

ICFA Copenhagen 1991

June 17 - 20

Topic: Feature on sponsorship

The programme is subject to alterations

THE ICFA CONFERENCE 1991
IS SPONSORED BY

AUGUSTINUS FONDEN

CARLSBERGS MINDELEGAT FOR BRYGGER J.C.JACOBSEN

DEN DANSKE BANK

KULTURMINISTERIET

NOVO NORDISK A/S

STATENS MUSEUMSNÆVN

MONDAY 17

STATENS MUSEUM FOR KUNST

The Royal Museum of Fine Arts

Board meeting

9 - 10 a.m.

General meeting of ICFA (coffee break incl.)

10 - 11 a.m.

Plenary session

11 a.m. - 1 p.m.

Lunch in the Cafeteria

1 - 2 p.m.

Plenary session

2.15 - 3.30 p.m.

DEN HIRSCHSPRUNGSKE SAMLING

The Hirschsprung Collection

Introduction: Mariannne Saabye, curator.

Essay on Danish Art and Architecture by Erik Fischer,
former chief curator, The Department of Prints and Drawings,

The Royal Museum of Fine Arts

4 - 5 p.m.

Mini-concert. Refreshment.

5 - 7 p.m.

TUESDAY 18

STATENS MUSEUM FOR KUNST

The Royal Museum of Fine Arts

Plenary session (coffee break incl.)

9 - 11.30 a.m.

DAVIDS SAMLING

The David Collection

Introduction: Kjeld v. Folsach, director

2.30 - 4 p.m.

Walk through the Rosenborg Garden

ROSENBORG SLOT

The Rosenborg Palace

Introduction: Mogens Bencard, director

4.30 - 6 p.m.

COPENHAGEN TOWN HALL

Reception

6.30 p.m.

Introduction: Tom Ahlberg, mayor of educational and cultural affairs

WEDNESDAY 19

STATENS MUSEUM FOR KUNST

The Royal Museum of Fine Arts

plenary session (coffee break incl.)

9 - 11 a.m.

Introduction: Villads Villadsen, director

Conducted tours by the curators of the museum

11.30 - 1 p.m.

Afternoon free

NY CARLSBERG GLYPTOTEK

Ny Carlsberg Glyptothek

Reception with the participation of curators from Danish museums

6-8 p.m.

Introduction: Flemming Johansen, director of Ny Carlsberg Glyptothek

Optional visit to Tivoli Gardens with it's many restaurants

THURSDAY 20

EXCURSION Bus at the hotels (start: Chr.IV)

9 a.m.

Jagtslottet EREMITAGEN

The Hermitage (The Royal Hunting Lodge)

Introduction: Mogens Bencard, director of the Rosenborg Palace

LOUISIANA

12 noon - 2.30 p.m.

Museum of Modern Art

Introduction: Knud W. Jensen, director

Lunch in the Cafeteria

FREDENSBORG SLOT

The Fredensborg Palace

3 - 5 p.m.

Reception by Her Majesty, Queen Margrethe II

Introduction: Mogens Bencard, director of the Rosenborg Palace

Arrival Copenhagen at

6 p.m.

THORVALDSENS MUSEUM

The Thorvaldsen Museum

8 p.m.

Introduction: Stig Miss, director

Dinner

PROGRAMME FOR THE PLENARY SESSION

Monday 17. 11 a.m.

Krister Göranson, AB Volvo, Sweeden.

Tuesday 18

Graf Rupert Strachwitz, Maecenas Management Gesellschaft,
München.

Christopher Pulleine, Association for Business Sponsorship,
London.

Wednesday 19

Villads Villadsen, Director of Statens Museum for Kunst

The working team of the committee:

Villads Villadsen, Statens Museum for Kunst; Dyveke Helsted, Thorvaldsens Museum; Stig Miss, Thorvaldsens Museum; Marianne Saabye, Den Hirschsprungske Samling.

STATENS MUSEUM FOR KUNST

Sølvgade 48-50

1207 København K.

33 91 21 26

DEN HIRSCHSPRUNGSKE SAMLING

Stockholmsgade 20

2100 København Ø.

31 42 03 36

DAVIDS SAMLING

Kronprinsessegade 30

1306 København K.

33 13 55 64

ROSENBORG SLOT

Øster Voldgade 4 A

1350 København K.

33 15 76 19

CARLSBERG GLYPTOTEK

Lantes Plads 7

1556 København V.

33 91 10 65

THORVALDSENS MUSEUM

Porthusgade 2

1213 København K.

33 32 15 32

Minutes of a Board Meeting of ICFA held at the Statens
Museum for Kunst, Copenhagen
on Monday 17 June, 1991

Present: K Berg
A Bettagno
G Cavalli-Björkman
M Figueiredo
J von Hohenzollern (President)
J Holloway (Secretary)
C Johnston
P van Thiel
V Villadsen

1. Prince J G von Hohenzollern as President chaired the meeting.
2. The board discussed recent applications to join ICFA as voting members. There had been fifteen applicants. The following names were queried by the board

Mr Finat Blum, Tel Aviv, Israel
Miss Anna Kella, Groningen, The Netherlands
Dr David Trapnell, Gloucester, United Kingdom

The President agreed to write to the above to enquire whether their specialist interests would be best served by ICFA.

3. The programme for the following days was discussed. The President thanked Villads Villadsen and his conference committee for their very efficient organisation.
4. Next year the President and Secretary would stand down. The committee discussed successors. It was agreed that Henk van Os should be approached to stand as President.

