



Deloitte.

Art & Culture

Pushing your cultural
heritage and assets to
their highest value

Table of contents

3	The cultural industry: a field of opportunities
4	Trends and challenges
8	Our proven expertise
12	Contacts

The cultural industry: a field of opportunities

Traditionally, culture, art and creativity have been identified as factors of personal enjoyment and education.

Nevertheless, we are gradually becoming aware of the potential development of culture as a sector-industry with a strong economic impact and which is key for the identity and development of cities and regions.

Such an industry not only drives the hotel business, restoration and transportation but also propels other economic sectors that have future potential as generators of value added for the economy.

Although the cultural industry is facing enormous challenges, the sector has clear potential as a prosperity generator and an important policy asset.

GREEN-FIELD FOR KNOWLEDGE AND INNOVATION

- Generating skilled work
- Engaging R&I community in new research fields
- Pulling new product design, innovative technological solutions and international patents

ECONOMIC DEVELOPMENT

- A business magnet for local commerce
- Culture as an economic driver in terms of diversification into high value added economic activities
- Rising related industry, from craftsmen to high tech
- Cultural industry as an opportunity for entrepreneurship



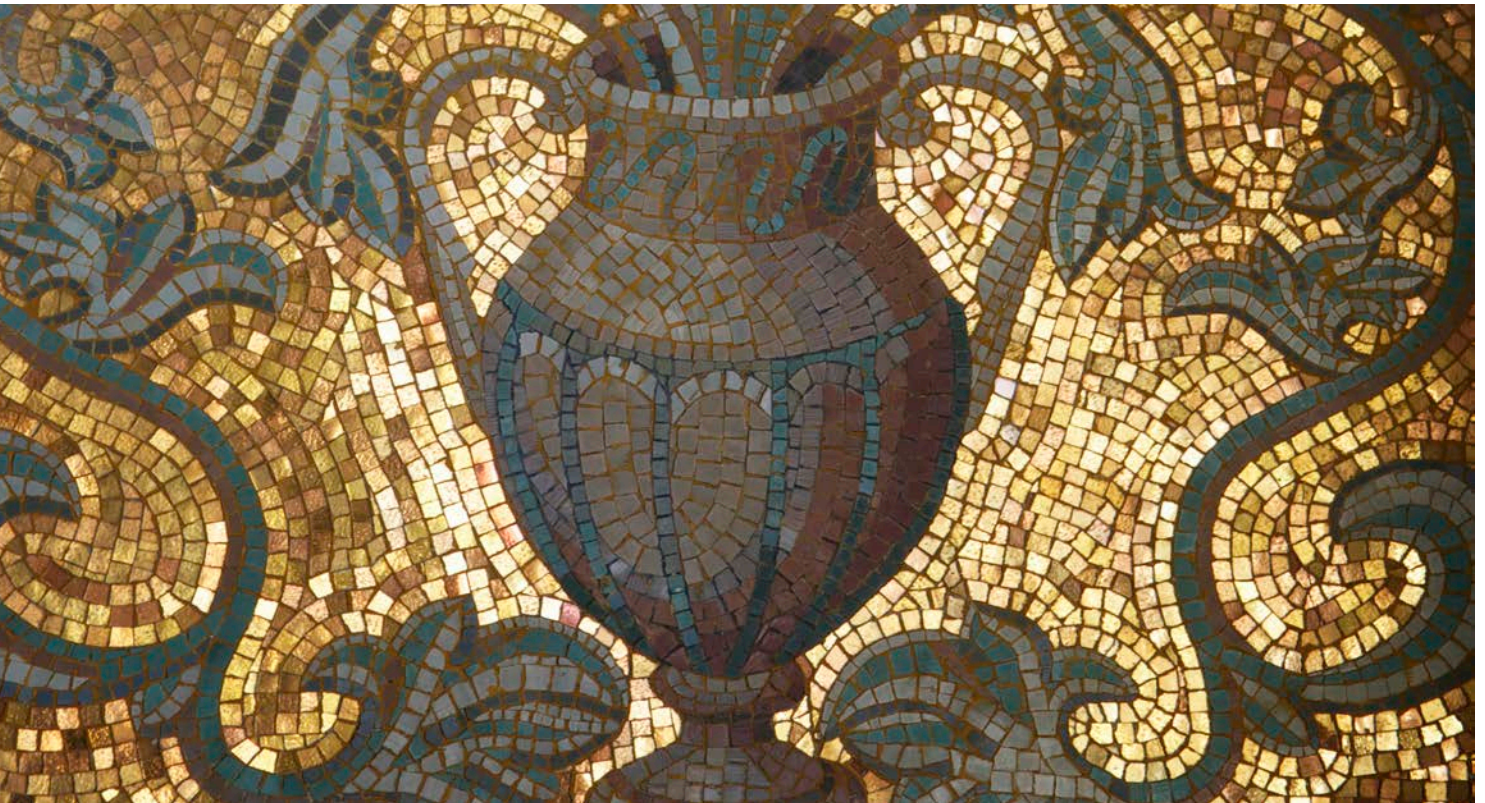
CITY POSITIONING AND BRAND IDENTITY

- Culture as an internationally valued asset for city rebranding and repositioning
- Culture as a core motto for top tourism and business spots
- Perfect balance for city branding to outsiders and sense of belonging for residents
- Culture as the meeting point for city's stakeholders and partners

CATALYST FOR URBAN AND SOCIAL TRANSFORMATION

- Bringing public spaces to life
- Fostering community vitality
- Culture as a driver for social cohesion

Trends and challenges



High impact of culture industry in economy and society and awareness of public bodies

Culture: already a big industry

The economic performance of the cultural and creative sectors is considerable. According to the 2010 European Competitiveness Report, they account for 3.3% of GDP and employ 6.7 million people (3% of total employment) in the EU.

Cultural and Creative Industries (CCIs) are emerging as an important sector for support and investment: overall employment in the creative industries increased by an average of 3.5% per annum in 2000–07, compared with 1% per annum for the EU economy as a whole.

Development of the creative industry at EU level

European institutions play a key role in ensuring that the culture industry increasingly contributes to employment and growth across Europe. CCIs have a say in the European Commission's agenda and have specific priorities in the field:

- Promoting innovation in education to respond to changing skills needs
- Supporting the mobility of artists
- Coordinating with Member States to reform regulatory environments
- Developing policies and initiatives to promote market access for and investment in CCIs

