Thom, Marco

Working Paper
The entrepreneurial value of arts incubators: Why fine artists should make use of professional arts incubators

Working Paper, No. 02/15

Provided in Cooperation with:
Institut für Mittelstandsforschung (IfM) Bonn

Suggested Citation: Thom, Marco (2015) : The entrepreneurial value of arts incubators: Why fine artists should make use of professional arts incubators, Working Paper, No. 02/15, Institut für Mittelstandsforschung (IfM) Bonn, Bonn

This Version is available at:
http://hdl.handle.net/10419/110615

Terms of use:
Documents in EconStor may be saved and copied for your personal and scholarly purposes.
You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.
If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.
The Entrepreneurial Value of Arts Incubators: Why Fine Artists Should Make Use of Professional Arts Incubators

Marco Thom

Working Paper 02/15

The IfM Working Paper Series publishes research in entrepreneurship, family business, and SME-related topics. Any opinions expressed here are those of the author(s) and not those of the Institut für Mittelstandsfororschung (IfM) Bonn. Papers published in this series commonly represent preliminary work and may appear elsewhere. A revised version may be requested directly from the author. The authors are committed to work in accordance with the common ethics in publishing.


Impressum

Herausgeber
Institut für Mittelstandsfororschung Bonn
Maximilianstr. 20, 53111 Bonn
Telefon +49/(0)228 / 72997 - 0
Telefax +49/(0)228 / 72997 - 34

Working Paper 02/15
ISSN 2193-1879 (Internet)
ISSN 2193-1860 (Print)

Bonn, Mai 2015
The Entrepreneurial Value of Arts Incubators: Why Fine Artists Should Make Use of Professional Arts Incubators

Marco Thom

Abstract

The study’s aim is to show whether and to what extent services of entrepreneurial value will be provided by arts incubators to nurture fine artists to meet market requirements to make a living in the arts. In order to achieve this aim, the study is previously focused on the clarification of the question to what extent fine artists will be educated in their studies at higher educational institutions on how to become successfully self-employed. The answer to this question is needed to outline the current mismatch between vocational education of fine artists and actual market requirements. A comprehensive and comparative analysis of Fine Art degree programmes and extra-curricular training offerings at higher educational institutions and arts incubation programmes in the UK and Germany was carried out. By using various key performance indicators this study shows evidence that fine artists will not be educated to successfully meet market requirements and that professional arts incubators should be a promising alternative or useful addition for fine artists’ vocational preparation.

Keywords: arts incubators, fine art students, entrepreneurial skills, higher educational institutions, self-employment

JEL Classifications: A220, A230

Contact:
Marco Thom
London South Bank University
Business Faculty
103 Borough Road,
London SE1 0AA
thomm@lsbu.ac.uk
1. Introduction

1.1 Research Aim

The study’s aim is to show whether and to what extent services of entrepreneurial value will be provided by arts incubators to nurture fine artists to meet market requirements and make a living in the arts. In order to achieve this aim, the study is previously focused on the clarification of the question to what extent fine artists will be educated in their studies at higher educational institutions on how to become successfully self-employed. The answer to this question is needed to outline the current mismatch between vocational education of fine artists and actual market requirements.

1.2 Research Background

Recent labour market statistics in the UK and Germany show clear evidence that up to 90% of fine artists, including painters and photographers are self-employed and mostly organised as one-man-businesses (Statistisches Bundesamt, 2010; Artists Interaction and Representation, 2011; Arts Council England, 2011; Bundesverband Bildender Künstlerinnen und Künstler, 2011; Centre for Economics and Business Research, 2013). There are hardly any jobs in the arts, only opportunities. Fine artists need to successfully meet the multi-faceted commercial and opportunity driven challenges and operate like entrepreneurs (Schumpeter, 2003; Swedberg, 2006) in order to make a living in the arts. While their art specific skills are often very sound, artists mostly lack the complementary entrepreneurial skills to meet the market requirements successfully (Thom, 2015). Due to this reason, arts incubators could help them to further develop their sets of skills, to recognise and realise art business opportunities, and to increase their chances to attract attention on the market. It is the incubator’s main objective to increase the chances of commercial success and professional survival of entrepreneurs within an incubation programme (Allen & Rahman, 1985; NBIA, 2010).

The UK and Germany are chosen for this study as European representatives of different educational approaches in the arts. While the German government shows an extensive involvement in promoting ‘quality’ in the arts the British government’s involvement is quite modest (Abbing, 1999). In the UK, artists are more required to operate like entrepreneurs to earn a living than in most other countries in Continental Europe, including Germany. Consequently, it is reasonable to assume that the entrepreneurial education in fine art degree programmes at higher educational institutions (HEIs) is considerably different in both countries.

1.3 Literature Review

According to the study’s aim, two research fields will be reviewed: the identification of the crucial skills for entrepreneurial success in intensively competitive markets with low market entry barriers and an existent oversupply of products (Abbing, 1999), such as the arts and arts incubators’ most valuable services to effectively support the development of prospective entrepreneurs in their early stages.