The board meeting ended.

Minutes of a Plenary Session of ICFA held at the
Statens Museum for Kunst, Copenhagen
on Monday 17 June 1991

Present:	B Arell	Finland
	K Berg	Norway
	A Bettagno	Italy
	A Boe	Norway
	G Cavalli-Björkman	Sweden
	M Clarke	United Kingdom
	J Clifford	United Kingdom
	T Clifford	United Kingdom
	M Figueiredo	Portugal
	F Haverkamp	Norway
	D Helsted	Denmark
	J von Hohenzollern	Germany
	J Holloway	United Kingdom
	C Johnston	Canada
	D Knaub	United States
	S Miss	Denmark
	P Muller	United States
	P Ramade	France
	M Saabye	Denmark
	B Sandström	Sweden
	S Sinisalo	Finland
	R von Strachwitz	Germany
	M do Couto	Portugal
	P van Thiel	The Netherlands

The plenary session was opened by the President, Prince J G von Hohenzollern who welcomed the delegates and thanked Villads Villadsen and his Conference Committee on their behalf for his expert organisation.

He then introduced Krister Göranson, Director of AB Volvo, Sweden the first of three specially invited speakers who would address the delegates on an aspect of sponsorship.

The title of Mr Göranson's talk was "Volvo's cultural involvement: one company's philosophy".

Mr Göranson stated that industrialists had assumed the role of sponsors of the arts, once filled by Kings and Princes. He spoke about Volvo's own position in society and the philosophy and values which had developed within the company. Volvo felt a responsibility for the society in which it flourished and their sponsorship programme was arranged with this in mind. The company saw their programme as an opportunity for developing contacts between people.

Volvo has a conservative brand image. Its products are not experimental nor are the projects they sponsor. The company is non political and would never support a project with political aims. It never participates in any cultural activity to profit from art. It never asks for its name or logo to be too prominent.

Discussing the type of project favoured by Volvo's sponsorship team Mr Göranson mentioned the exhibition, Scandinavia Today presented by Scandinavian governments in 1982 and shown in the United States. Volvo contributed \$2m out of a total budget of \$10m.

Five years later Volvo gave 1m Swedish Krone to support the exhibition Dreams of a Summer Night. Volvo was a regular sponsor of the Flanders Festival and was the major sponsor of its local Gothenburg orchestra supporting it with an annual donation of 5m Swedish Krone. For this Volvo was given two concerts a year: The winter one was held indoors. The summer concert in the open air attracted an audience of 30,000 people. Volvo, too, supported the local football team and in an exceptional donation had given 50m Swedish Krone to build a new Opera House in Gothenburg.

After concluding his talk Mr Göranson encouraged questions.

Alf Boe asked how much Volvo spent annually on sponsorship. The answer was 10m Swedish Krone on cultural activities.

Görel Cavalli-Björkman enquired whether Volvo centralised its sponsorship organisation. Mr Göranson replied that Volvo was a decentralised organisation with a complicated and decentralised sponsorship structure.

Timothy Clifford maintained that two approaches to Volvo for sponsorship from the National Galleries of Scotland had been turned down. At the same time the company had increased its share of the British car market. Mr Göranson encouraged Mr Clifford to re-apply for sponsorship.

Prince von Hohenzollern was uncertain whether Volvo sponsored cultural activities in Germany. He knew that sport was sponsored. Mr Göranson pointed out that the exhibition Northern Light which had been shown in Dusseldorf had been largely sponsored by his company.

In answer to a question from Count Rupert von Strachwitz, Mr Göranson stated that Volvo's sponsorship programme was customer related and its broader aim was to build satisfactory relationships between the firm, its clients and the wider public.

Prince von Hohenzollern asked whether Volvo collected works of art to lend or give to museums. Volvo, he was told, bought works of art for the company's offices. Timothy Clifford then asked whether Volvo would consider offering money for acquisitions but was told that that was not the company's policy.

Alf Boe asked whether money might be given for a particular building project and was reminded that Volvo were funding the new Opera House in Gothenburg to the tune of twenty five percent.

James Holloway wanted to know whether Volvo were prepared to enter into sponsorship arrangements where another company was also involved. He was told that, providing the project lasted for less than five years, Volvo was happy to be a joint sponsor.

When Count von Strachwitz asked what Volvo's reaction would be to another firm sponsoring an activity or event on Volvo's home base at Gothenburg, the reply was that Volvo would be very surprised indeed since the firm had such a good relationship with the local community.

Michael Clarke asked if the company's sponsoring programme, which traditionally had been as conservative as the styling of its products, was likely to change with the recent announcement of the re-styled Volvo. Although a new car, Mr Clarke was told, the re-styled Volvo still maintained the traditional values of safety and reliability which were the hallmarks of the company. There was not likely to be a change in sponsorship philosophy.

Priscilla Muller raised a point about Volvo's involvement in the United States. Did the company sponsor any home-produced activity or was their sponsorship tied exclusively to European originated schemes? The American company, she was told, had a free rein; for instance, they sponsored American football.

Alf Boe declared that Norwegian governments believed that sponsorship should pay for all the activities of a gallery, routine as well as exceptional. He said he found sponsors

unwilling to fund the core activities. Mr Göranson agreed that this was the case. His firm believed that it already sponsored the routine activities of a museum through its taxes and saw no reason why it should pay twice.

In reply to a question from Görel Cavalli-Björkman, Mr Göranson stated that companies preferred to work directly with senior museum management rather than intermediaries or sponsorship agents.

