

Performing Arts

Year 1

SECTION

4

BUSINESS CYCLE IN THE PERFORMING ARTS



FOUNDATIONS IN ARTISTIC KNOWLEDGE AND PROCESSES

Business Cycle in The Performing Arts

INTRODUCTION

Welcome to Section 4, where you'll discover how the performing arts and business can connect. You will learn about the opportunities and challenges inherent in the performing arts industry and learn how to leverage them to generate income for yourself and contribute to your community. You will also learn how to market your art and how to plan your artistic projects like a business. Just like successful companies, such as Roverman Productions and Globe Productions, you too can turn your passion into a profitable career.

KEY IDEAS

- A performing artist, just like any other creative professional or a tradesperson, can market his or her works or services to earn a living. There are different business ideas that can help artistic professionals make significant gains in the world of the performing arts.
- Business opportunities and challenges in the performing arts sector may be effectively analysed through the use of the SWOT analysis model.
- The performance of any performing artwork should not be regarded only as entertainment but also as a commercial/business activity. This means that the artwork you have produced can earn you a living.
- A business plan is an essential document that is written to provide a description and overview of an organisation's plan for the future. A business plan takes you from the 'idea stage' to the 'action stage' when setting up, developing, or expanding a business.

CHALLENGES AND OPPORTUNITIES OF THE PERFORMING ARTS INDUSTRIES

Career options in the performing arts sector are varied and include both on-stage and backstage work. However, like any industry, it also presents its own set of challenges and opportunities. You will learn about the various career options in the performing arts, as well as the potential risks and rewards associated with these careers.

Careers in performing arts

The performing arts industry has a wide range of career opportunities within each discipline. These opportunities can be found in various fields such as performance, education, administration, and technical production.

Drama

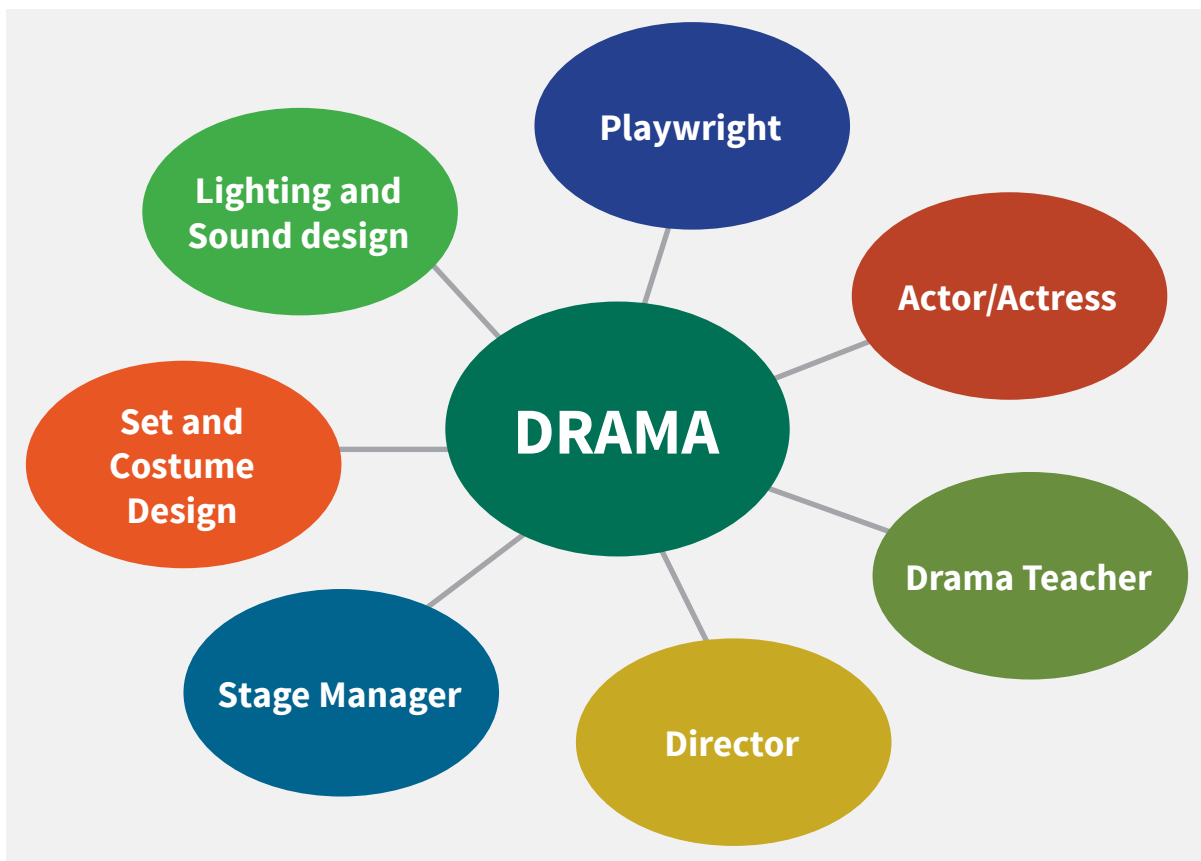


Fig. 4.1: The image above is a visual representation of some opportunities in the drama sector of performing arts.

Dance



Fig. 4.2: The image above is a visual representation of some opportunities in the drama sector of performing arts.