1.3.1 Crucial Skills for Entrepreneurial Success

A comprehensive review of the literature reveals a variety of models to explain the different factors (including skills) of entrepreneurial success. As a result, there is still no consensus of what skills are really crucial for fine artists’ success in the arts. The review of this study therefore focuses mainly on two approaches to identify crucial entrepreneurial skills. The indirect approach is focused particularly on the core reasons of entrepreneurial and small business failure. In the literature, ‘failure’ is defined as a bankruptcy with losses to entrepreneur and creditors (Perry, 2001; Thornhill & Amit, 2003). Identifying the core reasons of failure can help to indirectly identify the crucial skills. The argument in this case is if the lack of specific skills will be identified in studies as a reason for failure that these skills can then reversely be considered as important for the entrepreneurial survival and success (Dowling; 2003; Zimmerer & Scarboroough, 2005; Metzeger, 2006; Kutzhanova et al., 2009; Mason, 2009; Department for Business Innovation & Skills, 2013; Freiling & Laudien, 2013; Sikomwe et al., 2014). In contrast, the direct approach represents the ‘usual way’ of reviewing the literature that is related to studies and theories which try to identify directly the crucial skills of entrepreneurial success.

The majority of findings show clear evidence that in particular the following seven skills can be considered as mostly relevant for entrepreneurial success (Duchesneau & Gartner, 1990; Hood & Young, 1993; Lussier, 1996; Lussier & Pfiefer, 2000; Faltil, 2001, 2007, 2008; Perry, 2001; Thornhill & Amit, 2003; DeTienne & Chandler, 2004; Lazear, 2004, 2005; Landwehr, 2005; Smith & Perks, 2006; de Wolf & Schoorlemmer, 2007; van Scheers & Radipere, 2007; Litián, 2008; Rudmann, 2008; Vesala & Pyysäinen, 2008; Baines & Kennedy, 2010; Egeln et al., 2010; Stokes & Wilson, 2010; Cobb et al., 2011; Nobel, 2011; Stuetzer et al., 2012; Freiling & Laudien, 2013):

- planning/strategy,
- leadership,
The first five skills named in the list above can be considered, according to de Wolf & Schoorlemmer (2007), as ‘real entrepreneurial’ ones. They have explicitly and primarily to do with the creating of a successful business or self-employed career, while the last two mentioned skills in finance and sales enable the successful running of the business. This classification leads Thom (2015) to the definition of the model of the crucial ‘five plus 2’ entrepreneurial skills (Figure 1). With the help of this model the ‘Entrepreneurial Fitness’ will be investigated as this factor indicates the fine art students’ level of preparation for the most chosen career path of self-employment.

Figure 1: The Crucial ‘five plus 2’ Entrepreneurial Skills

Source: Author

1.3.2 Incubators’ Services of Value

It is Campbell, et al. (1985) who belong to the first scientists who have focused attention on the incubation process. They define four areas in which the business incubator provides an additional benefit to prospective entrepreneurs. Thereby, they implicitly define the incubation process components: (1) diagnosis of the entrepreneur’s needs and requirements, (2) supervised service application, (3) provision of capital, and (4) access to the incubator’s network which is equipped with the business development expertise.

Zhigao, et al. (2006) develop these findings further. They especially emphasise the importance of a functioning network for an entrepreneur’s success. In this context they also develop thoughts how the structure of a cooperative network for an optimised skill development should look like. They define important ‘skill nodes’, such as finance, sales, planning, creativity, law or personnel. These skill nodes have to be taken by experts to grant the quality of skill provision. By means of the regular face-to-face exchange between the prospective entrepreneurs and experts of the skill nodes, the entrepreneurs develop the required skills for their business.

With this background, Hansen, et al. (2000) see a positive effect on the entrepreneur’s development especially in the incubator’s network design. The design stands for the possibility of spreading and utilising existing capacities and resources in the network in an organised way. They have detected that those incubators run an especially successful incubation programme which release the entrepreneur from the strategic, administrative and organisational works to the greatest possible extend with the help of network partners. These services are required in a pooled form by the incubator for the entrepreneurs in the network. In this context, Hansen, et al. (2000) emphasise the importance of a sector specialisation on the part of the business incubator to reach network synergies for the entrepreneurs in an easier way. Hansen, et al. and Zhigao, et al. describe a very interesting network based approach of business incubation which confirms the importance of delegating skills to experts.

Thom (2011) developed the network based approach further. He designed a conceptual framework for virtual and totally networked business incubation. The process of skill development is designed with experts as skill components who clearly reduce the consumption of time resources on the incubators’ and entrepreneurs’ side. This approach allows to be focused on the essential in business incubation: the recognition and realisation of a marketable and finally successful business concept. In this context, the two business incubation associations
UKBI (2009) and NBIA (2010) as well as Erlewine & Gerl (2004) recommend the employment of mentors for a successful development of skills. It is the mentor’s task to be at the entrepreneur’s disposal as a familiar person, coach and sparring partner.

Cockpit Arts (2013), an art incubator in the UK with focus on craft business models has undertaken research on the impacts of its provided business support and network access on the client’s commercial success. In accordance with their findings, the majority of clients in the incubation process reported growth rates in turnover of more than 40% and in profits of more than 25% per year, on average over the past four years. These growth rates were significantly higher than the average for the cultural industries in general and art industry and its specific sections in particular. The growth could be achieved through the diversification of markets and income streams, by individual mentoring, investing time in business concepts, skill development, and networking.