The discussion continued after lunch with opinions being shared rather than questions raised.

Prince von Hohenzollern stated that while German museums had some money to organise exhibitions there was never very much. There had recently been problems in his city, Munich, over the prominence of a company's logo. A major car manufacturer had been forced to withdraw sponsorship from a project because of pressure placed on the government by a rival manufacturer.

Pieter van Thiel underlined the plight of small museums which found considerably greater difficulties in raising money than larger ones.

Knut Berg felt that it was not at all easy to raise funds for even major projects. There was a danger that in future museum directors might be chosen for their fundraising prowess rather than for their scholarship.

Donald Knaub drew the distinction in corporate funding between a straight donation to a particular project and much larger amounts which were carefully targeted and which amounted to advertising.

Count von Strachwitz made it clear that companies entered sponsorship agreements for what they could get out of them. They were not philanthropic organisations.

Michael Clarke warned that the British Government noticed what money was raised through sponsorship and then reduced its grant accordingly.

Pieter van Thiel mentioned his experience of American Express' sponsorship. They had given 4 million Guilders towards costs of an exhibition but had demanded four days exclusive viewing, which was worth about one million Guilders.

Count von Strachwitz said that he felt museums should be more businesslike. They should gauge the level of their requests on the publicity value to the sponsor. There should be no moral qualms about asking for more money than the cost of the exhibition. He also stated how important it was for the museum to cost every aspect of their exhibition, both hidden and visible. Sponsors would expect this sort of knowledge.

Birgitta Sandström said that she, working in a small museum, was her own boss. She needed to know precisely how much everything cost and she was in a good position to raise prices where feasible and make money.

On this optimistic note the discussion ended.

JH/EB
4/7/91

Minutes of a Plenary Session of ICFA held at the
Statens Museum for Kunst, Copenhagen
on Tuesday 18 June 1991

Present:	M Bencard	Denmark
	K Berg	Norway
	A Bettagno	Italy
	A Boe	Norway
	G Cavalli-Björkman	Sweden
	M Clarke	United Kingdom
	T Clifford	United Kingdom
	M Figueiredo	Portugal
	F Haverkamp	Norway
	D Helsted	Denmark
	J von Hohenzollern	Germany
	J Holloway	United Kingdom
	C Johnston	Canada
	D Knaub	United States
	S Miss	Denmark
	P Muller	United States
	P Ramade	France
	M Saabye	Denmark
	B Sandström	Sweden
	S Sinisalo	Finland
	R von Strachwitz	Germany
	M do Couto	Portugal
	P van Thiel	The Netherlands

The President introduced Count Rupert von Strachwitz, head of Maecenas Management Gesellschaft, Munich. He was the second of three invited speakers.

A summary of his speech follows:

Count Rupert Strachwitz, M.A.

ARTS AND BUSINESS - A German View

Copenhagen, 18th June 1991

Arts and business depend on each other in more ways than generally comes to mind. Any form of art that corresponds to its public cannot possibly avoid coming into contact with business in some form. Out of the many forms this contact may take, I would only like to make a few remarks on the relationship between the arts community and the business community in regard to the financial assistance the latter may offer. I will concentrate on patronage of the arts and business sponsorship of the arts in Germany.

The business community can sponsor art in four basic ways:

- as members of the public, i.e. by buying tickets, visiting museums etc.;
- as investors, i.e. by buying works of art for decorative purposes;
- as patrons of the arts;
- as business sponsors.

It is generally overlooked that members of the business community are frequent, very often ardent and more often than not extremely knowledgeable members of the public. Arts administrators and self-styled arts gurus in Germany tend to regard their public in general, but especially business men and women as people who do not understand art and should be treated with contempt. This attitude naturally becomes fairly counterproductive when it comes to attracting these same people as sponsors and patrons. There are, of course, exceptions, to this rule, but unfortunately not very many.

Over the past thirty years or more, the relative affluence of German business companies has led them to invest in art. Especially banks and insurance companies have developed a policy of buying pictures, sculptures etc. either purely as a financial investment or as a means of combining financial possibilities, decorative necessities and PR-advantages. Deutsche Bank, for instance, has a special department responsible directly to a member of the board that does nothing else but choose pictures for hanging in the offices of the bank. And, in fact, no other picture may be hung by anybody in any office. Art is seen here as an integral part of the corporate image the bank wants to present itself in.

Munich's Hypo-Bank has a 30-years record of buying top class 18th century paintings and loaning them to the Pinakothek. In all cases, quite obviously, this is only worth while, if somebody in the company feels responsible is genuinely attached to the arts and knowledgeable.

The other form of business investment in art, as practised by British investors is still virtually unknown in Germany. These investors give risk capital to exhibitions or theatre productions hoping to yield a revenue if the project is successful. Occasionally, we may witness this happening in Germany on a very small scale with catalogues. And apparently, Daimler-Benz has succeeded in introducing this method into the Hapsburg exhibition, incorrectly calling it Sponsorship.

