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Abstract

Arts and cultural management programs have typically focused on the management of organizations. Arts and cultural entrepreneurship adds a new dimension. It needs an emphasis on the freelance, self-employed, and micro-level landscape that has not heretofore been a priority. The focus on arts and cultural organization management has occurred across fields as well as across the local, state, and national terrain. However, the local level is an especially important context for arts and cultural entrepreneurs. We have become increasingly aware of the size and significance of this aspect of the creative economy. In arts and culture enterprises, some follow a growth path and grow from a micro-enterprise. Into an emerging organization, and eventually become an established arts or cultural organization. Others aim to stay small and either work in collective or cooperative small groups while defining success as the ability to balance artistic creativity with economic sustainability.

Management reform proponents tend to assert that arts and culture needs to be more business-like, and cultural entrepreneurship can be regarded as a recent example of this belief. From this viewpoint, being more business-like is the Promethean Fire - the utility that will solve all problems. But the embers of business-like practice cannot be fanned into arts and cultural entrepreneurship flames, unless they are adapted, and that adaptation needs to be grounded in different value assumptions and trade-offs between the cultural and economic benefits that guide the creative economy. The risk and uncertainty inherent in creative enterprise means that we need to teach adaptability. Rather than the business approach of best practice, we need to teach our students how to aspire to ‘smart practice’, which includes flexibility, opportunity spotting, innovation, and a kind of creative cost-benefit analysis.

Introduction

Most artists don’t think of themselves as entrepreneurs. Yet many of the skills that they excel at in creating their artwork are similar to the skills that business entrepreneurs use. Most business entrepreneurship programs focus on how to create new ventures and have an exit plan. Artists often create new artworks without a market or business plan, do not culminate with an exit strategy, and look to build a sustainability strategy for their new product. Arts entrepreneurship educational programs tend to focus on the specific management skills and tactics needed in the creative industries. Such programs are less focused on the fact that arts entrepreneurs tend to employ a greater variety of strategies than the typical business program. For example, arts and cultural entrepreneurs not only focus on new venture creation but also frequently engage in social and cultural heritage entrepreneurship. Social entrepreneurship uses the arts as a key resource to achieve social goals. Cultural entrepreneurship uses heritage and cultural diversity as key assets (Aageson, 2008; Kellogg, 2010). Furthermore, arts entrepreneurs commonly engage in creative recombination of business management tactics, skills, and resources as they take into account the influence of disciplinary and locational context.
Indeed we might better understand arts and cultural entrepreneurs, particularly those
of the non-profit sector, as engaged in a dual leadership venture: in new product
creativity on the artistic side and in entrepreneurial business management on the other.
Artists and arts managers are adept at opportunity spotting on the creative side, looking
for new ways to work and to create new artworks. Arts entrepreneurship is typically
about new artistic products and services. Arts and cultural entrepreneurship can also
focus on new venture creation or new revenue streams as well as intrapreneurship
within existing organizations. Yet on the management side, artists and arts managers
are less facile at seeing or developing opportunities. An arts and cultural entrepreneur-
ship program should help train artists and cultural managers to promote the fruits of
their creative impulses, to cultivate partners and networks, and to adapt their innovative
skills and habits of mind to the business side.

Arts and cultural entrepreneurship requires both artistic creativity and managerial
innovativeness. It is common to worry that business considerations might constrain
or direct artistic creativity. This is to confuse purpose with various means of supporting
and sustaining the core artistic vision. More clarity is achieved if we accept that the arts
and cultural entrepreneurship construct actually operates at five levels: (1) vision,
(2) strategy, (3) tactics, (4) the personal level, and (5) the contextual circumstances.
The basic value assumptions of arts and cultural entrepreneurship necessitate, at the
least, an adaptation of business teaching techniques. Each level requires pedagogical
adjustments, and as this field continues to develop and mature, these teaching tech-
niques are likely to become more codified. We have offered an overview of this multi-
level construct drawn from the literature to provide definitions of the different levels
and examples of approaches used on various levels. We then present a deeper discus-
sion of the strategic level and the urban/city context.