2. Research Design and Methodology

The analysis of the educational situation of fine art students is cross-sectional. The study was conducted from 15th of January to the 30th of June 2013 and encompasses on the one hand the analysis of the entrepreneurial education of fine artists at HEIs in the UK and Germany, including course and module handbooks and other detailed programme specifications for fine art degree programmes in the academic year 2013/14 and on the other hand the analysis of services and entrepreneurial education offerings of arts incubators, located in the UK and Germany.

In order to gain a deeper understanding of the current educational situation at HEIs and arts incubation programmes in both countries an exploratory and inductive research approach with a survey strategy is taken. This approach is needed because there are hardly any empirical findings in the UK and Germany to explain whether, how and to what extent fine art students and graduates will be equipped with entrepreneurial skills and therefore be educated on how to make a living in the arts as self-employed practicing fine artists. The study’s findings will contribute to the academic literature in this still unrevealed but highly likely growing field of cultural entrepreneurship research.

In addition, to ask for the key market requirements, an online survey among fine art lecturers and tutors at UK HEIs and German HEIs, who are also practicing artists, was conducted from 20th of January to 17th of February, 2015. Based on their experiences as practicing artists and tutors, 281 fine art lecturers, thereof 169 lecturers/tutors at HEIs in the UK and 112 at German institutions, defined the key market requirements for success in the arts.

2.1 Research Methods

In order to build up the required database for this comparative study a comprehensive Internet research in combination with various research methods is pursued. The variance of research methods arises firstly as the result of strongly varying opportunities to get access to the course information and secondly for the sake of proofing the findings from different perspectives. In particular, the review of literature and secondary data, the Internet research, and written enquiries are used as research methods for gathering course specific data. The survey was used to ask for the key market requirements of practicing fine artists.

2.2 Analysis Criteria

The analysis of the current educational situation includes the qualitative and quantitative evaluation of educational offerings of entrepreneurial skills for fine art students. The main focus of this study is, however, on the investigation of the regular fine art curricula for undergraduates at the university level at HEIs. The needed course information comprises detailed course structures and programme characteristics, in particular information on taught skills, applied teaching methods and learning environment. Additionally, in order to illustrate a much broader overview of the educational situation of fine art students post-graduate programmes (Master programmes), existent entrepreneurial and business-related in-house extra-curricular offerings have also been taken into consideration.

The analysis of arts incubators’ services for fine artists to increase their chances of success is focused on their specific educational services, including workshops, practice exercises, mentoring and coaching programmes, and other services that are elementary for artists’ professional development.

In this context, both analyses are similarly structured and include the following three main steps:

1. The identification of relevant HEIs that offered fine art degree programmes for undergraduates at university level in the UK and Germany in the academic year 2013/14. Fine art degree programmes encompass, in the context of this study, the single subjects fine art, photography, and painting. The sample size was 87 HEIs; 75 institutions in the UK (n_{UK HEIs}=75) and 12 in Germany (n_{Ger HEIs}=12) published the needed data for the
analysis in their course brochures, programme specifications, in their detailed module handbooks or in their answers to written enquiries.

In addition, with the help of a comprehensive Internet research 16 arts incubators (n_{UK AI}=12; n_{GER AI}=4) with a multi-disciplinary business focus, including the fine arts were identified as relevant sample group. The incubators of these institutions were organised physically. The term “physical” means in this context that the arts incubators were located in a building and provided studio and exhibition spaces for their clients.

2. The analysis of regular fine art undergraduate curricula, post-graduate programmes, and entrepreneurial and business-related extra-curricular courses, offered by the sample HEIs. Overall, 87 degree programmes for undergraduates, 56 post-graduates programmes, and 45 extra-curricular in-house courses and seminars are reviewed and analysed.

In this context, the course data will be converted into measureable educational key performance indicators (KPIs), which are based either on ECTS credit points or workload measured in working hours per average student, as illustrated in Table 1. By completing a course, seminar or module a student is awarded with national or standardised European ECTS credit points. Typically, one year of study corresponds to 60 ECTS or 120 UK credit points, respectively. Therefore, a three-year Bachelors programme usually has 180 ECTS or 360 UK credit points and a five-year Diploma programme at German HEIs has 300 ECTS credit points. Due to the standardization of the workload in Europe, ECTS credit points are used as a valuation principle for measuring and illustrating the proportions of ‘five plus 2’ entrepreneurial skills to the total workload. Every ECTS credit point stands hereby for a certain amount of work load, measured in time. In practice one ECTS credit point is equal to 20 hours of student work in the UK (QAA, 2008; Hörig, 2010; Tuning, 2014) and 30 working hours in Germany (Hörig, 2010; Bachelor.de, 2014; Studieninformation Baden-Württemberg, 2014). Because of these inter-country differences in measuring workload in time per one ECTS credit point, the estimated working hours to develop entrepreneurial skills are particularly used as a valuation principle for comparative purposes of the students’ average learning effort between both countries.

The use of KPIs enables the creation of a more transparent structure of complex data that, in turn, simplifies the assessment and enhances the comparison of findings among peer HEIs within and across both countries.