The traditional form in which members of the business community in Germany may support art is through charitable trusts or through tax deductible gifts offered by individuals and business companies directly or through associations of friends of institutions. As far as the charitable trusts or foundations are concerned, my company happens to know a great deal about what they do. We were commissioned two years ago by the association of German foundations to assemble a data base of all the foundations in Germany. (I use the American term here; in Britain the term Charitable Trust would be more correct.) Unlike the United States, Great Britain and other countries, there had never even been a list of all the foundations in Germany, let alone a data base with detailed information. After about 1 1/2 years of research, sending out questionnaires, processing the answers etc. we have now completed the first phase and beside being able to publish a directory (due in October, 1991) we also have enough material to be able to produce some statistical data. Among many other interesting details, we have found that out of roughly 6,000 German foundations, about 9% have the arts as their goal. The realization may take the form of a prize, of support of individual artists, of financial contributions to institutions or of operational control of an institution. 41 German charitable trusts own and manage one or more museums, 50 support museums. I must add, however, that only two museums or museum complexes of the first order are in the hand of a trust - the Germanische Nationalmuseum in Nuernberg and the Berlin museums that belong to the Stiftung Preussischer Kulturbesitz. The latter is in no way a typical trust. In this case, the legal form of a trust was adapted to a particularly complex legal situation.

Although, statistically speaking, the help grant giving foundations offer does tend to have a conservative bias, contemporary art is becoming more and more popular, especially if the foundation is connected with a working business company, as most business companies will attempt to project a progressive, future-orientated image. It must be pointed out, too that German business companies are increasingly looking at this specific type of patronage of the arts. Special occasions in the company's history are quite regularly used to create a trust which is then usually managed by the company although legally there is a strict division.

Business companies like private citizens also offer direct assistance in as much as it is tax deductible. But this form of patronage is usually very badly managed

and stays well below the level the inland revenue would permit. The latest available figures show that 2 Billion DM p.a. are donated to charitable institutions on this basis; 10 Billion DM would be possible. It is still quite regular practice that board members individually or even their wives determine the recipient of a grant. Except in very few very large companies there does not seem to be any strategic planning or professional management of this sector. Moreover, the responsible managers generally do not realize the fundamental difference between patronage and sponsoring, a difference that is viewed extremely strictly by our tax legislation.

If anyone in the company takes a personal interest, this may be different. Also, this may and usually does lead to the company joining the association of friends of the local arts institution as part of its local PR effort. In big cities, the big local companies will tend to be members of all the more important institutions and be represented there by one of their board members or owners. But compared to the U.S., the contribution these associations make, is minimal. Just compare the load of works of art that the National Gallery in Washington, D.C. was presented with by its private and corporate patrons to mark this institutions's birthday to the one painting of good but not supreme quality that the Alte Pinakothek, Munich, received from its association of friends on a similar occasion. But the minimal support also reflects the minimal attention given to the association, to friends, patrons, sponsors by the management of the institution.

Of course we find members of the business community as direct patrons, too, as collectors, whose collections eventually go to a museum. But here again, the climate is all but favourable. And here again, while in the U.S the enormous and occasionally bizarre conditions that come with the donation weigh on the museum, in Germany even the slightest concession to a donor becomes a subject of a heated public debate.

Before speaking about the last of the possibilities mentioned above, let us look at the reasons for this rather detached and in some cases outright hostile attitude. We find it to a large extent in our particular history. As you, of course, know, Germany for 1,500 years has not been a centralized country. An enormous diversification of political entities developed through the centuries. Between 1648 and 1803, no less than 2,000 different sovereignties existed within the Holy Roman Empire. As a result of this, competition among states was enormous, much fiercer than between merchants or producers. Each little principality was politically committed to spending an enormous portion of its budget on public relations; and cultural activities were a vital part of this. For this reason, we have countless Hoftheater, Landesmuseum etc. And although the number of states has diminished to 16 in Germany today, all these and all the greater cities and towns (of which 68 have over 100,000 inhabitants) live up to this tradition of regarding the arts very much as a public domain, as part of the government's PR effort, as government responsibility and as means of competing with one another. This competitiveness has been painted over with ideology to the effect that the arts are seen as a realm that must be saved from the influence of commercially minded people, have to fully be payed for by the

taxpayer and have to be managed by civil servants. Indeed, our federal and state constitutions all proclaim the arts a public service to be rendered to the citizens.

We therefore have the situation that 95% of the money spent on the arts beyond the box office is the taxpayer's money. The cities alone spend about 3.6 Billion DM p.a. on their arts institutions, 10% of this sum goes to city museums. The great majority of arts administrators are still determined to keep it that way. Obviously, for them it is much easier to act as government agencies than out in the market place, and argument upon argument is put forward to prove how infinitely superior this system is. It is only very gradually that some people are realizing the urgent need to reform this system, not only for financial, but also for very fundamental reasons. The appalling mismanagement of some art institutions is just one reason for the urgent need for reform and, of course, for the resistance that is put up. By international standards, we are very old-fashioned.

Perhaps the process of unification we are living through in Germany will help us to get new ideas more readily accepted. After speaking at a big meeting of public arts' administrators from Bavaria, Saxony, and Thuringia last April, my views on a more businesslike approach to arts administration were angrily contested by the Bavarian (West German) delegates. The East German delegates, however, who are only just learning to get over the phase of public domination of everyday life, came up in great numbers afterwards and a series of interesting individual discussions resulted.

It is not surprising that under these circumstances business sponsorship of the arts has not yet really become an important factor of our arts world. It is still regarded as a very exotic and possibly dangerous means of improving on one's income. There is also very little awareness of openings this new instrument may offer, and the necessity to adapt to it internally has yet to be realized. On the other hand, with unexperienced administrators, the possibilities of sponsorship programmes are often grossly overrated - an attitude that entails a lot of disappointment.