Understanding Arts and Cultural Entrepreneurship
Many arts supporters, both public and private, have called for the cultivation of arts
and cultural entrepreneurship as a solution to many funding concerns: as a way of
fostering the sustainability of arts, cultural and heritage organizations; as a source of
greater independence for individuals in the creative economy; and as a key compo-
nent of developing creative cities. Additionally, many institutions of higher education
have called for the expansion of the curriculum for artists and other cultural profes-
sionals into arts and cultural entrepreneurship. Despite these demands, it is broadly
recognized that there is little agreement about either the definition of arts and cultural
entrepreneurship and its practice or about how it might best be taught (Beckman, 2007;
Roberts, 2013).

Many definitions seem to focus on new, microenterprise venturing, portfolio career
self-management (sometimes referred to as career transitioning), and being entrepre-
nurial (Bridgstock, 2012). In a review of the pertinent literature, Wyszomirski and
Chang (2014) found that many other meanings were also offered. These included
opportunity spotting, marketing, technology adaptation, change management, crafts
and rural heritage development, the acquisition of business skills, networking,
creative economy partnerships, and even cultural policy entrepreneurship. Some asked
whether arts-based social entrepreneurship is another facet of arts and cultural entre-
preneurship. Still others contend that non-profit arts and cultural organizations are
inherently entrepreneurial because they constantly recombine sources of revenue as
part of their business model (Mulcahy, 2003). Conversely, others argue that efforts to cultivate arts and cultural entrepreneurship will result in greater commodification and marketization of the creative sector. Amidst such ambiguity about the definitional starting point of arts and cultural entrepreneurship, how are researchers, educators and practitioners to bring any structure to this subject?

Effective teaching requires students to appreciate the macro and micro views - to understand the holistic view and the relation of more specialized topics to one another, as well as seeing the big picture. Thus, after understanding the larger concept, students then can focus on learning how each level contributes to the effective practice of arts and cultural entrepreneurship and how all of the levels are integrated.

A comprehensive definition of arts and cultural entrepreneurship operates simultaneously at five levels: Goal/Purpose, Strategy, Tactics/Tools, Personal Characteristics, and Contextual Elements.

1. The overall purpose of arts and cultural entrepreneurship is to enable cultural workers to achieve greater self-sufficiency and autonomy by cultivating their capacity for adaptability and sustainability and to produce not only economic value through their artworks but also cultural, social and/or community value.

2. This purpose can be advanced through a variety of strategies: through new venture creation as independent microenterprises or as organizational projects; as arts based social entrepreneur activities (Neck et al, 2009); through the creation of new artistic products or services; or through promoting policy change through policy entrepreneurship.

3. Any of these strategies can be pursued through a set of tactics, which include using a new invention or technology; developing new markets; finding new ways of securing resources or new ways of mixing existing resources (Mollick, 2014); developing new ways of producing or distributing arts or cultural products; developing and exploiting networks (Jackson & Oliver, 2003); cultivating new and varied partnerships; finding ways of cost-savings and/or making do with what they have (bricolage) (Preece, 2014), or cultural policy entrepreneurship that can affect the legal and economic circumstances within artists and arts entrepreneurship operate (Goldberg-Miller, 2015).

4. The ability of an individual to envision and carry out any combination of these strategies and tactics are facilitated or hindered by personal attributes and skills, that may occur naturally or that can be learned and refined. Commonly identified characteristics include tolerance of failure, tolerance of risk, persistence, and flexibility. Frequently noted skills include opportunity spotting and sociability that enables network building (Essig, 2013; Pollard & Wilson, 2014). Leading students through leadership self-assessment exercises often is an effective teaching device for understanding this level.

5. These personal qualities also facilitate or hinder an individual's awareness of context. Including the ability to spot trends and changes; to discern the possible impact of such context developments to produce opportunities, to prompt adaptation, and/or to need recombination.

