

## **Entrepreneurial Management in Museum**

### **Definition**

**Entrepreneur** An individual who organizes the use of productive resources to produce goods and services.

**Entrepreneurship** The organization of productive resources by a person willing to take risks to start a business.

Peter Drucker remarked that for the existing large company, the controlling word in the phrase “entrepreneurial management” is “entrepreneurial.”<sup>1</sup> In any new business venture, the controlling word is “management.” Therefore, for the purposes of discussions lean toward “management” as a discipline for the entrepreneurs. So, entrepreneurial management is defined as a practice of taking entrepreneurial knowledge and utilizing it for increasing the effectiveness of new business as well as small and medium-sized businesses.

Stevenson defines entrepreneurship as “the process by which individuals – either on their own or inside organizations- pursue opportunities without regard to the resources they currently control”<sup>2</sup>. This definition of entrepreneurship emphasizes opportunity seeking behavior and considers entrepreneurship as a management approach.

Klamer states that a cultural entrepreneur is the character who is entrepreneurial in the realization of cultural values<sup>3</sup>. He reflects that successful cultural entrepreneurs have the following characteristics : they are watchful to opportunities; they are creative in terms of the artistic content but also of the manner of organizing the conversation and arranging the finances; the artistic content is their passion and commitment; everything else, including economics, is subsidiary; they are persuasive in the sense that they are able to convince good artists to work with them, bring about interest in the art, get people involved (e.g., volunteers), and are able to generate the necessary funds, including donations and the like; they are prudent and exhibit courage, hope, and faith in their actions.

In fact, the Entrepreneurship is neither a science nor an art. It is a practice.

### **Aim**

The aim of my presentation is to highlight briefly about the entrepreneurship in the field of museum management.

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<sup>1</sup>Drucker, P. (1985) *Innovation and Entrepreneurship*, New York: HarperCollins

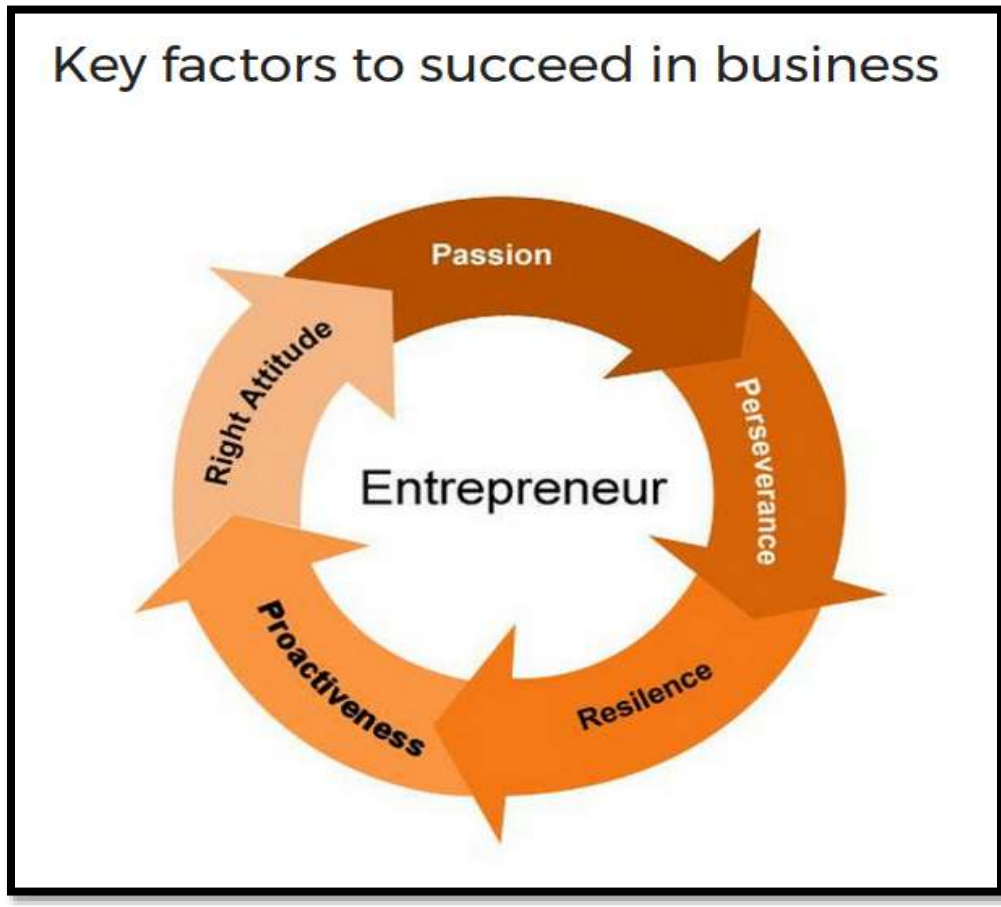
<sup>2</sup>Eisenmann, T.R. (2013) *Harvard Business Review*, Entrepreneurship: A Working Definition [Online] Available at: <https://hbr.org/2013/01/what-is-entrepreneurship> (Accessed: 26.01.2018)