Music

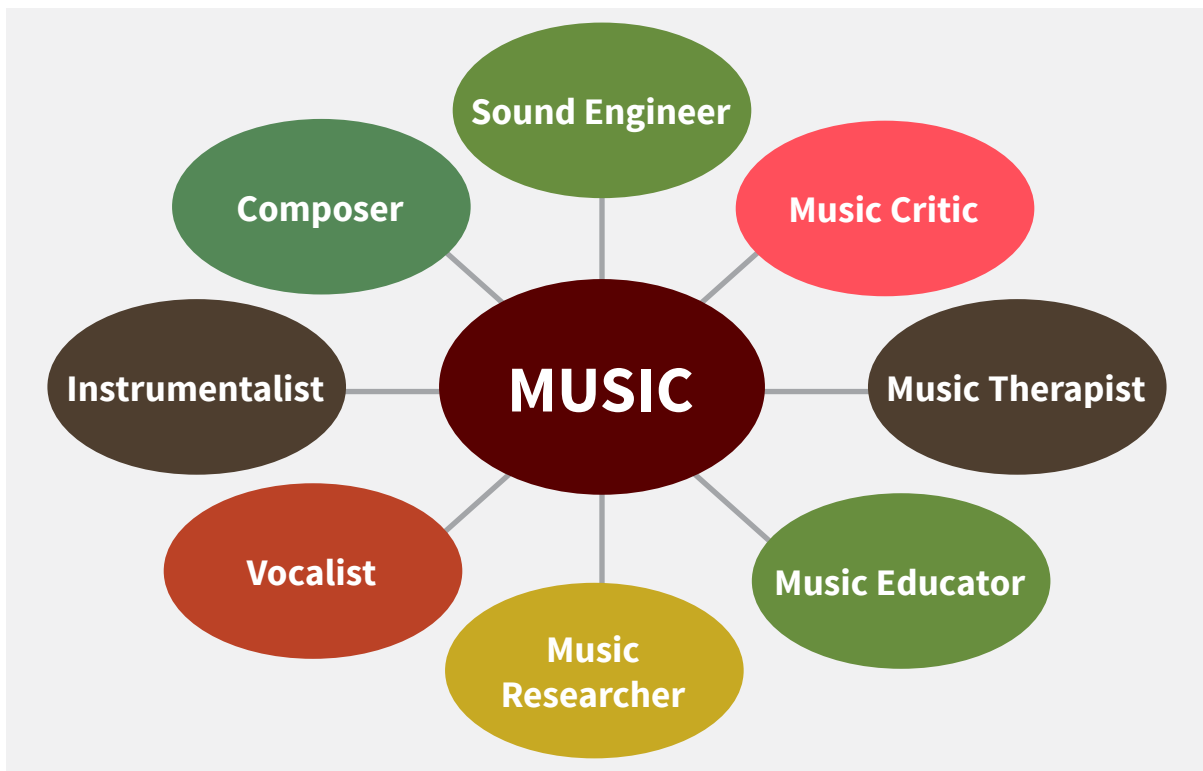


Fig. 4.3: The image above is a visual representation of some opportunities in the drama sector of performing arts.

Challenges for Individuals in the Performing Arts

1. **Financial instability:** Many performing artists rely on freelance work, leading to irregular income and financial insecurity.
2. **Intense competition:** The performing arts industry is highly competitive, making it difficult to stand out.
3. **Demanding workload:** Performing artists often work long hours, facing physical and emotional stress.
4. **Job insecurity:** Many performing arts jobs are temporary or contract-based.

Challenges for Performing Arts Organisations

1. **Financial constraints:** Securing funding for production, marketing, and operations can be challenging.
2. **Limited audience base:** Attracting and retaining audiences, especially for niche genres, can be difficult.
3. **Competition from other entertainment options:** Competing with television, movies, and video games for audience attention.
4. **Infrastructure limitations:** Inadequate performance venues and technical facilities can hinder productions.
5. **Economic downturns:** Economic downturns can impact ticket sales and sponsorship.
6. **Political instability:** Political unrest can disrupt performances and discourage audience attendance.



Fig 4.4: An image of the legendary and successful theatre practitioner, Mawuli Semevo

However, the performing arts industry also has many rewards, such as:

1. **Creative fulfilment:** The opportunity to express oneself creatively and experiment with different styles.
2. **Personal satisfaction:** The joy of sharing one's art with others and making a positive impact on audiences.
3. **Collaborative opportunities:** The chance to work with talented individuals from diverse backgrounds.
4. **Varied career paths:** The flexibility to explore various roles, from performer to teacher, director, or producer.
5. **Potential for financial success:** Successful performing artists can earn a good living.



Fig 4.5: An image of the legendary successful musician, Agya Koo Nimo

Overcoming Challenges for Individuals

1. **Develop strong technical skills:** Master your instrument, learn stagecraft, and understand music theory.
2. **Build a strong network:** Connect with other artists, industry professionals, and potential employers.
3. **Market yourself effectively:** Create a strong personal brand and promote your work through social media, websites, and other marketing channels.
4. **Be persistent and resilient:** Stay motivated and keep pushing forward, even in the face of setbacks.
5. **Diversify income streams:** Explore additional income sources, such as teaching, music production, or merchandise sales.

Overcoming Challenges for Organisations

1. **Diversify revenue streams:** Explore various revenue streams, such as ticket sales, merchandise, sponsorships, grants, and online content.
2. **Build strong partnerships:** Collaborate with other organisations, such as schools, community centres, and businesses, to share resources and expand your reach.
3. **Leverage technology:** Utilise technology to enhance performances, improve marketing, and reach a wider audience.
4. **Develop a strong brand identity:** Create a distinctive brand image that resonates with your target audience.
5. **Adapt to changing market conditions:** Stay informed about industry trends and be willing to adjust your business model as needed.

Activity 4.1

What's Your Dream Job in the Performing Arts?

1. Reflect on your passions and skills within dance, drama, or music.
2. Share your thoughts with a group of your classmates and discuss the various career paths available to you.
3. Create a visual map of your dream career path, breaking it down into smaller steps of how you might achieve it.

Activity 4.2

Risks and Rewards

- a) **Read the case study below about Kwesi, a theatre director who set up a business in the performing arts industry in Ghana.**

Kwesi, a visionary theatre director in Accra, had long been passionate about Ghana's rich cultural heritage. While the country boasts a vibrant tradition of storytelling, music, and dance, Kwesi noticed a significant gap: most performing arts platforms focused on traditional or ceremonial performances, leaving contemporary and fusion works underrepresented. Moreover, young, aspiring artists struggled to find structured opportunities to develop and showcase their talents in a professional setting.