Much of the research on art and cultural entrepreneurship has focused on the explorations of tactics—on reaching new markets and reaching them in new ways; on using
Internet and social networks to deliver and promote the distribution of the arts via digital technology; on the benefits and processes of cultivating partnerships between arts and cultural organizations as well as non-arts actors; of crowdsourcing methods of fundraising; and of turning bricolage into an innovative production approach. While better understanding of these tactical tools of implementation tell us how arts entrepreneurs can act effectively, they do not help us understand (or teach) how to think entrepreneurially. More specifically, researchers, educators and practitioners need to deepen knowledge of how strategic considerations interact with the skills of opportunity spotting and network building. We also need a better understanding — particularly as it concerns local conditions as well as differences among art forms and creative industries — of how context influences risk management, opportunity spotting, and the composition of networks.

According to this multi-level perspective, arts and cultural entrepreneurship can be regarded as a dynamic system of recombinations that draws upon and integrates elements of all five levels. There are many gaps in our current understanding of how each of these levels work, how they interact, and the impact of both context and personal characteristics on individual arts and cultural entrepreneurs.

The Strategic Level of Arts Entrepreneurship

David Throsby (2001) has been a leading proponent of the dual value of arts and culture, arguing that such a defining characteristic of such activities, products and services is their dual value—meaning both economic value and cultural value. Economic value may lie directly within the income earned from artistic products or indirectly induced through economic development, through cultural tourism, or through the value added to non-arts products and activities through design. In turn, cultural value includes both intrinsic and instrumental components. Intrinsic cultural value is aesthetic and often perceived primarily by individuals. Instrumentally, cultural value can take many forms, such as social change, educational impact, heritage preservation, place branding, or social cohesion and mutual understanding. Furthermore, decisions about the relative mix and importance of such dual value creation are a central concern of shaping the strategic level of arts and cultural entrepreneurship.

It is not rare for analysts of arts and cultural entrepreneurship to focus on one strategy without recognizing that that it is not the only possible strategy. Considerable attention has been focused on the creation of new, artist-based micro-enterprises. This follows from trying to transfer business thinking directly to non-profit arts and from the recent cultural policy focus on finding new ways to support and assist individual artists, as public fellowships for artists have become scarcer. It also relates to recent policy emphasis on arts-driven place making and culture-led urban development. Such an entrepreneurial strategy relies on enhancing business tactics to support artistic creativity and can focus on a goal of sustainability, of growth, or of profitmaking (i.e. in the commercial arts industries).

Alternatively, cultural heritage-driven enterprises could be new or established ventures that seek to employ a range of entrepreneurial tactics not only to financially support crafts and culturally specific activities, but also to pursue a social mission, such as preservation, skill development and survival, group identity, and/or community recognition (Aageson, 2008). This approach is evident in the Louisiana cultural economy report, which builds around heritage resources displayed in architecture,
literature, music and culinary arts (Mt. Auburn Assoc., 2005). Cultural heritage entrepreneurship may also consider the generation of financial value as a means to community change by helping to improve family conditions, educational attainment, or social mobility (W. K. Kellogg Foundation, 2010).

This brief discussion of the strategic level of arts entrepreneurship demonstrates both that strategy often involves the key entrepreneurial process of the combination and recombination of pre-existing elements in novel ways that involve a measure of risk (Schumpeter, 1983).

**Contextual Circumstances: The Local Level**

Teaching arts and cultural entrepreneurship means informing students about the variety and kind of decisions that will need to be made once they are in the field. As burgeoning arts and cultural entrepreneurs contemplate their creative business ideas, it is important that they develop an understanding of the context in which these strategies exist, as well as learning how to design entrepreneurial initiatives (Neck & Greene, 2011). Perspectives on the home city or region's economic framework, issues of place, worker and consumer profiles, and policy frameworks are essential tools in creating a viable business strategy as well as in building a successful and sustainable enterprise. Thus, local context is not a singular concept but rather a compound that includes the particularities of local community context, the urban framework, and considerations of strategic choice. Entrepreneurs must develop an awareness of the contextual circumstances within which they function and develop familiarity with the background of the business' urban or regional general economic condition. The case study method, based on interviews, focus groups, and ethnographic studies can be a particularly effective teaching tool to illuminate and understand the effects of local context.