Table 1: Sub-Questions and Derived Key Performance Indicators (KPIs)
The analysis of art incubation services encompasses the specifications in the service fields of professional development trainings, building collaborations and partnerships, promotion activities, coaching, and mentoring of in total 16 institutions. The use of indicators to enhance the comparability of provided services to develop entrepreneurial skills is, due to the lack of quantitative measures, not possible and in the context of this study also not necessary.

3. The interpretation of data and findings.

In order to reliably use the above mentioned KPIs it is necessary to distinguish the three different categories of skills that are taught in the regular fine art curricula: professional skills, transferable employability skills, and entrepreneurial skills. The last category comprises in this study the identified crucial 'five plus 2' skills, as illustrated in Figure 2.

![Figure 2: Categories of Skills Taught in the Regular Fine Art Curricula at HEIs, UK and Germany](image)

Sources: Author, Fine Art Curricula

3. Findings and Interpretation

3.1 Key Market Requirements

Based on their experience, 281 fine art lecturers and tutors, who are also practicing artists without exception, classified the following key market requirements for becoming and being successful in the arts:

- Production of outstanding art work; innovative ideas (concepts) of high quality
- Attraction of considerable attention; effective promotion activities
- Exploitation of market opportunities
- Good network of contacts in the arts
- Comprehensive set of professional and business/entrepreneurial skills (model of the crucial 'five plus 2' entrepreneurial skills was confirmed)
- Personal characteristics, such as self-belief, ambition, hard work ethic, resilience

The art market is characterised as highly fragmented and not transparent due to an enormous oversupply of individual artists and art work that is controlled and managed by a few, rather money than artistic value-driven “gatekeepers” (e.g. galerists) who define trends and quality, so the compound opinion held by the majority of
lecturers. Consequently, artists are likely to be successful when they meet the above mentioned key market requirements.

3.2 KPIs ‘Entrepreneurial Fitness’ versus ‘Employability’

Both KPIs show to what extent ‘five plus 2’ entrepreneurial and employability skills are taught in the regular fine art curricula of undergraduates in the academic year 2013/14.

The analysis shows interesting key findings, which are summarised as follows:

- The average proportion of ‘five plus 2’ entrepreneurial skills in regular fine art curricula was 5% at HEIs in the UK and less than 2% at German institutions;
- The average proportion of employability skills in regular fine art curricula was 43% at UK HEIs and 36% at HEIs in Germany;
- The teaching of the ‘five plus 2’ entrepreneurial skills was compulsory in both countries;
- Some crucial ‘five plus 2’ entrepreneurial skills, reasonably required for achieving entrepreneurial success and making a living as self-employed artist, were not taught at all.

Alongside the development of professional, subject-specific skills the findings show evidence that developing the employability of graduates is a primary aim of fine art students in both countries, as illustrated in Figures 3 and 4. Therefore, it is not really astonishing that the average proportion of the UK-KPI ‘Employability’ to the total workload was, at 43%, more than eight times higher than the average figure of the KPI ‘Entrepreneurial Fitness’. In Germany, the gap between both KPIs was considerably larger, with less than 2% of the studies’ total workload scheduled, on average, for teaching crucial entrepreneurial skills. However, this predominant focus on employability of graduates is surprising, particularly when considering the fact that there are hardly any jobs in the arts available. In addition, the educational focus in Germany is more than in the UK on developing professional, art specific skills. With a share of 62% German institutions consider the development of an artistic personality as the most important outcome of the studies in Fine Art.

![Figure 3: Average Proportion of Taught Skills in Fine Art Curricula, UK Sample, Academic Year 2013/14](image3.png)

![Figure 4: Average Proportion of Taught Skills in Fine Art Curricula, German Sample, Academic Year 2013/14](image4.png)

The analysis of detailed module descriptions and answers to written enquiries basically show that entrepreneurial skills were taught in compulsory modules at all institutions in both samples. This finding can be considered positively in the context of this study. That means that fine art undergraduates were definitely educated in and equipped with some entrepreneurial skills during their studies in the academic year 2013/14, even if only to a
minor extent. Consequently, the question is: “Which of the crucial ‘five plus 2’ entrepreneurial skills were taught at HEIs in the UK and Germany?” In order to answer this sub-question, the entrepreneurial skills taught were listed and additionally ranked by the number of times each skill was directly or indirectly named in the regular fine art curriculum of each HEI. The latter step underlines the entire relevance of these skills in fine art curricula in the UK and Germany. The results of this analysis are illustrated in Figures 5 and 6.

Figure 5: Taught ‘five plus 2’ Entrepreneurial Skills in Regular Fine Art Curricula of Undergraduates, UK Sample, Academic Year 2013/14

Figure 6: Taught ‘five plus 2’ Entrepreneurial Skills in Regular Fine Art Curricula of Undergraduates, German Sample, Academic Year 2013/14

Sources: Author, own calculation

The findings show that only three of the crucial ‘five plus 2’ entrepreneurial skills were taught in both samples. In addition to the three skill sets of idea, networking, and marketing (sales and promotion) a few skills in the business management disciplines were also taught, for example, accounting, funding, and commercial law (intellectual property law). These business management skills encompassed, at UK HEIs, funding and customer acquisition issues, which is the reason why the business management skills were listed as an additional set of skills in these graphs. However, the direct teaching of opportunity identification, strategic planning and finance/cash management skills in particular did not take place in both samples as an integrated part of the curricula.