In response, Kwesi launched **Heritage Performing Arts**, aiming to blend traditional Ghanaian art forms with modern interpretations. The company offered live performances, theatre productions, and cultural workshops targeting urban professionals, schools, and tourists. By providing a stage for innovative performances, Kwesi hoped to attract both local and international audiences looking for fresh, culturally rich experiences.

The venture started small, relying on a mix of crowdfunding, small grants, and personal savings. Performances were initially held in rented spaces or open-air venues. Kwesi invested heavily in marketing, using social media and partnerships with local schools and cultural institutions to build an audience.

Despite early enthusiasm, the business faced hurdles. Audiences were inconsistent, and balancing ticket prices with accessibility was tricky. Moreover, sustaining a reliable, talented workforce was challenging due to limited funding and competition from other entertainment sectors.

In pairs or small groups, discuss:

- a. What challenges did the business face? What are the risks to its future success?
- b. What individual challenges and opportunities might exist in starting this business, or working as an employee in this business?

Activity 4.3

Field trip to a Performing Arts business

Divide into groups of not more than five. If you are able to, organise a visit to a performing arts business of your choosing.

1. Pick any one of the three performing arts sectors: dance, drama or music. Interview at least one employee from the sector your group has chosen to learn more about their role. Remember to make notes of your discussion. Use the following interview guide to support your discussion:

Interview guide:

- a. What is your role?
 - b. How long have you been working in this role?
 - c. What are some aspects of this job that you love?
 - d. Do you think there are any risks attached to this job?
 - e. Do you see yourself working in a similar capacity in the next five years? Why or why not?
2. Interview the Chief Operating Officer, Business Manager or a similar role to learn more about the process of setting up and running a performing arts business. Remember to make notes of the discussion. Use the following interview guide to support your discussion:

Interview guide:

- a. What was the motivation behind setting up this business?
- b. What is the mission and vision of this business and how does the business define success?
- c. Do you have a business plan which would support the business to achieve this success?

- d. If yes, what are the main components of the business plan (Finance, marketing, operations, creativity etc.)?
- e. Do you face any challenges when trying to implement the business plan? If yes, what component of the business plan does the challenge relate to?
- f. Can you give a few examples of how you would deal with some of these challenges?
- g. What are some benefits of having this business?

Tip: You are recommended to assign each group member with a specific focus for each interview. For example, two members will take notes, while the remaining will ask alternate questions.

3. Once both interviews have been conducted, in your groups, analyse the responses received and create a presentation to share your learnings on:
 - a. the risks and rewards of the role you interviewed
 - b. rewards and challenges of setting up a performing arts business and how can we overcome the challenges? You are recommended to be creative with your presentation. You can create a PowerPoint presentation with visuals / audio recordings to elaborate on your findings. Present this to your entire class for feedback and discussion.

ANALYSING BUSINESS OPPORTUNITIES AND CHALLENGES IN PERFORMING ARTS

The performing arts industry, while often seen as a creative pursuit, is also a complex business. Understanding the business facets of the arts is an important thing for artists, producers, and organisations to thrive in this competitive industry. We will now investigate the key factors that shape the performing arts industry, including:

1. **Understanding organisational structures:** Exploring the different types of organisations in the performing arts sector and their roles.
2. **Identifying business opportunities and challenges:** Recognising potential avenues for income generation and obstacles that may hinder success.
3. **Developing effective business strategies:** Implementing strategies to overcome challenges, capitalise on opportunities, and achieve long-term sustainability.

Organisations supporting the performing arts in Ghana

Ghana boasts a vibrant performing arts scene, with a variety of organisations contributing to the industry. The following are different types of organisations and their roles within the sector.

Governmental Organisations

1. **Central Government:** The government plays a role in supporting the arts through various ministries and departments. This includes providing funding for arts initiatives, cultural preservation, and infrastructure development.
2. **National Commission on Culture (NCC):** The NCC is responsible for promoting and preserving Ghanaian culture. It offers grants, fellowships, and other support to artists and cultural organisations.
3. **Centre for National Culture (CNC):** The CNC organises cultural events, exhibitions, and workshops. It also provides training and capacity-building programmes for artists.
4. **National Theatre of Ghana:** This iconic venue hosts a wide range of performances, including theatre, dance, and music. It provides a platform for artists to showcase their work and reach a wider audience.
5. **Ministry of Tourism, Arts and Culture (MoTAC):** The Ministry of Tourism, Arts and Culture (MoTAC) is a Ghanaian government entity responsible for developing and promoting the country's tourism, arts, and cultural sectors. It formulates and implements policies, plans, and programmes to promote sustainable growth and development. MoTAC also works to preserve Ghana's cultural heritage, attract investment, and promote the country as a tourist destination. Additionally, it collaborates with other government agencies, private sector entities, and international organisations to achieve its goals.



Fig 4.6 An interior view of the National Theatre of Ghana; Source

Non-Governmental Organisations

1. **Art Council of Ghana:** This organisation supports the development of the arts through grants, fellowships, and residencies. They also provide technical assistance and capacity-building programmes for artists.
2. **Musicians Union of Ghana (MUSIGA):** This union represents the interests of Ghanaian musicians and works to improve their working conditions and promote Ghanaian music.
3. **Ghana Actors Guild:** This guild represents the interests of actors and actresses in Ghana, advocating for their rights and providing support.
4. **Ghanaian Musicians Right Owners' Association (GHAMRO):** This organisation collects and distributes royalties to musicians and composers.
5. **Copyright Society of Ghana (COSGA):** This society protects the intellectual property rights of artists, including musicians, writers, and visual artists.



