasonably charge?
- What do your competition charge?
- How price sensitive are your customers?
- Can you differentiate the market? e.g. with preferential pricing or special offers

## PLACE

- Where will it be produced?
- Where will it be sold?
- Can the customer get it home conveniently?
- Can it be sold on-line?

## PROMOTION

- How will people find out about what you're offering them?
- When will they find out about it?

## What are the marketing messages?

- Don't list product features - what are the benefits to the customer?
- How will the product be packaged? -does it need additional Point of Sale promotion?

## WHAT IS SUCCESS

- How will you know if you are successful?
- Specify the desired number of things you will sell each year, or the total income you want to make each year

## THE MINIMUM ACCEPTABLE PERFORMANCE

- What's the minimum number of sales or minimum level of income that's acceptable?

## THE MONEY COMING IN

- a) What will you charge?
- b) How many will you sell if you're successful?
- c) How many will you sell if performance is just acceptable?

The maximum total income will be  $A \times B =$

The minimum acceptable income will be  $A \times C =$

## THE MONEY GOING OUT

What will you have to spend money on? And how much will it cost?

What?	Cost
	£
<b>Total cost</b>	£

Hints: this approach to expenditure may be too simplistic for your idea so:

1. You might want to separate out regular costs from start-up costs and have separate totals for them. This is because the start-up costs might be funded separately, for example by a grant, but you will have to keep finding money for the regular costs
2. Your regular costs might be costs per year, or if your product is a series of one-offs (like events) your regular costs might be the cost per event

## TIMING

Can you afford the money going out before it begins to come in?

## THE BIG QUESTION...

Is more money coming in than going out?