3.3 KPI ‘Extra-Entrepreneurship’
The study further investigates whether entrepreneurial and business-related in-house extra-curricular courses were provided, which could help to develop the ‘five plus 2’ skills. The focus of the investigation is therefore only on in-house offerings because this study will investigate if fine art undergraduates will be equipped with the crucial skills during their fine art studies at HEIs.

The analysis of the sample groups brings the following results to light:

- On average, more than every second HEI in the UK (54.67%) and every third in Germany offered entrepreneurial and business-related extra-curricular courses, available for HEI’s students and graduates of all departments and subjects;
- These courses were organised and managed centrally either by the HEIs’ enterprise and business development teams (incubation services/business school) (87% in the UK and 50% in Germany) or by the career service departments (13% in the UK and 50% in Germany). The art departments or faculties have not been involved in the organisation of those courses.
- Explicit courses in entrepreneurship were mainly focused on business venturing, business planning, and venture capital acquisition;
- (Fine) Artists do not normally attend those extra courses;
- Entrepreneurial and business-related extra-curricular courses with a special focus on (fine) artists as target group were not offered;
- The most commonly offered course duration was one day, and mostly for free (66% in the UK and 75% at German HEIs).
- Business-related courses were normally organised as workshops and seminars on a broad range of topics such as finance and funding, (online) marketing, intellectual property law, business management, project management in the creative industries, customer acquisition, managing creativity, business plan writing, self-promotion, and concept presentations etc.
- The vast majority of UK HEIs offered indicatively more than ten of those extra-curricular courses in the academic year 2013/14. In Germany, two of the four universities with extra-curricular offerings provided more than ten courses in the academic year 2013/14.

Although these findings show evidence that fine art undergraduates have (theoretically) attractive opportunities to attend workshops and seminars with entrepreneurial and business-related topics for free, particularly in the UK, it is not really surprising that these students do not normally attend them. There is reasonable doubt if art students’ needs can be adequately addressed by these courses. Three facts need to be considered: Firstly, the fact that these course offerings will simply not be promoted by art faculties or the teaching staff. Secondly, fine art students may have huge difficulties in understanding the business and entrepreneurship language, including the business vocabulary and thinking which will be used in those workshops by the training staff, if they are not already familiar with these subject-specific terms and meanings. As the findings show, entrepreneurial and business-related extra-curricular courses are mostly organised and managed by the in-house enterprise and business development teams, which includes lecturers and graduates in the fields of business administration, entrepreneurship and technology/engineering who are working and studying at the universities’ business schools or incubations services. These people normally have a deep understanding of business management-related complex topics and usually use a specialised vocabulary regarding business management thinking as well as case studies from non-art industries to transfer knowledge to the audience. This mixture may result in an incomprehensible “language” for fine artists and challenge the transfer of the presented content into their own professional life. Thirdly, the findings also show a main teaching focus on business venturing, business planning, and venture capital funding. In terms of content, these topics are irrelevant for fine art students’ success in the arts.

Besides extra-curricular offerings, a master’s degree in Arts Management and Arts Entrepreneurship would be another, post-graduate, alternative for developing entrepreneurial skills at HEIs. The analysis of existent post-graduate master’s offerings at the HEIs of both samples produces the following three key results for the academic year 2013/14:

- Every university and university college in the UK (in total 50 HEIs) and every second institution in Germany (in total 6 HEIs) offered master’s degree programmes for fine art graduates.
- Three master’s programmes (6%) at UK HEIs were focused on Entrepreneurship for Creatives, while four programmes (8%) had their focus on Arts Management. However, the highest proportion with 86% or in total 43 master’s programmes was in Fine Art (also including Art & Design and Contemporary Arts). At German HEIs master’s programmes were solely offered in Fine Art (Bildende Kunst).
• The offered master’s degrees in Entrepreneurship for Creatives and Arts Management were solely taught by the art faculties/departments. A cross-disciplinary master’s programme for fine art graduates neither exists in the UK nor at German HEIs.

Basically, it is notable that UK HEIs are more concerned about an entrepreneurship education than German institutions. That highly likely is the result of educational policies that emphasise in particular the idea to develop entrepreneurial graduates who in turn will give some value to the national welfare. However, it is striking – but on the basis of first results not really surprising - that the proportion of offered master’s degree programmes with a focus on developing business-related and entrepreneurial knowledge and skills was, nevertheless, relatively low. Only 14% of the UK’s universities in the sample created a master’s degree programme in art management and entrepreneurship, which could help fine art students to be educated on how to become successfully self-employed. The vast majority obviously aim to further improve the subject-specific professional skills. This reasonably shows that the entrepreneurial idea is still not totally implemented in fine art education.

3.4 KPI ‘Compulsory Work Experience’

Work placements and internships give fine art undergraduates the chance to gain important practical experience of the real working world outside of the HEIs studios. Skills are developed through experiential learning (Levy, 2013; Seelig, 2014). While a placement definitely enhances the students’ set of skills it also helps them to find out more about working in that industry. In this way, work placements and internships offer a very good chance for gaining a deeper understanding about what it means and what it takes to work and, particularly, to make a living in the arts.