Fig. 4.7: A view of the Creative Arts Council presenting crafts to His Excellency the President Nana Akuffo Addo on the commencement of the 'Committed to Championing and Developing Ghana's Creative Industries' Agenda.

Other Organisations

1. **Military regimental and popular music bands:** These bands provide training and performance opportunities for musicians, contributing to the development of the music industry.
2. **Choral groups:** Organisations like the Winneba Youth Choir and Tema Youth Choir promote choral music and provide training for young singers.
3. **Church choirs:** Many churches in Ghana have vibrant choir programmes that contribute to the cultural and musical landscape.

4. **TV and digital companies:** These companies provide platforms for artists to showcase their work through television and online streaming.
5. **International and local donors:** International organisations like UNESCO and local donors, such as foundations and corporations, provide funding for arts projects and initiatives.

Educational Institutions: Educational institutions play a crucial role in supporting the performing arts in Ghana. They offer formal training in various disciplines like music, dance, and drama, nurturing young talent. Schools and universities often organise cultural events and festivals, providing platforms for students to showcase their skills. Additionally, they collaborate with professional artists and organisations to expose students to industry practices. Through integrated arts education, schools foster creativity, critical thinking, and cultural awareness among students. By providing quality education and opportunities, educational institutions contribute to the growth and development of the performing arts in Ghana.

Educational institutions include:

1. University of Ghana School of Performing Arts
2. University of Education, Winneba School of Creative Arts



Fig. 4.8: A view of the University of Education, Winneba; Source: <https://gna.org.gh/2023/08/prof-stephen-mitchual-appointed-new-vice-chancellor-of-university-of-education-winneba>.

Cultural troupes and ensembles: These troupes preserve and promote traditional arts and culture through performances, workshops, and festivals. They provide a platform for young artists to learn and develop their skills, ensuring the continuity of cultural traditions. They also contribute to tourism by showcasing Ghana's cultural heritage to both domestic and international audiences. Furthermore, cultural troupes foster community cohesion and cultural pride, strengthening the cultural identity of the nation.

Cultural troupes and ensembles include:

1. Ghana National Dance Ensemble
2. Abibigromma Theatre Company
3. Local dance and drama groups



Fig 4.9: A View of Ghana dance ensemble drummers in performance; Source: <https://klub.batyskaf.net/event/ghana-dance-ensemble/>

Can you think of any additional organisations? Make a note of these organisations and the services they provide in your jotter.

SWOT ANALYSIS

SWOT analysis is a strategic planning technique used to help a person or organisation identify strengths, weaknesses, opportunities, and threats related to a business or project.

Understanding SWOT Analysis

SWOT is an acronym that stands for:

1. **Strengths:** Internal factors that give your business an advantage.
2. **Weaknesses:** Internal factors that may hinder your business's performance.
3. **Opportunities:** External factors that can be exploited to your advantage.
4. **Threats:** External factors that may pose a challenge to your business.

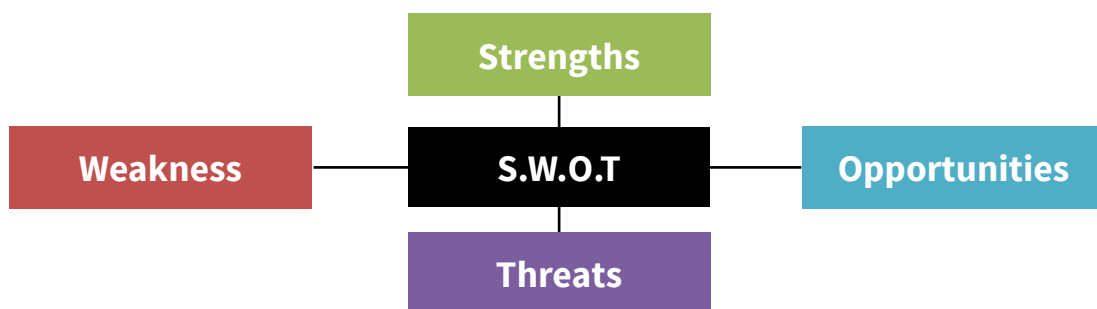


Fig. 4.10: A visual representation of SWOT

By conducting a SWOT analysis, you can get a clearer picture of any or your own business's position in the market and identify areas for improvement.

Applying SWOT Analysis to the National Commission on Culture (NCC ACTIVITY EXAMPLE)

Let's apply the SWOT analysis to the National Commission on Culture (NCC) in Ghana:

1. Strengths:

- a. **Government backing:** As a government institution, the NCC benefits from government funding and support.
- b. **Cultural preservation:** The NCC plays a crucial role in preserving Ghana's rich cultural heritage.
- c. **Network of cultural organisations:** The NCC has connections with various cultural organisations across the country.
- d. **Experienced staff:** The NCC employs experienced professionals in the field of culture and the arts.

2. Weaknesses:

- a. **Bureaucratic procedures:** Government bureaucracy can sometimes hinder efficient decision-making.
- b. **Limited budget:** The NCC may face budget constraints that limit its activities.
- c. **Lack of public awareness:** Some people may not be fully aware of the NCC's role and programmes.

3. Opportunities:

- a. **Digital platforms:** Leveraging digital platforms to promote Ghanaian culture and reach a wider audience.
- b. **International collaborations:** Partnering with international organisations to exchange knowledge and resources.
- c. **Cultural tourism:** Developing cultural tourism products to attract visitors and generate revenue.
- d. **Youth engagement:** Engaging young people through cultural programmes and initiatives.

4. Threats:

- a. **Economic downturns:** Economic downturns can impact funding and resources.
- b. **Cultural erosion:** The influence of globalisation and Western culture can erode traditional cultural practices.
- c. **Political instability:** Political instability can disrupt cultural activities and hinder the NCC's operations.

By conducting a SWOT analysis, the NCC can identify its strengths, weaknesses, opportunities, and threats. This analysis can help the organisation develop effective strategies to achieve its goals and contribute to the preservation and promotion of Ghanaian culture.