Venues, going global

Venues that are local and/or do not have branches are facing strong competition with internationally 'branded' institutions. They are increasingly looking for synergies in order to cut costs and increase their income. Increasing their strength within networks and optimising stakeholder strategy and partnership agreements are the fine route to take.

Venues that are opening branches or satellites have to position themselves properly on a new market, cope with new local authorities, find resources, define a new programme and convince new visitors.

Domination of superstar venues

Small and medium-sized venues are struggling to survive. They have to find a new position and compete with superstar institutions to attract income and sponsors and retain their visitors.

Some cultural institutions may not have sufficiently high-standard collections or assets that burden the development of an attractive offering and value proposition.

Economic impact of investing in culture

There is increasing competition among cities/regions/countries for attracting new visitors by creating cultural hubs and new cultural institutions.

Public and private investors want to clearly foresee the economic, social, political and branding impact of investing in cultural facilities. Public entities are willing to develop master plans for the coherent development of the overall facilities.

The trends and challenges



High impact of culture sector in economy and society and awareness of public bodies



Cost reduction, efficiency and professionalisation of the sector



Role of new technologies in access to services, information and content production



Stakeholder strategy, income management and asset and property management



Cost reduction, efficiency and professionalisation of the sector

Impact of the economic resources scarcity

The economic crisis has forced cultural institutions to cut back on paid staff, cut their budgets, outsource some of their activities to reduce costs, scale back exhibitions, limit opening hours and close temporary display galleries. Government policies and local authorities are encouraging venues to raise their own funds and generate additional income streams.

Rise of business philosophy among cultural institutions

Organisational structure, management activities and financial management now need to be aligned more with for-profit organisations.

Stakeholder strategy, income management and asset & property management

From public to private ownership and management

While state-funded institutions struggle with budget cuts and dwindling sponsorship, increasing numbers of private collectors are willing to invest in art and culture, sending auction prices soaring, making it even harder for public venues to compete.

Public venues are choosing to expand their space to display more works, appointing collectors to their boards, using acquisition campaigns and encouraging multiple donors to donate large collections together. Private-public collaboration is essential, as the public sector still has the audience, placing the relationship in a win-win position.