In the context of this study, compulsory work placements are of special interest due to two aspects. Firstly, compulsory work placements and internships are a much stronger commitment of HEIs to their students to gain practical experience and develop crucial skills alongside their studio work. Secondly, and more importantly for this study, the time and length of compulsory work placements are clearly regulated by the curriculum. This fact will ease the analysis and comparison of KPIs considerably. Optional work placements are, as the term “option” implies, an opportunity to gain practical experience. Some students may work permanently alongside their studies, and some use this opportunity regularly during their study breaks, while others only work once, and still others do not take advantage of this working opportunity at all. Due to this uncertainty, optional work placements are difficult to capture, especially in the context of this study as KPI. However, the provision of optional work placements in the regular fine art curricula will be taken into account for information purposes.

The analysis of course material and written enquiries produces the following key results:

• Work placements are an essential element of the regular fine art curricula of undergraduates in the UK and Germany.

• The vast majority (71%) of work placements were an optional part of the regular curriculum in the UK, while 16% of UK HEIs integrated this practical experience as a compulsory part. Almost every tenth regular fine art curriculum neither integrated compulsory nor optional work placements.

• Every third institutions in Germany (in total 4 HEIs) integrated compulsory work placements as an essential part of the curriculum. Two of these HEIs provide internships that last up to six months. These institutions established a practical semester into their fine art curricula. Every second German HEI (in total 6 HEIs), however, did not provide any work placements as valuable opportunity of gaining practical experience at all.

However, there are some reasonable concerns whether fine art undergraduates will really be able to develop entrepreneurial skills during their compulsory work placements:

• Developing entrepreneurial skills normally requires the process of experiential learning through doing. It is very unlikely that students, particularly first time “placed” students”, will be tasked by the employer or individual artist to sell their art work or services or negotiate contracts and purchase agreements for them. Those tasks require experience and a high level of confidence from the employer. At best, the placed student is invited to join those meetings to get familiar with the processes and techniques of promoting and selling art products that would be a real opportunity for any student.

• In this context, a further point of concern is related to the selection of employer/individual artist. The development of knowledge and the gaining of crucial entrepreneurial skills are likely to be higher when the employer/individual artist himself is actively and successfully involved in entrepreneurial activities. For example, a work placement with a successful, self-employed artist or gallery is more likely able to provide a promising learning environment for entrepreneurial-oriented fine art students than a placement with an museum, with a community on a social project or with a big-sized business organisations in the art industry, whose departments tackle various special tasks. In the latter
environments fine art students will normally have fewer opportunities of trial and error and learning-by-doing. They will normally be entrusted with routine settlement tasks, which do even not represent the parts of the real life as practicing artist. This concern is underpinned by how to apply for a work placement. The process of selection will be often influenced by its purpose. For example, if the placement is a compulsory part of the fine art course, the “placed” student may find that the organisation is simply allocated to him/her. Only this procedure may guarantee that the student will undertake the compulsory placement. A larger flexibility and wider choice provide optional work placements. However, art organisations and individuals may likely require a formal application detailing why the student is suitable for this specific placement and what he/she can bring to the role.

3.5 KPIs ‘Guest Lecturers’ and ‘Mentoring’

Inviting practicing and well-established artists as guest lecturers into the classroom can be an invaluable part of fine art students’ (entrepreneurial) education. Guest lecturers offer a great opportunity for fine art students to learn other viewpoints within this discipline, to enhance their engagement and enthusiasm in entrepreneurial thinking, to hear about current research and practical applications, and to build a network with professionals.

Mentoring, defined as a process of improving individual knowledge, work efficiency, and, particularly, the way of thinking, is widely acknowledged in entrepreneurship and business incubation as key success factor of professional and, therefore, entrepreneurial development (NBIA, 2010).

Considering this, the key findings of the analysis of course documents and answers to the written enquiries in relation to both programmes can be summarised as follows:

- The majority of HEIs in both samples (87% in the UK and 83% in Germany) provided „guest lecturer“ programmes.
- The mean number of guest lectures in the academic year 2013/14 was 18 at UK HEIs. Calculating the academic year with 30 weeks, this figure means one regular guest lecture takes place more than every second week on average. At German institutions the mean was ten visits of guest lecturers per academic year, which means one guest lecture takes place every third week on average.
- 24 HEIs in the UK sample provided guest lectures every week on average, while the maximum frequency at German institutions was 15 visits per academic year, respectively, on average one visit every second week.
- One third of the investigated HEIs in the UK integrated a mentoring programme into their regular fine art curricula, while this programme was not provided at German institutions at all. On average, between three and four artists worked as mentors on those programmes, mostly organised as a one-year residency programme.
- The integration of graduates (alumni) as mentors into the regular fine art curriculum was possible at 34 institutions or 45% of all HEIs in the UK. In Germany, none of the investigated institutions integrated alumni-mentors into their fine art curriculum; one institution was, however, in preparation for that.