Business strategies, marketing tactics, and financial management

Business strategies are the plans and actions that an organisation takes to achieve its long-term goals. In performing arts, these strategies involve leveraging resources, making informed decisions, and adapting to the ever-changing industry

Key Business Strategies for Performing Arts Organisations

1. Diversification of revenue streams:

- a. **Ticket sales:** While ticket sales are a primary revenue source, diversifying income streams is crucial.
- b. **Merchandise sales:** Selling merchandise like t-shirts, CDs, and DVDs can generate additional revenue.
- c. **Sponsorships and grants:** Securing funding from corporations and government agencies can provide financial stability.
- d. **Workshops and classes:** Offering workshops and classes can generate consistent income and build brand awareness.
- e. **Rental income:** Renting out venues or equipment can be a valuable revenue stream.

2. Strategic partnerships:

- a. Collaborating with other organisations, such as schools, community centres, and businesses, can expand your reach and resources.
- b. Partnering with other artists and companies can lead to joint productions and cross-promotional opportunities.

3. Strong branding and marketing:

- a. Developing a strong brand identity can help you stand out in a competitive market.
- b. Utilising various marketing channels, such as social media, email marketing, and public relations, can effectively reach your target audience.

4. Effective financial management:

- a. Creating a detailed budget and tracking expenses closely.
- b. Seeking professional financial advice to ensure long-term sustainability.
- c. Exploring funding opportunities, such as grants, loans, and crowdfunding.

How Business Strategies Impact Performing Arts

By implementing effective business strategies, performing arts organisations can:

1. **Enhance visibility:** Increase audience reach and brand recognition.
2. **Secure funding:** Access diverse funding sources to support operations.
3. **Mitigate risks:** Develop contingency plans and diversify revenue streams to reduce financial risks.

4. **Adapt to change:** Respond to industry trends and audience preferences.
5. **Build sustainability:** Ensure the long-term viability of the organisation.

Factors That Can Affect the Performance of a Business

Below are some examples of both external and internal factors that may affect the performance of a business.

INTERNAL FACTORS	EXTERNAL FACTORS
Internal operations	Supplier operations
Staffing and human resources	Tenders and grants
Quality assurance	Competitors
Marketing and sales	Politics
Financial management	The social and natural environment
Customer service	Financial markets

Activity 4.4

Case Study Analysis

Case Study of the National Theatre of Ghana

The National Theatre of Ghana is a significant cultural institution that has played a legendary role in promoting the performing arts in Ghana. Established in 1969, the theatre has hosted hundreds of performances, including plays, dance dramas, musical concerts, and cultural festivals. Some of the **business strategies and marketing tactics** that have been used by the National Theatre include:

- a. **Diverse programming:** The National Theatre offers a diverse range of performances, catering to a broad audience. This includes traditional Ghanaian performances, contemporary theatre, and international productions.
- b. **Strong partnerships:** The theatre collaborates with local and international organisations to bring in renowned artists and productions.
- c. **Effective marketing and promotion:** The theatre utilises a combination of traditional and digital marketing techniques, including social media, print advertising, and public relations.
- d. **Community engagement:** The theatre actively engages with the community through workshops, outreach programmes, and educational initiatives.
- e. **Infrastructure development:** The theatre has invested in upgrading its facilities to provide a world-class experience for audiences and performers.

Financial Management

- a. **Ticket sales:** A significant portion of the theatre's revenue comes from ticket sales.
- b. **Government subsidies:** The government provides financial support to the theatre.
- c. **Sponsorships and donations:** The theatre seeks funding from corporate sponsors and individual donors.
- d. **Merchandise sales:** The theatre sells merchandise, such as books, DVDs, and souvenirs.
- e. **Rental income:** The theatre generates revenue by renting out its facilities for events and conferences.

Challenges and Lessons Learnt

Challenges:

- a. **Funding constraints:** Securing adequate funding can be a challenge, especially in a competitive environment.
- b. **Infrastructure maintenance:** Maintaining the theatre's infrastructure requires significant investment.
- c. **Audience development:** Attracting and retaining a diverse audience is crucial.
- d. **Competition from other entertainment options:** Competing with television, movies, and online streaming services can be challenging.

Lessons learnt:

- a. **Strategic Planning:** A well-defined business plan is essential for long-term success.
- b. **Diversification:** Exploring multiple revenue streams can help mitigate financial risks.
- c. **Community engagement:** Building strong relationships with the community can lead to increased audience support.
- d. **Adaptability:** The ability to adapt to changing market conditions is crucial.
- e. **Sustainability:** Long-term sustainability requires a balanced approach to artistic excellence and financial viability.

With the information from the case study above, complete the following:

1. Analyse the National Theatre of Ghana's business strategies and marketing tactics.

Consider the following:

 - How does the theatre attract a diverse audience?
 - What strategies does the theatre use to generate revenue?
 - How does the theatre engage with the community?
2. Discuss the challenges the National Theatre of Ghana has faced and how it has overcome them.

3. Identify lessons learnt from the National Theatre of Ghana's experience. Consider the following:
 - What strategies can be applied to other performing arts organisations?
 - How can these lessons help in developing a successful performing arts business plan?
4. Share your responses with your classmates and any new ideas from your classmates to your work.

Activity 4.5

What's your SWOT?

With a partner or in a group:

1. Select a specific performing arts business idea (e.g., dance studio, theatre company, music production company). Use the following prompts to help you make your decision:
 - What skills do you have that might work well for a particular business?
 - What draws you to a particular business type within the performing arts industry?
 - Think about different options: What can each different business offer that is distinct, and how will you differentiate from other similar businesses?

Once you have decided on one option, move onto the activities below.