<sup>3</sup>Klamer, A. (2011). —Cultural entrepreneurship , *The Review of Austrian Economics*, no. 24, pp. 141-156.

## The entrepreneurial management and vital management issues

The vital management issues in relation with entrepreneurial management are enlisted below:

- What is this venture about? (Mission and values statement).
- Where should it go? (Goals and objectives).
- How will it get there? (Growth strategy).
- What does it need to get there? (People and resources).
- What structure is best? (Organizational capabilities).
- How much money does it need and when? (Financing strategy).
- How will it recognize the final destination? (Vision of success).

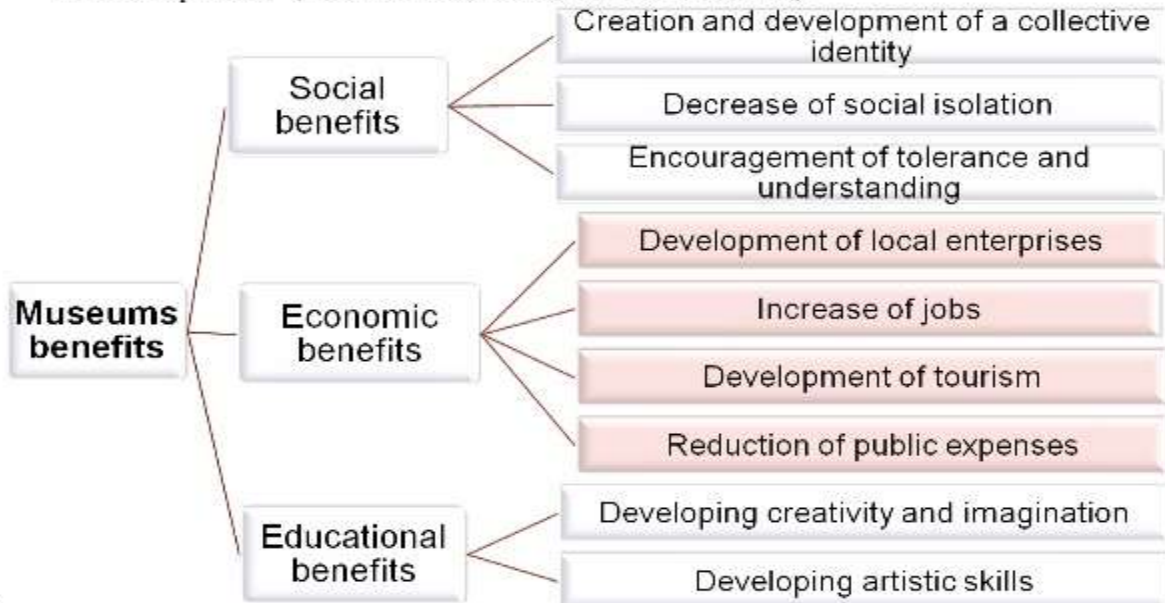


### Purpose of Museum Entrepreneurship

- To make museum's development more efficient
  - ❖ Diversifying financial sources.
  - ❖ Increasing the value of services.
  - ❖ Creating innovative programmes.
- To delivery cultural and educational services
  - ❖ Increase in understanding and knowledge.
  - ❖ Enhancement of the visitor's experience.