One of the most difficult tasks facing us as consultants is to advise both sides - the business and the arts side - as to the basic elements of this kind of deal. Deals that are made frequently lack professionalism. Agreements remain vague, sponsoring is mixed up with patronage so that a lot of perfectly unnecessary hassle leads to frustration. The estimated figure of 200 Million DM spent each year on cultural sponsoring is very low in comparison, and very new figures researched by the IFO-Institute even seem to indicate a decline.

This means it is high time for German cultural institutions to wake up and develop a positive attitude towards this type of income and then to learn how to cope with it properly.

In my view, sponsorship must blend in with a general policy of budgeting and marketing and may not simply be superimposed upon an existing old-fashioned management system. To make this quite clear, let me just define the various types of income an arts institution should have:

The first and foremost type is the direct income from the box office. An arts administrator must be made to give this income very great attention, more than is common practice among German administrators of important public arts institutions. Direct income must also include income from the sale of books, catalogues, programmes and other items, income from the cafeteria or restaurant and income from the sale of media rights. Also the sale of advertising potential must be included here - and this is exactly what sponsoring is.

The second type of income is the income from private and public grants, voluntary contributions etc. Here too, more care and attention on the part of the director is called for. And here especially, a long term approach is of vital importance for success.

It is definitely the director's job to handle all types of income and devise an intelligent mixture to the benefit of his institution. He should be encouraged to develop marketing strategies directed at improving his overall income situation taking into account all aspects and the specific rules that apply to each individual type. Box office income may be well supplemented by shops, restaurants and other selling propositions, but the situation we have in Germany is that government owned arts institutions have no control over their box office, have to hand in the income to the government coffers and are usually not permitted to operate shops. This is absolutely absurd. Just to give you one example: the Munich State Opera has an annual budget of about 70 Million DM. 30% of this comes from the box office, 70% is government subsidy. No other form of income is even looked at.

Sponsoring is a form of direct income. It consists in selling the advertising value inherent in a project to a business that can use it for its own advertising or PR purposes. One must realize that sponsorship in this precise sense of the word is a buying and selling proposition and has little or nothing to do with patronage out of idealism. German tax law is very strict on this issue. Patronage solicits a receipt and a thank-you, but no other reward. Sponsorship as part of a company's advertising budget must have a reward to show. The reward may be the mentioning in press releases, the showing of the logo etc. You all know what one can do.

I would always advise to call in an expert to advise on the technicalities of a sponsorship agreement, much as I support the view that first contact should usually be direct and that it is seldom worth while to use a broker who operates on a commission basis. In a great many cases, the arts administrator's position will be much stronger if he has an expert at his elbow who is able to deal appropriately with the business's demands and who is firmly on the arts institution's side while negotiating. And in any case, sponsorship can only work within the framework of a businesslike management approach by the arts administrator. Once again, sponsorship is a business proposition and must be dealt with in a professional businesslike manner.

Business companies on the other hand will have to learn to use cultural sponsoring as an intelligent marketing tool and develop an understanding for the advantages and disadvantages of it.

Today, only about 20% of German business companies with more than 250 people on their payroll use this tool. This has something to do with the fact, that only 40% of the companies do any kind of sponsoring whatsoever. 75% of all the German sponsorship money goes to sports promotion. And the total cultural sponsorship budget of German companies, about 200 Million DM p.a., is in fact borne to a very large extent by very few major corporations, like Daimler-Benz (20 Million DM), Lufthansa, etc.

To put this in context, one should add however that advertising and PR budgets of German companies are small by international comparison. In fact, the four biggest advertisers in Germany are foreign companies. The largest German company, Daimler-Benz, ranks 13th on this list. Also, it might be pointed out that traditional forms of advertising like newspaper advertisements still dominate the expenditure. 8 Billion DM p.a. are spent here, followed by 3 Billion DM for magazines and nearly 3 Billion DM for TV advertisements.

So it is evident that from this side, too, the path of good sponsorship has not yet been sufficiently explored. Brilliant examples of combination of several instruments like Hypo-Kulturstiftung are still the very great exception and need to be multiplied.

Hypo did it like this: The bank had, as I mentioned before, a long record of buying paintings and giving them on perpetual loan to the Pinakothek in Munich. This meant there existed an excellent working contact with the responsible people in the Munich arts community. When the 150th anniversary of the bank came up, it was decided to build up on this record and to create a foundation with art as its goal. The scheme took advantage of the fact that the bank's headquarters in the centre of Munich were partly moving out so a large exhibition space could be handed over to the foundation for exhibition purposes. Also, a whole array of other advantages could be made use of, including, for instance, the use of the name "Hypo", something competitors like Deutsche Bank could not have done. Above all, one of the members of the board of Hypo-bank was really committed and was permitted by his colleagues to devote a considerable part of his time to this project. Thus, it became a success story. Exhibitions at Hypo-Kulturstiftung are extremely popular while retaining a very high standard. The record of 250,000 visitors to the Fabergé exhibition is apparently currently being surpassed by the Chagall exhibition. Through their exhibitions and through other important projects, too, the foundation has become world famous, and the bank's whole image has changed, while the general public enjoys an added first rate arts programme.

There are bad examples too, of course. German Telekom, for instance, although legally a private company now, is still in any other respect a government agency. Telekom recently decided to sponsor an orchestra on condition the orchestra called itself the Telekom orchestra. This, of course, makes no sense at all. For one, Telekom as a protected monopoly does not need to advertise anyway. Also, PR efforts are fruitless, as they do not correspond to the interior organisation, let alone to the quality of the services provided. Secondly, they should be using any cash they have on improving the telephone conditions in East Germany. A big sponsoring programme therefore, for them means a terrible

misappropriation of funds. And thirdly, the name is misleading to say the least, as the public is made to believe that the orchestra consists of amateurs who work for Telekom and not of professionals who have nothing to do with the company.