2. Identify your business's strengths, weaknesses, opportunities, and threats.
3. Analyse and plan: Use the strengths, weaknesses, opportunities and threats identified above to develop a plan to take advantage of strengths, address weaknesses, make the most of opportunities, and mitigate threats. Use the template below to record your plan:

Strengths	What actions will you take to build on the strengths of your business?
Weaknesses	What are the gaps in knowledge and skills you will need to address? What actions will you take to address them?
Opportunities	How will you source opportunities? What might they be, and how will you plan to seize them?
Threats	What action will you take to reduce or manage the risks of your business failing?

4. Share your SWOT analysis with your class.

MARKETING AND BUSINESS STRATEGIES IN THE PERFORMING ARTS

A successful performing arts career requires a solid understanding of marketing, finance, and business management. We will go deeper into the key strategies and techniques that can help you to build a sustainable career in the performing arts.

Understanding Marketing and Strategy

Marketing can simply be defined as the process of creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. In the context of the performing arts, marketing involves promoting your work to attract audiences, generate revenue, and build a strong brand.

A strategy is a plan of action designed to achieve a long-term or overall aim. A strong business strategy will guide your decisions and help you navigate the complexities of the performing arts industry.



Fig 4.11: The image shows a visual presentation for understanding marketing

The 6 Ps of Marketing

A popular marketing framework is the 6 Ps:

- 1. Product:** Your performance, workshop, or other offering.
- 2. Price:** The cost of your product or service.
- 3. Place:** The distribution channels (e.g., theatres, online platforms, festivals).
- 4. Promotion:** Marketing and advertising your product or service.
- 5. People:** Your team and the audience you're targeting.
- 6. Presentation:** The overall presentation of your work, including branding, packaging, and public relations.

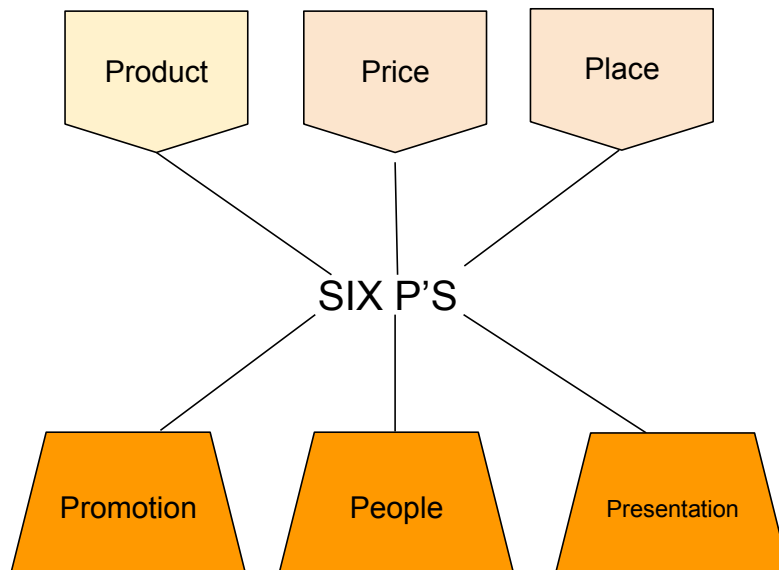


Fig 4.12: A conceptual presentation of the 6 P's

Evolving Marketing Techniques and Strategies

The way performing arts is marketed has evolved significantly over the years. Traditional marketing methods, such as print advertising and direct mail, have been complemented by digital marketing strategies.

Key Marketing Techniques:

- 1. Social media marketing:** Leveraging platforms like Instagram, Facebook, and Twitter to build a strong online presence.
- 2. Email marketing:** Sending targeted emails to subscribers to promote events and offers.
- 3. Content marketing:** Creating valuable content, such as blog posts, videos, and podcasts, to attract and engage audiences.
- 4. Public relations:** Building relationships with media outlets to generate positive publicity.
- 5. Paid advertising:** Using paid advertising platforms to reach a wider audience.

By understanding the business aspects of the performing arts industry, you can make informed decisions, manage your finances effectively, and build a sustainable career.

Activity 4.6

Creating a Marketing Plan

- 1.** Develop a marketing plan for a hypothetical performing arts event or product. Key elements to consider:
 - a.** Target audience: Identify the target audience for the event or product. (e.g., Who are you trying to reach with your event or product?)

- b.** Marketing channels: Determine the most effective marketing channels (e.g., social media, email, print, radio, TV).
- c.** Messaging: Develop a strong brand message and key messaging points. (Remember to include the unique selling points of your event or product).
- d.** Budget: Allocate a budget for marketing activities.
- e.** Evaluation: Explain how you will monitor the effectiveness of your marketing efforts. Set measurable goals and track the effectiveness of these efforts.

DRAFTING A BUSINESS PLAN

A successful career in the performing arts requires a solid understanding of business principles, including marketing, finance, and strategic planning. We'll focus on developing a comprehensive business plan for your performing arts project. A well-crafted business plan will help you secure funding, attract investors, and make informed decisions.

What is a Business Plan?

A business plan is a roadmap for your performing arts project. It outlines your goals, strategies, and financial projections. A well-crafted business plan can help you secure funding, attract investors, and make informed decisions.



Fig. 4.13: The image above shows the most relevant steps in creating a successful business plan

Benefits of a Business Plan

Beyond securing funding, a well-crafted business plan offers numerous benefits for your performing arts project, including:

1. **Strategic planning:** A business plan forces you to think critically about your goals, strategies, and tactics. It helps you develop a clear roadmap for your project.
2. **Market analysis:** By conducting a thorough market analysis, you can identify your target audience, competition, and market trends. This information can help you tailor your project to meet the needs of your audience.
3. **Risk management:** A business plan helps you identify potential risks and develop strategies to mitigate them. For example, you might consider alternative venues, insurance coverage, or contingency plans for unexpected events.
4. **Operational efficiency:** A well-structured business plan can help you streamline your operations, improve efficiency, and reduce costs.
5. **Decision-making:** A business plan provides a framework for making informed decisions. By analysing data and projections, you can make strategic choices that align with your overall goals.
6. **Teamwork and collaboration:** A shared business plan can foster collaboration among team members and ensure everyone is working towards a common goal.
7. **Attracting talent:** A strong business plan can attract talented individuals to your project, whether they are performers, technicians, or administrative staff.