In this context, rationalising and improving public building usage is essential: from concept development to planning process and project management support, public buildings need to move from cost-cutting to strategic change.

Rise of new technologies

Many in the cultural sector still fail to grasp the idea that audiences have high expectations for online access to services and information.

Cultural institutions' workflows are too often ill-suited to modern content production techniques in which content is created simultaneously for multiple delivery modes. Websites, videos, podcasts, social networks and blogs should all pull from a content management system that allows any content to be ported to any medium.

The real challenge of the digital age is that it requires organisations to fundamentally alter their relationship with their constituencies. Cultural institutions must start to treat their audience as a community with a say in what happens, much like how media companies are learning to do.

Our proven expertise



From private to public institutions, we serve the key agents in the art and culture industry

Our major clients include museums, art and exhibition galleries, heritage attractions, opera houses and associations, music halls, multipurpose leisure spaces and music festivals.

Deloitte has also helped major city and state authorities to successfully manage the urban transformation processes in which cultural institutions have played a central role.

With the leadership of Deloitte Spain (Bilbao-based cultural advisory services) and the Deloitte Luxembourg Art & Finance department, we have established a Deloitte global network and are delighted that so far Deloitte Austria, Deloitte China, Deloitte Germany, Deloitte Italy, Deloitte Netherlands, Deloitte Monaco, Deloitte Poland, Deloitte Singapore, Deloitte Switzerland, Deloitte UAE, Deloitte Digital UK and Deloitte US have all joined the initiative.

A multidisciplinary service approach

Deloitte offers a multidisciplinary service approach to cultural asset and facilities management. From conceptual master planning to financial viability, Deloitte's Consulting, Tax and Audit professionals have a wealth of experience in the cultural industry, both in the public and private sectors.

Our clients:



1

PUBLIC BODIES

- Public art, cultural institutions including museums, art & exhibition galleries, heritage attractions, opera houses and associations, music halls, multipurpose leisure spaces and music festivals
- Cities, Regions, States
- Supra-national bodies and international associations : World Bank, EU, IMF, ICOM, AAM, etc



2

PRIVATE INSTITUTIONS

- Private museums or cultural institutions, foundations and charitable organisations
- Corporates (banks, industrial companies, etc.) willing to set up, develop or support cultural activities
- Wealth managers (Family offices, banks, art professionals, etc.) that need to deal with the cultural questions from their clients
- Corporates that are active in the cultural/creative sector



3

PRIVATE INDIVIDUALS

- Owners of large collections willing to set up their cultural institutions
- High-net-worth individuals willing to support culture
Philanthropic support: selection and monitoring of projects

Our services:



CONSULTING

- Strategic planning
- cost and income management
- feasibility studies,
- service outsourcing,
- real estate services,
- marketing and digital strategy,
- IT support package selection,
- definition of operating target model



AUDIT

- Statutory audit for cultural institutions



TAX

- Tax aspects for corporate and private individuals

Deloitte has acquired more than **ten years of experience** of evaluating the impact and contribution of cultural institutions on the economy and society. We offer first-class support to raise your impact awareness among your key partners. We help you on the path to maximising your future value

Key services	
Integrated cultural infrastructure venture commissioning and start-up	<ul style="list-style-type: none"> Master plan and service portfolio design Potential supplier search and technical support through the negotiation process Organisational structure and sizing IT modelling and management applications roll-out Balanced Scorecard (BSC) Strategic, operations and support process definition and change management Annual report
The business project	<ul style="list-style-type: none"> Investment and sources of funding Revenue forecast. Supply and demand balance Estimated costs to ensure proper functioning and quality guarantee Feasibility of service outsourcing and shared services centre business cases Sponsorship plan and fundraising Organisational structure and sizing: key profiles and headhunting
Market intelligence: demand, prospects and visitor profile analysis	<p>As a result of its demand, visitor survey and prospects analysis, Deloitte is ideally placed to define visitors' leisure habits, cross interests and bargaining criteria in order to better determine the service offerings and key issues associated with facilities yield management.</p> <p>The Deloitte team's professional experience in this field has contributed to establishing an excellent benchmark and comparative demand profile, database and knowledge centre.</p> <p>Pricing and revenue management</p>
Socio-economic impact and key contribution to regional development	<p>Deloitte is proud to offer a unique approach to socio-economic impact and cultural project contribution modeling and assessment, which considers two dimensions:</p> <p>Macro-economic indicators based on economic impact in terms of GDP generation, job maintenance and promotion as well as tax income to the National Treasury.</p> <p>Socio-economic contribution modeling and assessment from a multivariable approach: innovation, industry development and entrepreneurship, regional branding and positioning, educational level, etc.</p>

Key services

Global Outsourcing and Shared Services Centers

Management support processes outsourcing is an interesting strategic tool that allows cultural institutions to focus on the development of their core activities (exhibition planning, partnerships, visitor services and other) in order to better compete and differentiate.