Many arts and cultural enterprises can be seen as being a part of the social enterprise landscape. In which the business strategy has business as well as social or cultural goals. This context combines the economic and public good or social purpose aspects of business development, fostering an integrated approach that reflects the inherent goals of seemingly dissimilar objectives into a new kind of profit maximization; one which embraces the triple bottom line of economic health, organizational sustainability, and cultural accountability (Matthew, 2008; Wyszomirski, 2014). This kind of blended social purpose and economic vitality gives the arts entrepreneur a powerful platform through which to gain access to the policy agenda on the local level and beyond (Henry, 2007, p. 206).

Through an examination of what differences in customization at the local level mean and why it is important to understand this context, we can provide tools for arts and cultural entrepreneurs to overcome barriers to success. The arts and cultural entrepreneur exists within a network of colleagues, partners and consumers and includes not only the arts-related organizations, but also those in the general business realm. Additionally, these entrepreneurs play an important role as champions not only of the business of art but the societal and heritage value of cultural assets. Interventions, and entities (Kolsteeg, 2013, p. 5). The local framework is an important part of the entity’s opportunity landscape, and since many arts and cultural organizations and businesses are located in urban settings, issues within this realm are an essential component of any strategic plan.
Adapting the Promethean Fire of Business for Arts and Cultural Entrepreneurship

While arts and cultural entrepreneurs concern themselves primarily with the creation of new products, channels of distribution, and markets, it is critical to understand the local context in which the entity exists (Schumpeter, 1983). Practitioners in the established business world invariably look at the local level, and they are adept at customization. The local level is an especially important context for arts and cultural entrepreneurs, whether the product or service is being consumed in the place of origin or exported. A vernacular focus links arts and cultural entrepreneurship to the creative city and creative placemaking discourse. Within this dialogue, the outputs of arts and cultural individuals and businesses have been recognized as a powerful segment of the economy, especially in an urban setting (Markusen & Schrock, 2006).

Arts and cultural entrepreneurs exist within a physical and economic environment, as well as being embedded in a social network. In an urban context, these entrepreneurs must recognize the value and essential role that relationships play (Groen et al, 2008). These include collegial exchanges, fostering relationships with consumers, and building bridges within the policy framework in which the entity is found. Customization at this local level incorporates an understanding of environmental factors and network opportunities, each of which provides connections to what Matthew (2008) calls the ‘business ecosystem’. This is especially true in the start-up phase of any cultural entrepreneurship venture. Groen et al (2008) recognize that oftentimes entrepreneurial or start-up ventures exist in an environment where numerous entities are working on the same idea or application simultaneously. They are part of a network landscape, which includes the private sector, advocacy and lobbying groups, government agencies and non-profit organizations. Developing an awareness of those key actors involved in each of these areas is critical for the arts entrepreneur, especially in an urban setting.

As the venture progresses in its lifecycle, arts and cultural entrepreneurship students must learn how to collaborate, develop effective marketing and branding strategies, and adapt to changes in the policy landscape and the economic environment. Customization at the local level involves developing the skills to attract and utilize financial, human capital, and relationship resources in the best interests of the creative economy business or organization. Strategies and tactics for creating, nurturing, and sustaining entrepreneurial entities must take into account the assets available at the local level.

Customization and the Urban Context

What is the urban context and how does it relate to arts and cultural entrepreneurship? Despite the perception that business sectors outside the creative industries have a more cohesive and strategic alliance among various sectors, the cultural economy in today’s cities has the opportunity to coalesce, specifically through the shared interests of its entrepreneurial factions (Kolsteeg, 2013). Operating within a socio-economic framework, arts and cultural entrepreneurs often experience a disconnect between the creative content of their output and the managerial constructs within which they must operate in order to create a successful entity (Hong et al, 2012). Arts and cultural entrepreneurs must adapt the substantive roadmap created in the business entrepreneur lexicon, while situating themselves within a policy framework (Mulcahy, 2006). Arts and culture’s increasingly integrated place on the economic development agenda will facilitate the allocation of funding resources and the ongoing support by appropriate planning and regulatory frameworks (Markusen, 2014). Local policy entrepreneurs may
have identified opportunities for the development of interventions that can benefit the arts and cultural entrepreneur. Developing a relationship with these policy actors will give an organization or business the chance to participate in these strategies. Municipal actors, business leaders, elected officials, and other entrepreneurial colleagues in the creative sector can be a part of the entity’s local network (Adam & Kriesi, 2007, p. 144). These considerations are magnified in the urban landscape, as the density of people and place means that a plethora of issues are competing for the attention of workers, consumers and policymakers.