The findings show evidence that guest lectures were widely integrated into the fine art education process at HEIs in both countries, while mentoring programmes, unfortunately, were established as an important element in the teaching and learning processes at only a few HEIs in the UK. Particularly at German institutions, the importance of mentors, even alumni mentors, was not considered an educational element at all. In this context it must be said that almost 100% of the teaching staff are practicing artists as well (KPI ‘Real-Life Learning’ ~ 1). Therefore, it is understandable that in particular mentoring by external artists is not considered as additional mean to develop entrepreneurial skills, which is why the KPI ‘Mentoring’ is relatively low.

3.6 KPI ‘Intensity of Supervision’

The intensity of supervision can be considered as an indicator of time resources, available for in-depth feedback and career and personal development consultations given by the lecturers to each of the students. The more lecturers are available for the students, the higher the intensity of supervision and thus the chance for students to get comprehensive feedbacks and advice.

The study shows evidence that the intensity at German institutions is considerably higher than at institutions in the UK. On average, almost three undergraduates were supervised by one full-time teacher at German HEIs per level of study (class), while this ratio was five students per level of study at fine art degree programmes in the UK. On average, the class size at UK institutions was around thirty students. The size at German institutions was as half of this. Although fine art lecturers at HEIs in the UK taught larger student groups than their colleagues in Germany, it is notable that these relatively low figures do not really matter for student performance, particularly
the most able students. Feedback and time for career consultation should be available in both samples, on average.

To conclude at this point:

- The survey among fine art lecturers/practicing artists shows evidence that fine artists suffer in particular from the lack of attention on the market due to an existent oversupply of art work and lack of promotion and entrepreneurial skills. In order to attract attention artists are required to effectively promote themselves and their - hopefully outstanding - art. In order to increase the chances of attracting attention on the market, artists need to develop the crucial ‘five plus 2’ entrepreneurial skills.

- The analysis of course data reveals that fine art students will hardly be equipped with the crucial entrepreneurial skills. They mostly lack skills in opportunity identification, leadership, strategic planning, finance, promotion, and networking. Although the entrepreneurial orientation at UK HEIs is higher than at German institutions, due to entrepreneurship policies in the national education system, it is still on a relatively low level and insufficient to prepare fine art graduates to successfully meet the market requirements.

Considering this, it is of interest to experience whether arts incubators’ business models are oriented to close this educational gap by offering these required services.

3.7 Business Education, Coaching and Mentoring in Arts Incubation Programmes

The analysis of both samples, encompassing the relevant 12 UK and 4 German arts incubators with a multidisciplinary business focus, including the fine arts, shows following findings:

- Business workshops and seminars were provided regularly by each art incubator in the UK and Germany with one exception: one German incubator was traditionally focused on only providing studio working and exhibition spaces as meeting points for artists and community.

- The institutions covered all relevant business topics for fine artists from accounting, finance, funding, marketing/promotion strategies, operational and strategic planning to pricing strategies, IP law, negotiation, and sales strategies.

- Eight out of the twelve UK incubators and three out of the four German incubators provided individual on-site coaching and mentoring, particularly in the early stages of entrepreneurial development.

The analysis shows evidence that fine artists experience bespoke trainings and individual on-site coaching. In accordance with the Cockpits Arts report (2013), the coaching and training programmes are very effective because both artist and incubator/coach meet and discuss the business idea together to identify the artist’s specific needs. Together they then create an individualised action plan to help the entrepreneurial development. The training will help to achieve the different objectives and milestones of development.

Alongside studio practice, bespoke trainings and appropriate on-site coaching and mentoring create an experiential learning environment with immediate feedback opportunities that highly likely facilitate the development of the crucial ‘five plus 2’ skills.

3.8 Networking, Promotion Activities, and Other Services in Art Incubation Programmes

Besides important bespoke trainings for fine artists, art incubators also provide network contacts and develop the artist’s networking skills by building collaborations and partnerships among the incubation clients as well as with external artists and art organisations or representatives of the community.

The analysis of the 16 arts incubators in relation to these services shows the following key findings:

- Building collaborations and partnerships (networks) as well as promotion activities (exhibitions and events) were provided by each of the arts incubators in the UK and Germany.

- Micro-loans were offered only by a minority; two out of the 12 UK institutions and also two of the German incubators offered their art clients funding opportunities.

As the analysis shows, arts incubators support their clients in networking and promoting art work by organising exhibitions regularly. These events are often a collaborative platform aiming to increase awareness and appreciation of the artists’ work to develop new audiences and contacts. They offer both cultural and commercial opportunities, showcasing established and emerging fine art talents and innovative projects. Furthermore, some arts incubators also offer micro-loans to low interest rates if their art clients need capital to take their business to the next level.
4. Limitations and Conclusions

4.1 Limitations

The cross-sectional approach was more a result of time restrictions than of scientific conviction. This approach only offers a snapshot of a single moment in time and will not consider the development of incubation services, fine art curricula, and fine art students’ entrepreneurial skill set before and after the research period. Therefore, it is and will remain unknown if changes in the educational programmes and curricula towards more entrepreneurship and market orientation had a positive effect on fine artists’ later entrepreneurial success. The cross-sectional approach cannot recognise cause-and-effect relationships. In contrast, the benefit of a longitudinal study is that those developments and changes in the skill set of fine art graduates as well as relationships between variables such as the aforementioned educational KPIs can be detected over time.