I hope it has become clear, how very poorly established the whole question of cultural sponsoring and indeed of private funding and businesslike budgeting is among the public arts institutions in Germany. Some research has been done on this subject. It shows that there is some willingness. Also we know that especially in the former German Democratic Republic there is a great deal of talk about changes.

For over 40 years now, the Federation of German Business (BDI) has had a kind of working group called the Kulturkreis (Cultural Circle). This group has done excellent work collecting money from interested businesses and spending it on individual programmes. The Kulturkreis concentrates on supporting young artists and has managed to attract interest and involve more and more companies. Also, some years ago, the Kulturkreis launched a survey of business interest in the arts that produced some very interesting results. Just one example: a majority of business managers presume that the arts will become more important for their companies in the years to come.

But as yet, the Kulturkreis has perhaps done too little to promote more activity. They are still too little known in the business community and even among the arts. Also, we lack a register of business activities for the arts - something that has been available in Britain, France, the U.S. and other countries for many years. My organisation is going to try and change this in the near future. The register will enable a more systematic approach.

Above all, we lack accepted guidelines and serious publicity for the issue. That is why people like myself look at ABSA in London with some admiration.

What we must achieve is that the relationship between the two worlds of arts and business comes down to an ordinary businesslike level of dealing with one another in the best interest of both sides. It must be a level ruled by professionalism, understanding, and established personal relationships. Germany is far back. So we need to learn from colleagues and friends abroad. The arts, too, must go through the necessary deregulation process and become an integral part of an open society.

Some of the issues raised here will surely seem familiar to the experts from other countries. But in presenting this case study, I hope to have been able to point out some fundamental deficiencies which we all can do something about.

Gorel Cavalli-Björkman asked a question about Munich's Hypo Bank. She was worried that it could borrow but had nothing to lend, nor did it have a museum-trained staff. The Count replied that the bank worked closely with local museums. He also stated that there was a possibility that the museums could charge for their loans.

Timothy Clifford asked about Hypo Bank's loan of eighteenth century paintings to the Alte Pinacothek in Munich. Could they be sold? They could, but only in Germany.

Knut Berg wondered whether the Hypo's collection of paintings at the Alte Pinacothek were considered as company assets. The answer was yes.

The President then introduced the last of the guest speakers, Christopher Pulleine from the Association for Business Sponsorship, based in London. A summary of his paper is attached.

Birgitta Sandström asked Mr Pulleine how ABSA discovers which museums need sponsorship. She was told that it was in a museum's interest to keep ABSA informed so that they can pass the information on to business.

Mogens Bencard lamented the lack of government funding and urged the sponsors to put pressure on governments. Christopher Pulleine replied that he did not see sponsorship replacing basic government funding.

Timothy Clifford complained that the British government were reneging on their commitment to the Business Sponsorship Incentives Scheme. Christopher Pulleine replied that ABSA were also unhappy about the way matters were progressing. Mr Clifford was also worried that ABSA might be syphoning off central government money which might have gone directly to galleries and museums.

The meeting ended.

ABSA (Background)

ABSA was founded in 1976 on the initiative of a small group of businesses including IBM, Imperial Tobacco, Midland Bank. At that time business support for the arts was beginning to emerge as an issue and a topic of debate (although lip service had been paid to the idea for some years).

The total of business sponsorship of the arts in Britain then (1976) was about £0.5 m.

The role model for ABSA was the American Business Committee for the Arts (BCA) which was set up in New York in 1967 with the support of major corporations such as Ford, Exxon, Philip Morris, Chase Manhattan.

In an international context ABSA was one of the first such organisations to be established. At about the same time the Council of Business and the Arts in Canada was formed.

European institutions have sprung up throughout the 80's starting with Admical in France in 1983. There are now 10 ABSA-type organisations in Europe.

So ABSA was set up by the business community in order to create a climate that would encourage and facilitate greater business support for the arts. It is a private association, independent of government, funded by the annual subscriptions of member firms.

At this time sports sponsorship was much more advanced (and indeed still is). Large sums of money were going into cricket, motor racing etc which were seen as viable sponsorship vehicles in a way that the arts were not. TV coverage of sports was obviously a major incentive.

The arts were seen as a good cause (philanthropy), sports were seen as a marketing/public relations tool.

ABSA's aim from the start has been to get the arts accepted as a commercial sponsorship opportunity. To convince business that whilst philanthropy is obviously a good thing, real results for business derive from sponsorship, which allows a commercial benefit to accrue.

To give you a idea of how ABSA has developed over the last 15 years; membership has grown from 50 in the early years to about 260 firms today; we now have offices in London, Edinburgh, Cardiff and Belfast and a staff of 25. Most importantly of all the total business sponsorship figure in Britain has risen from £0.5 m to about £35 m.

What do we do?

Member Services

The foundation on which ABSA was built was membership - so our first priority is, and always has been, to provide a range of services to our 260 member firms.

These include:

Information - we produce a monthly digest (all arts sponsorship and sponsors news in last month); a quarterly magazine (looking in more depth at sponsorship issues); an annual report including listings of all sponsorship by our member firms in the last year, other ad hoc publications eg case studies brochure.