In order to make the most of resources, networks, policy windows and opportunities, arts and cultural entrepreneurs must recognize and utilize assets inherent in creative cities and regions (Scott, 2004). These include place-based assets, people-based resources, and policy-based opportunities. Place-based assets include aspects such as location, anchor institutions, and transportation opportunities (Rae, 2007, p. 59). People-based resources focus on seeing and developing opportunities through building networks, partnerships, and linkages (Reid et al., 2008). This is true for arts entrepreneurs within the freelance, self-employed, and micro-level landscapes. The development of people skills includes assessing and leveraging resources such as clusters of creative workers (Schoales, 2006), and targeting consumers including residents and visitors. Policy-based opportunities point to municipal support, economic development policies fostering creative economy interventions, and the interest and guidance of policy entrepreneurs and policy advocates (McCann, 2013). Policy entrepreneurs in the creative city context can engage in cultural planning, advocate for cultural organizations, and leverage financial support within the non-profit and for-profit arenas (Goldberg-Miller, 2015). Developing and sustaining relationships in the policy realm is an essential and ongoing process, and one that can be fostered through strategic planning and demonstration of smart practice examples within the local entrepreneurial context (Matthew, 2008).

**Urban Plan, Cultural Plan**

Cities have the capacity to develop the role of arts and culture within the economic development, brand building, tourism, and quality of life agendas by creating cultural plans. A cultural plan is a strategic process for a city’s arts and cultural development that takes place first by determining the needs and assets of a city, and subsequently meeting those needs resulting in the development of arts and culture as an economic and public good powerhouse.

The ultimate goal of a cultural plan is to increase awareness of art and culture and identify opportunities in the creative economy within cities and regions. There are many steps cities can take in order to realize the success of these plans. Identifying the wide variety of community stakeholders from the three sectors and bringing them to the table is imperative to this process. Buy-in from policymakers, anchor cultural institutions, arts service organizations, entities in the for-profit and non-profit creative economy, civic and corporate leaders and individual artists can be established through community meetings, focus groups, and interviews with individuals. The process of establishing and implementing a cultural plan can prove to be a boon for arts and cultural entrepreneurs from both the non-profit and for-profit sectors, as the value and scope of the creative economy is brought into a policy framework, providing a platform for relationship building, business development, and effective advocacy.
Conclusion

The burgeoning arts and cultural entrepreneurship field can learn from as well as contribute to the business community’s smart practices. Knowledge and innovation economies of today are heralded worldwide as important sources for economic development and financial growth, with entrepreneurship and worker mobility serving as hallmarks of this new paradigm (Thrift, 2010). The cultural economy, specifically through the development, growth and sustainability of arts and cultural enterprises, can be an additional engine for this kind of advancement in today’s global economy. Arts and cultural entrepreneurs must focus on the contextualization of their strategy, opportunity spotting, and the customization of their product or service to meet the realities at the local level and respond to the changing demands of the urban marketplace.

Arts and cultural entrepreneurship education needs to identify the strengths inherent in the creative economy, such as adaptability. Innovation, and resilience, then blend these with the business community’s focus on strategic thinking and customization. The business world and the arena of social change have long possessed the ‘fire’ of entrepreneurial knowledge and practice. Arts and cultural entrepreneurship educators are sifting through these ‘embers’, seeking to fan them into new ‘flames’ that will illuminate the path for entrepreneurs who can foster businesses, microenterprises, and arts and culture organizations that can take their place as economic and social purpose engines within the global business pantheon.

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References


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