Key Components of a Performing Arts Business Plan

A business plan consists of the following components:

1. **Executive summary:** A concise overview of your business plan, highlighting key points.
2. **Business description:** A detailed description of your performing arts project, including its mission, vision, and unique selling points.
3. **Market analysis:**
 - a. **Target audience:** Identify your target audience and their preferences.
 - b. **Competitor analysis:** Analyse your competitors and their strategies.
 - c. **Market trends:** Identify relevant trends and opportunities in the performing arts industry.
4. **Organisational structure:** Outline the organisational structure of your project, including roles and responsibilities.
5. **Product/Service line:** Clearly define your core offerings, such as live performances, workshops, or online content.
6. **Marketing and sales strategy:** Develop a comprehensive marketing plan to promote your project and attract audiences.
7. **Financial projections:** Create detailed financial projections, including revenue forecasts, expense budgets, and cash flow statements.

8. **Funding request:** If you need external funding, prepare a funding request outlining your financial needs and how the funds will be used.
9. **Risk assessment:** Identify potential risks and develop strategies to mitigate them.

Comparing General and Performing Arts Business Plans

To maximise success, it is important to adapt your business plan to the performing arts sector. The following table provides a comparison between a general and performing arts business plan.

Feature	General Business Plan	Performing Arts Business Plan
Core Focus	Broad range of industries	Specific to the performing arts sector
Product/Service	Tangible goods or services	Intangible performances, workshops, or recordings
Market Analysis	Focus on target market, competition, and industry trends	Focus on audience demographics, preferences, and cultural trends
Financial Projections	Revenue, expenses, and profitability	Ticket sales, merchandise, grants, sponsorships, and fundraising
Risk Assessment	General business risks (e.g., economic downturn, competition)	Specific risks like performer injuries, venue availability, and audience fluctuations
Legal and Regulatory Considerations	General business regulations	Specific regulations for performing arts, such as copyright, licensing, and union agreements
Marketing and Sales Strategy	Traditional marketing techniques (e.g., advertising, PR)	Specialised marketing techniques for performing arts (e.g., social media, press releases, reviews)

The Financial Analysis

A financial analysis is a critical part of a business plan because it provides a clear picture of current and future financial health. A financial analysis supports planning and decision making, increases credibility with funders, and supports both short-term and long-term success.

Here are some reasons why it is important:

1. **Demonstrates viability and profitability:** A financial analysis shows whether the business can generate enough revenue to cover expenses and eventually make a profit. This helps determine if the idea is financially sustainable.
2. **Attracts funders:** Funders will want to see financial projections to understand the potential of the business. A solid financial analysis will increase their confidence.

- 3. Guides decision-making:** A financial analysis supports the decision-making process by providing insights into cash flow, profit margins, break-even points, and funding needs. This ensures resources are allocated efficiently.
- 4. Identifies potential risks:** Your analysis will highlight financial risks such as cash flow shortages, high operational costs, or low profitability, allowing you to plan ahead and develop strategies to mitigate these issues.
- 5. Sets financial goals and benchmarks:** In your plan you will establish measurable financial targets. This will help to track progress and make adjustments to stay on track.
- 6. Supports long-term planning:** Provides a framework for forecasting future income, expenses, and growth, which is essential for planning expansion and scaling and potential scaling of operations.

Activity 4.7

Developing a Business Plan – Financial Analysis

Using the sample financial plan provided as a guide, answer the following questions to develop your own financial plan for a performing arts business:

- 1. Identify revenue streams**
 - What are the possible ways your performing arts business can generate income? (e.g., ticket sales, workshop fees, sponsorships).
 - Estimate the amount of income you expect to earn from each source.
- 2. Break down expenses**
 - What costs will you need to cover to run your performing arts business?
 - Categorise your expenses under production (e.g., venue rental, costumes), marketing (e.g., advertisements), and administrative costs (e.g., stipends for performers).
- 3. Calculate your cash flow**
 - What are your expected total inflows (revenue) and outflows (expenses)?
 - Determine your profit or loss by subtracting total expenses from total revenue.
- 4. Analyse your plan**
 - Based on your financial calculations, is your performing arts business profitable?
 - If there is a loss, how might you reduce expenses or increase revenue to improve your financial plan?

REVENUE STREAMS		
SOURCE	DETAILS	AMOUNT in Ghc
Ticket Sales	50 tickets × \$15 each	750
Workshop Fees	10 participants × \$25 each	250
Sponsorship/ Donations	Local sponsor contribution	200
Total Revenue	-	1,200
EXPENSE BUDGET		
CATEGORY	DETAIL	AMOUNT in Ghc
Venue Rental	1-day event space rental	300
Marketing Materials	Posters, flyers, social media ads	100
Costumes & Props	Materials for performance	150
Performers' Stipends	3 performers × \$100 each	300
Miscellaneous Costs	Snacks, water, unforeseen expenses	100
Total Expenses		950
NET PROFIT CALCULATION		
REVENUE	EXPENSE	PROFIT
Ghc 1,200	Ghc 950	Ghc 250

Let's now bring everything together to create a business plan.

Activity 4.8

Developing a Business Plan

1. Select a specific project, such as a play, dance performance, or music concert. You may want to use information you have developed in previous lessons.
2. Briefly outline your project in an executive summary, covering its goals and its unique selling points.
3. Clearly define your project. What is your core offering?
4. Conduct a market analysis: Who are the key competitors?