Advice - we advise our members (if they so wish) on their sponsorship activities - find them the right event to sponsor. In the past we have helped put together complete sponsorship programmes (all the activities they sponsors in a full year) for some firms (Digital, English Estates).

Series of events - our members are invited to a series of events throughout the year which show sponsorship in action. These try and cover all arts forms as well as big and small organisations eg Royal Academy of Arts, Almeida Theatre.

Patrons' Forums - lunchtime discussion groups on sponsorship issues with guest speakers eg Mark Fisher (Labour party arts spokesman) Michael Checkland (Director General of BBC).

Lobbying - campaigned over a period of years to improve media credits for sponsors (monitor national press and publish results). Sunday Times and Independent on Sunday adopted policy of crediting sponsors.

Annual Awards - the "Oscars" for best sponsorships of the year - Best Corporate Programme, Best Single Event etc. presented every year by a member of the Royal Family. These awards are sponsored by the Daily Telegraph and have done a lot to raise the profile of arts sponsorship amongst the business community. (We now have separate award schemes run in Scotland and Northern Ireland).

All these services are provided to business. In addition we provide services to the arts community these are not as formalised, (arts groups cannot join ABSA as such), and they are free. We give advice and information to the arts on attracting sponsorship, we run seminars, we give one to one "surgeries" with individual arts organisations.

In order to be as expert and professional as possible in our role we need to maintain relationships with a huge range of arts bodies throughout the country.

Programmes

Business Sponsorship Incentive Scheme

The BSIS was started in 1984 and is one manifestation of the Government's policy throughout the 1980's to encourage plural funding of the arts (less reliance on the state more on private sources).

The scheme is run by ABSA on behalf of the Government and has been since it started.

It has, without any doubt, helped to spread sponsorship across a much wider range of businesses and enabled many small and medium sized arts bodies to benefit.

Results of Scheme (since it started)

Total £40 m

£13 m Government money has triggered

£27 m new business money

1809 first time sponsors have been brought in as a result

Budget for BSIS in current year is £3.5 m.

Business in the Arts

BiA is a recent initiative - started by ABSA about 2 years ago. It aims to encourage business men and women to share their management skills and experience in order to help those who work in the arts develop their own managerial capabilities.

BiA operate in two main ways:

Business Skills Placement Scheme - this involves recruiting business managers with the relevant skills and then training them to work as voluntary advisers with an arts organisation to address a particular management issue.

For instance the Head of Customer and Support Services at Midland Bank is working with the General Manager of the Institute of Contemporary Arts on developing financial control systems within all departments.

The General Manager of Marks & Spencer's Physical Distribution Group is working with the Royal Academy of Arts advising them on the export and distribution of merchandies.

Arts Management Training Initiative this helps to develop management courses at leading training centres that are relevant to the needs of arts managers. It is also opening up in-house courses run by firms such as IBM, ICI, British Gas etc who are prepared to offer a free or subsidised place to arts managers.

Consultancy Services

A year ago ABSA created a new programme providing consultancy services on a fee paying basis to both the business and arts communities.

If a business wants to devise a new sponsorship strategy we will create one for them. If an arts organisation wants a sponsorship audit carried out defining their strengths and weaknesses in attracting business sponsorship we will undertake it for them. for a fee in both cases.

Recently clients include the Government of Hong Kong, Abbey National plc, the University of Sheffield and Northumberland County Council.

European Committee for Business Arts & Culture (ECBAC)

ECBAC was set up at the end of last year and now has a secretariat of 2 people who work from ABSA's offices in London. The European Committee has start up funds from the European Commission.

The Committee consists of all the European sponsorship associations - 10 of them - and is there to promote the message of business support for the arts to the European business community. ABSA was asked to act as host because it is the oldest and most established of the European associations.

The countries involved are UK, France, Greece, Ireland, Sweden, Holland, Belgium (x2) Germany and Austria. (The possibility of new organisations Spain, Portugal and Italy is presently under discussion.)

There are already signs that the European dimension in sponsorship is being developed by some sponsors eg Visa International.

How Sponsorship Has Developed: Current Trends

The trend throughout the 1980's has been to make sponsorship more professional, more sophisticated, more targeted, more responsive to the market place. Both sides understand more about sponsorship. What effect has that had?

New opportunities explored

As new businesses have come into sponsorship there has been a gradual spread into new areas of the arts - hitherto unattractive to sponsors. There is a search for the new and the different - something that will position the sponsor in a more effective way. The conservative, safe, tried and tested - the "Mozart Factor" - is no longer the be all and end all of sponsorship.

More sponsors now have the confidence or the desire to take risks - to support the experimental in the arts.

- eg English Estates - Arts in the Community Awards
 with Arts Development Association
 Barclays Bank - New Stages - support of
 fringe/experimental theatre companies.
 Mobil - Playwriting Competition at Royal Exchange
 Becks Bier - Richard Long Exhibition at Hayward.

Marketing Led

Increasingly the marketing potential of sponsorship has been realised - sponsorship as an extra ingredient in the marketing mix for products or services.

eg Lloyds Bank - moved away from a wide range of low profile "Youth" arts events to a small number of high profile closely targeted projects;

Youth Theatre at the National Theatre

Fashion Design Awards

BBC Young Musician of the Year (£1.3 m over 5 years)

Designer Sponsorship

Another phenomenon of the 80's - the Designer Decade - has been designer sponsorship - something related very closely to marketing-led sponsorship.

What I mean by designer sponsorship is a project specially created by the sponsor (usually in co-operation with a willing arts organisation) in order to achieve their communication or marketing objectives.