## THE ROLE OF MUSEUMS IN THE MARKET

- “A museum is a non-profit making permanent institution in the service of society and of its development.” (The International Council of Museums)



### Entrepreneurial management in Museum

Entrepreneurship practiced by museums is, in fact, no different than the entrepreneurship in business. However, in a first glance, a museum is more like an enterprise. Perhaps not a commercial enterprise, but, just like any company, it requires clear vision, good planning, responsible stewardship and independent governance. Unlike a company, however, a museum has a specific cultural goal. The importance of that goal is determined by one stakeholder, the public. Basically, entrepreneurship in museums is the creative and strategic process with which one effectively and sustainably translates the story of that museum to the largest possible audience. If a museum does that well, it will be visible and supported by a broad base, which in turn will lead to more financial support and continuity.

The International Council of Museums states that “a museum is a non-profit making permanent institution in the service of society and of its development”<sup>4</sup>. As museums are institutions that exist solely to preserve in time and ensure the conditions for keeping alive the memory of its citizens regarding the historical elements that characterize the past of the society, entrepreneurship in museums is significant in order to achieve its goals to the highest degree.

The starting point is that it is not sufficient for the management to assume such an entrepreneurial approach. The success of any good enterprise is determined by its entire staff, from volunteers to management or governing council. In addition, it's essential that there's a business plan and a widely supported and well-constructed institutional strategy. But there's the rub: museums often know what

<sup>4</sup>ICOM code of ethics for museums (2006), [Online]. Available at: <http://icom.museum/>, (Accessed:26.01.2018)

exhibitions they will mount years in advance, but rarely formulate an overall strategy for how they will approach the challenges of the coming decades.

A vital aspect of that strategy is the role the museum wants to play in the world. The core of any museum is the story it tells. In order to assume a position of relevance, that story must be as evident and visible as possible. Nobody supports an invisible museum. To increase presence, support and financing opportunities, it is important that museums also tell their stories outside their own walls. Successful museums attempt not only to draw the public towards them, but also to develop new ways to search out their clientele.

The building in which the museum is housed is also an issue for strategic entrepreneurship. The largest item by far on museums' budgets is the building. A large museum with world famous artifacts maintains its position in turbulent periods much more easily than a smaller one with a more specialized collection. Museums should therefore organize themselves to a greater degree around their intrinsic potential and clientele, and less around the worn-out standard model.

Another aspect of good museum strategy is innovation. Museums predominately innovate the skills they already possess, or methods they already know. If it is recognize that museums usually orient themselves towards their natural clients, it means enormous opportunities exist for a museum that innovates in such a way that it reaches a whole new public.

Other areas that present themselves to an enterprising museum are the need for sustainable relations with companies, NGO's and other museums with similar goals or ideals, and the need to develop contemporary models of sponsorship and membership schemes. Good, loyal friends function as ambassadors and possible donors.

Museums are non-profit, mission led organization whose primary purposes include the preservation of culture, expanding understanding of world, mankind and inspiring new generation. However, as traditional state-funding models become insufficient to sustain the sector, museums must re-invent themselves as businesses, raising income to support their core mission.

### **Ten Principles of Museum Entrepreneurship**

There are Ten Principles of museum Entrepreneurship by Erik Schilp, which are mentioned below:

1. Prepare for the future.
2. Change focus.
3. Live up to expectations.
4. Trust the facts.
5. Share your purpose.
6. Build a community.
7. Break the mold.
8. Balance the budget.
9. Use the space.
10. Take (responsible) risks and allow for failure.

## **Conclusion**

Finally, the world is changing rapidly and the future museum visitors will have a very different expectation from those of today. Moreover, the wide range of availabilities of information and audio-video resources over the internet and theme parks has provided immense pressure to the public institutions like museums. Essential investments and innovations to cope-up with those changes have to be made now. That requires clear choices, made with vision and courage. Those are just a few issues an enterprising museum must be ready to address. Entrepreneurship in the museum field remains a difficult and often uncomfortable subject. Maybe these accessible tools for strategy development can help alter that.

An entrepreneurial behavior in museum generates positive effects for the entire collectivity wherein it functions, both economically (financial resources) and socially (development of collective identity) and educationally (developing creativity).

So, Museum Entrepreneurship is the creative and strategic process with which one effectively and sustainably translates a story to the largest possible audience.

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