Outsourcing would be susceptible to all the transactional and reporting tasks that do not involve strategic decision making, which Deloitte recommends maintaining internally.

Master planning and feasibility studies

The master plan and museology.

- Definition of the raison d'être of art and cultural institutions or specific projects
- Asset evaluation: museological and conceptual potential. Gap analysis and potential partner search
- Synergy optimisation with other cultural, touristic and leisure facilities.
- Corporate image definition and branding
- Service and activity portfolio planning

The Technical and operational project

- Architectural needs, both in terms of size and layout
- Exhibition planning
- Institutional cooperation and partnership requirements
- Corporate governance and stakeholder management
- Visitors' flow management within the facility

Property management

- Concept development
- Feasibility studies
- Economic options appraisals
- Financial modelling
- Business cases
- Funding applications
- Key stage gateway reviews
- Benefits register and realization

Property, planning and development advice

Estate strategy
Acquisitions and disposals
Real estate valuations
Energy, environmental and sustainability advice
Lease advisory
FM strategy and contractor procurement
Heritage assets advice
Statutory approvals advice
Development partnering and enabling development
Master-planning advice
Capital programme assurance services

Building consultancy and project management

Capital programme management
Procurement of consultants and contractors
Design management
Space efficiency and building performance improvement
Cost planning and management
Planned maintenance and condition surveys
Technical due diligence

Contacts

Luxembourg

Art & Finance



Vincent Gouverneur
Partner - Art & Finance Leader
+352 451 452 451
vgouverneur@deloitte.lu



Adriano Picinati di Torcello
Director - Art & Finance Coordinator
+352 451 452 531
apicinatiditorcello@deloitte.lu

Audit



Sophie Mitchell
Partner - Audit Leader
+352 451 452 481
somitchell@deloitte.lu

Tax



Raymond Krawczykowski
Partner - Tax Leader
+352 451 452 500
rkrawczykowski@deloitte.lu

Spain

Art & Culture



Ana Andueza Amann
Partner - Public Sector
+34 639 76 18 27
aandueza@deloitte.es



Nerea Martiartu Crespo
Senior Manager - Strategy & Operations
+34 944 22 88 18
nmartiartu@deloitte.es

Italy



Riccardo Motta
Partner - Financial Services Industry
Country Leader
+39 028 332 2323
rmotta@deloitte.it



Barbara Tagliaferri
Communications Director
+39 028 332 6141
btagliaferri@deloitte.it

United Kingdom



Chris Davies
Director - Cultural sector real estate work Leader
+44 20 7303 3525
chridavies@deloitte.co.uk

Deloitte Luxembourg

560, rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

Tel: +352 451 451
Fax: +352 451 452 401
www.deloitte.lu

Deloitte Bilbao

Ercilla 24, pta.4
48011 Bilbao
España

Tel: +34 946 045 311
Fax: +34 944 700 823
www.deloitte.es

Deloitte Italy SpA

Via Tortona 25
20144 Milano
Italy

Tel: +39 02 83322111
www.deloitte.com/it

Deloitte United Kingdom

Athene Place
66 Shoe Lane
London EC4A 3BQ
United Kingdom

+44 20 7936 3000
www.deloitte.co.uk

Deloitte is a multidisciplinary service organisation which is subject to certain regulatory and professional restrictions on the types of services we can provide to our clients, particularly where an audit relationship exists, as independence issues and other conflicts of interest may arise. Any services we commit to deliver to you will comply fully with applicable restrictions.

Due to the constant changes and amendments to Luxembourg legislation, Deloitte cannot assume any liability for the content of this leaflet. It shall only serve as general information and shall not replace the need to consult your Deloitte adviser.

About Deloitte Touche Tohmatsu Limited:

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/lu/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.