A good example is the Prudential Awards - created for Prudential by a sponsorship consultant. Awards for excellence/innovation in Visual Arts, Drama, Music and Dance.

Exploitation itself - spending on promotion over and above sponsorship fee has been a developing trend and continues to be so.

Evaluation

It has been considered difficult in the past to evaluate sponsorship - how do you evaluate good will? Do you count up the press cuttings? Do you ask your guests if they've enjoyed themselves?

As increasingly large sums of money are being put into arts sponsorship - perhaps several £100,000 into one exhibition - so the need to evaluate has grown.

Thus firms such as IBM, BP, BMW have commissioned research into the effectiveness of particular sponsorships. Some arts bodies eg the South Bank Centre (Hayward Gallery) have also done research. On the whole very satisfactory - a high level of recognition and approval of sponsor - but sometimes shows a lack of "link" between sponsor and sponsored event.

Corporate Hospitality

The growth of corporate hospitality at arts events has been enormous. The arts are seen as more civilised than sporting occasions (racing, Wimbledon, Henley etc) cheaper, more manageable, (you don't have to devote a whole day to it) more comfortable and more suitable for involving partners.

This has opened up new sources of income apart from sponsorship - that is "events" - where a museum is rented out for the evening for a private reception dinner etc. Major museums now have an events manager as part of their development department. This above all is especially relevant to museums and galleries rather than performing arts venues.

It is likely to continue growing - a recent survey of 300 businesses from all sectors showed that eight out of ten companies believed corporate hospitality was a more cost effective form of marketing than advertising, exhibitions, direct mail or other forms of sales promotion.

Minutes of a Board Meeting of ICFA held at the
Statens Museum for Kunst, Copenhagen
on Wednesday 19 June 1991

Present: K Berg
A Bettagno
G Cavalli-Björkman
M Figueiredo
J von Hohenzollern (President)
J Holloway (Secretary)
P van Thiel
V Villadsen

1. The committee discussed the plans for the first of two meetings in 1992. Henning Bock had invited ICFA to Berlin from 15 to 20 June 1992. The President would discuss the programme with Dr Bock. The subject would be 'Looking East' and the President welcomed suggestions of names of potential delegates from Eastern Europe. Both Vitali Suslov and Irina Antonova should be approached for suggestions. The President also undertook to try to strengthen the North American participation. He would contact certain key members of the profession there. The President would explore the possibility of raising sponsorship to pay travel grants to Eastern European delegates. It was agreed that delegates should speak for a maximum of half an hour and a copy of their speech should be lodged with the President or the Secretary in advance.
2. The committee discussed the conference which the International Council on Archives/Committee for Literature and Art Archives was holding in Helsinki in September 1991. The Secretary of ICA/CLA Miss Sarah Fox-Pitt had written to both the President and the Secretary of ICFA about two projects they and the chairman Dr Werner Volke were currently working on. The first was to create an international guide to literature and Art Archives in Libraries, Museums and Archives. The second was to draw up guide lines on standards. Mrs Kaarina Lampenius, Director of the Literature Archives had written to the Secretary offering a place for an ICFA member at the forthcoming Helsinki conference.

The Board discussed the project and agreed that Soili Sinisalo should be asked to attend on their behalf and to report back.

Minutes of a Plenary Session of ICFA held at the
Statens Museum for Kunst, Copenhagen
on Wednesday 19 June 1991

Present:	B Arell	Finland
	K Berg	Norway
	A Bettagno	Italy
	A Boe	Norway
	G Cavalli-Björkman	Sweden
	P Bjurström	Sweden
	M Clarke	United Kingdom
	T Clifford	United Kingdom
	M Figueiredo	Portugal
	F Haverkamp	Norway
	D Helsted	Denmark
	J von Hohenzollern	Germany
	J Holloway	United Kingdom
	C Johnston	Canada
	D Knaub	United States
	S Miss	Denmark
	P Muller	United States
	P Ramade	France
	M Saabye	Denmark
	B Sandström	Sweden
	S Sinisalo	Finland
	R von Strachwitz	Germany
	M do Couto	Portugal
	P van Thiel	The Netherlands

1. The President welcomed the delegates to this the last plenary session of the Copenhagen conference. He announced, with regret, that Pieter van Thiel was stepping down from the board and that Perez Sanchez had resigned following his departure from the Prado. The President announced the board's wish that Henk van Os should become a member. This was put to a vote and unanimously accepted. Henk van Os had agreed to succeed Prince von Hohenzollern as President after the Berlin meeting. The Prince would write to Jacques Kuhnle to ask him to succeed James Holloway as Secretary, again following the Berlin conference.
2. The dates of the Berlin conference would be 15 to 20 June 1992 and the subject for discussion, "Looking East". It was hoped that this would be an opportunity to meet colleagues from Eastern European museums. The President alone would issue invitations but he would welcome suggestions from the membership.

3. There was a wholehearted desire that meetings in Berlin should be held in the centre of the city, possibly in the Museum Insel. An excursion to Potsdam was a possibility.
4. Soili Sinisalo agreed to represent ICFA at the ICA/CLA conference in Helsinki in September. If for some reason she were unable to attend then Berndt Arell would represent ICFA instead. The President asked Miss Sinisalo or Mr Arell to provide him with a resumé of the discussions as they affected ICFA.
5. Finally the President thanked Villads Villadsen, Marianne Saabye and the rest of the conference committee for their excellent and efficient organisation. The session closed.

James Holloway
Secretary

JH/EB
4/7/91