- 5. Develop a Marketing plan:**
 - a.** Identify your target audience: Who are you trying to reach?
 - b.** Choose your marketing channels: Consider social media, email marketing, print advertising, and public relations.
 - c.** Create a marketing budget: Allocate funds for your marketing activities.
- 6.** Outline your resource requirements: What resources do you need for your project?
- 7.** Conduct a financial analysis: Create financial projections, including revenue forecasts, expenses and cash flow statements.
- 8.** Funding request: If you need external funding, draft a funding request outlining your financial needs and how the funds will be used.
- 9.** Risk assessment: Identify potential risks and develop strategies to mitigate them.

REVIEW QUESTIONS

Challenges and opportunities of the performing arts industry

1. What are some of the common individual risks faced by performing artists?
2. How do the risks and rewards of being a freelance musician differ from those of a musician employed by a symphony orchestra?
3. Explain why a lack of funding can be a significant challenge for small-scale theatre companies.
4. What strategies can a performing arts entrepreneur implement to mitigate the risks associated with starting a new business?
5. How can performing artists balance the creative and business aspects of their work to achieve long-term success?

Analysing business opportunities and challenges in performing arts

6. In your view, what is SWOT analysis?
7. Name two Ghanaian performing arts organisations.
8. How can a SWOT analysis help a performing arts organisation identify its strengths and weaknesses?
9. What are some of the common challenges faced by performing arts organisations in Ghana?
10. Explain how a theatre company can use a SWOT analysis to develop a marketing strategy to attract a wider audience.
11. How can a music producer in Ghana leverage technology to reach a global audience?
12. Compare and contrast the challenges and opportunities faced by a traditional dance troupe and a contemporary dance company in Ghana.
13. Evaluate the potential impact of artificial intelligence on the future of the performing arts industry.

Marketing and business strategies in the performing arts

14. Briefly define marketing in the context of performing arts.
15. List the 6 Ps of marketing.
16. Differentiate between product and presentation in the 6 Ps framework.
17. Choose a performing arts project (play, dance performance, music concert) and identify its target audience using the people aspect of the 6 Ps.
18. Select a specific performing arts project and develop a marketing message highlighting its unique selling point.

19. Explain how two different marketing channels (e.g., social media vs. print advertising) can be used to reach the target audience for a chosen performing arts project.
20. Analyse the marketing strategy of a successful performing arts company or artist. Identify the key marketing channels they utilise and explain why they might be effective.
21. Discuss the potential benefits and challenges of using technology (e.g., social media, online ticketing platforms) for marketing performing arts projects.

Drafting a business plan

22. Describe the main differences between a general business plan and a performing arts business plan.
23. Identify two benefits of a business plan beyond securing funding for a performing arts project.
24.
 - a. Choose a specific performing arts project (play, concert, dance performance).
 - b. Develop a mission statement and goals for your project.
 - c. Identify your target audience and explain your marketing strategy to reach them.
 - d. Explain how you plan to fund your project.
25. Imagine you are creating a business plan for a new theatre company. Explain how a market analysis can help you assess the feasibility of your project.
26. Develop a comprehensive business plan for a chosen performing arts project. Include all key features, like:
 - a. Executive Summary
 - b. Business Description (mission, vision)
 - c. Market Analysis (target audience, competition, market trends)
 - d. Marketing and Sales Strategy
 - e. Financial Projections (revenue streams, expenses, cash flow projection)
 - f. Risk Assessment and Mitigation Strategies
27. Analyse a real-life example of a performing arts company's business plan.
 - a. Evaluate its strengths and weaknesses in terms of key components.
 - b. Suggest improvements for specific sections of the plan.
28. As a performing arts entrepreneur, critically evaluate a business plan presented by another student.
 - a. Analyse its effectiveness in achieving the stated goals and objectives.
 - b. Identify potential weaknesses in the plan and offer constructive criticism.

- c.** Suggest alternative strategies or approaches for specific sections of the plan.
- 29.** The performing arts industry is constantly evolving. Discuss how technological advancements (e.g., online marketing, virtual reality) can be incorporated into a performing arts business plan to improve its effectiveness.

EXTENDED READING

Challenges and opportunities of the performing arts

- Bennett, D. (2009). Academy and the real world: *Developing realistic notions of career in the performing arts*. *Arts and humanities in higher education*, 8(3), 309-327.

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ADDITIONAL READING

- Boorsma, M., & Chiaravalloti, F. (2024). Arts marketing performance: An artistic-mission-led approach to evaluation. In *A Reader on Audience Development and Cultural Policy* (pp. 33-53). Routledge.
- Bhansing, P. V. (2013). Business in the performing arts: dual executive leadership. *European Management Journal*, 30(6), 523-534.

GLOSSARY

Performing Arts Industry	This encompasses various creative fields, including dance, drama, and music. It gives a range of career opportunities, both on and off stage.
Financial Instability	A common challenge in the performing arts industry, particularly for freelancers, due to irregular income and job insecurity.
Business of Performing Arts	The performing arts industry is not just about creative pursuits, it's also a complex business that requires strategies and planning for success. Artists, producers, and organisations need to understand this business aspect to thrive.
SWOT Analysis	A strategic planning tool used to assess an organisation's Strengths, Weaknesses, Opportunities, and Threats. This helps businesses identify areas for improvement and make informed decisions.
Marketing	In the context of performing arts, marketing involves promoting your work (performances, workshops, etc.) to attract audiences, generate revenue, and build a strong brand. This includes activities like advertising, public relations, and content creation.
Business Strategy	A plan of action designed to achieve your long-term goals in the performing arts industry. A strong strategy guides your decisions and helps you navigate the complexities of the business side of the arts.
Business Plan	A detailed document outlining your performing arts project's goals, strategies, and financial projections. It acts as a roadmap for success, helping you secure funding, attract investors, and make informed decisions.
Financial Analysis	A crucial component of a business plan that assesses your project's current and future financial health. It involves analysing revenue, expenses, profitability, and potential risks. This analysis supports planning, decision-making, and attracting funders.

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