However, due to their quantitative nature, KPIs normally lack the consideration of qualitative issues. They break down substantial data to comparative figures without any focus on qualitative aspects. For example, the length of compulsory work placements can “only” address a quantitative dimension. It shows how long or to what extent students will be able to work in an organisational environment to gain practical experience. However, this KPI cannot explain if a work placement will actually be adequate to gain specific entrepreneurial skills and practical experience. It cannot provide information about the educational quality and what skills will be developed because this would prerequisite the exact knowledge about the tasks and challenges a “placed” student will meet. In this context, it is therefore reasonable to link the quantitative dimension of KPIs with the qualitative dimension by using strategic management tools such as the Balanced Scorecard (BSC).

4.2 Conclusions

The analyses of regular fine art curricula for undergraduates, entrepreneurial and business-related in-house extra-curricular training offerings, and post-graduate programmes at HEIs in the UK and Germany were conducted with the help of various KPIs. Clear evidence is shown that fine art students will not be sufficiently prepared for their most chosen career path of self-employment, neither at UK nor at German HEIs due to several serious reasons: Firstly, some of the crucial ‘five plus 2’ entrepreneurial skills, needed to develop, establish, and run a commercial art concept or business, such as strategic thinking (planning) skills, skills to recognize and realize opportunities, leadership skills, and finance/cash management skills are completely missing in the regular fine art curricula. Secondly, those ‘five plus 2’ entrepreneurial skills that are integrated in the curriculum, namely the idea development skills, networking skills, and self-promoting skills were only taught to a very small extent. The average proportions of these entrepreneurial skills on the total workload of the fine art curricula were only 5% at UK (or 9 ECTS credit points) and less than 2% at German institutions (or 3.5 ECTS credit points). In terms of working hours these proportions mean that a fine art undergraduate at an UK HEIs is required to develop these entrepreneurial skills in 180 of in total 3,600 working hours on average, while a fine art student at a German institution would only have 105 working hours time for developing the same three skills. It should be obvious that these time periods are insufficient, particularly when considering the fact that these skills are sets of skills, including other skills. In this short period of time an average fine art student will hardly be able to develop the skills to create a unique and distinguishing art idea, attract attention of gallerists or consumers and audiences as ‘interested followers’ or networking partners, and negotiate purchase prices, delivery or funding conditions in order to make a living in the arts. Instead, fine art students will rather be equipped with professional and employability skills than with entrepreneurial ones.

The analysis of art incubators’ services shows that they are successfully able to help fine artists to develop the crucial ‘five plus 2’ skills in order to make a living in the arts. They are therefore a valuable option for those fine artists who suffer from an insufficient educational preparation at HEIs. In this context, it needs to be considered that there is no set package of support that is guaranteed to lead to improved financial performance and entrepreneurial success. One size does not fit all. And that approach may be the main difference to the entrepreneurial education of fine art students at HEIs. Universities and colleges do not have the needed capacities to provide bespoke trainings and on-site coaching. Business survival and growth depends primarily on the capacity of each fine artist to develop strong creative and entrepreneurial skills in order that they can exploit opportunities and overcome challenges, in a way that is relevant to them and their practice. The prerequisite for a successful entrepreneurial development is, therefore, to work out an outstanding art concept or business model with each individual fine artist that fulfills their creative aspirations whilst meeting their financial needs as well as professional and social aims. In order to best perform, in financial terms, fine artists need access to different combinations of support services that meet their needs at the different stages of their professional and entrepreneurial development. Professional arts incubators are designed to meet these challenges. Another advantage of arts incubators is that the incubating artists are part of a network of talented artists, often sharing similar experiences to one another. Arts incubators therefore facilitate peer-to-peer action learning and group
coaching sessions, so that valuable knowledge and skills can be shared in an informal and relaxed way. Excellent networked arts incubators also produce benefits for artists by reason of its scale. Incubators with a significant network definitely have a higher buying, negotiation, and marketing/promotion power than individual artists.

Although successful arts incubators often stress the benefits of being physical, for example, they consider “coffee dates” and other points of spontaneous meetings in short distances as a stimulating environment to create a climate of creativity, this business model has a major conceptual weakness: the access to physical arts incubators is very limited. As the findings of this study also clearly show, the absolute number of professional arts incubators for fine artists in two of the biggest art markets in Europe is very small in comparison to the number of fine artists. Arts incubation is still an unrevealed business field and often unknown by artists and other market participants. Only a handful of artists will benefit from bespoke trainings, on-site coaching, and other support services. Arts incubators are forced to strictly select their clients and effectively control the timely exits of developed and/or “hopeless” artists who were not able to achieve their developmental milestones. For the applicants this situation means an intense competition for one of the incubator's coveted places. These dilemmas of limited spaces and lack of awareness among artists can be easily overcome by a virtual arts incubation programme that is designed as an open, flexible, interactive and, due to virtuality, scalable network (Thom, 2011), including artists, specialised skill providers, coaches/mentors, gallerists, art collectors, experts, consumers, and other participants in the arts.

The positive impacts of arts incubation and its commercial benefit for (fine) artists and the economy have been proven. However, when it is possible to effectively incubate the (fine) arts to a much greater extent arts incubators will be recognized as important provider of entrepreneurial value.
References


