HOW CAN GREATER FINANCIAL SUSTAINABILITY BE ACHIEVED FOR THE IMC?

WHAT IS THE POINT OF THIS SOMEWHAT TEDIOUS PRESENTATION?
• NEW TECHNOLOGIES/DIGITAL CONTENT
• ACCESS TO LOANS
• AUDIENCE DEVELOPMENT
• ECONOMIC POTENTIAL
• STATISTICS

CAN WE PLEASE, PLEASE, GET TO THE RESEARCH, I WANT TO EAT MY LUNCH
MMM LUNCH!!

YES, BUT FIRST.....

THE CONSTITUTIONAL RESPONSABILITIES OF THE PORTUGUESE STATE TOWARDS THE FIELD OF CULTURE

• ALL SHOULD HAVE ACCESS TO EDUCATION AND CULTURE.

• THE STATE SHOULD PROMOTE THE DEMOCRATIZATION OF CULTURE, ENCOURAGING AND ENSURING THAT ALL ITS CITIZENS GAIN ACCESS TO AND BENEFIT FROM CULTURAL GOODS.

• PROMOTE SAFEGUARD AND IMPROVE THE CULTURAL PATRIMONY, ENSURING THAT IT IS AN ELEMENT OF COLLECTIVE CULTURAL IDENTITY.
BEST PRACTICES

• RELEVANT
• HAVE A MISSION
• INTERACTIVE/PARTICIPATORY
• FAMILY ORIENTATED
• FUN
• ACCESSIBLE

AND FINALLY!!

HOW CAN GREATER FINANCIAL SUSTAINABILITY BE ACHIEVED FOR THE IMC?

INTRODUCTION AND BACKGROUND INFORMATION ON THE IMC
IN 2010 FINANCIAL OVERSIGHT, MAINTENANCE, CONSERVATION AND PROMOTION OF 28 MUSEUMS AND 4 NATIONAL PALACES.

2010
Ministry of Culture
IMC

2012
Prime Minister’s Office
Secretary of State of Culture
IMC + IGESPAR

MAFRA NATIONAL PALACE

AJUDA NATIONAL PALACE
ANCIENT ART MUSEUM

WHAT WERE THE FINANCIAL DIFFICULTIES THAT THE IMC FACED IN 2010?

• IN PORTUGAL SINCE 2003 THERE HAS BEEN A CONSECUTIVE REDUCTION IN THE NATIONAL BUDGET ASSIGNED TO THE MINISTRY OF CULTURE. SOURCE: THE EUROPEAN HERITAGE NETWORK

• IN 2010 THE IMC HAD AN OUTSTANDING DEBT OF AROUND 1,837,008 EUROS OWED PRIMARILY TO SERVICE PROVIDERS SECURITY AND CLEANING. SOURCE: IMC ANNUAL ACTIVITY REPORT FOR 2010

• GOVERNMENT FUNDING AND EARNED INCOMES USED ALMOST EXCLUSIVELY TO PAY RUNNING COST AND SALARIES.

TICKET REVENUE EXAMINED
TICKET REVENUE WAS THE HIGHEST SOURCE OF EARNED INCOME FOR THE IMC IN 2010 WITH TICKET SALES REPRESENTING 58% OF THE TOTAL EARNED INCOME IN THE SAME YEAR.

SOURCE: IMC ANNUAL REPORT 2010

NUMBER OF PAID/UNPAID VISITS TO IMC MUSEUMS/PALACES IN 2010

- Paid 39%
- Unpaid 61%

Source: IMC Annual Report 2010

CASE STUDY: PARQUES DE SINTRA MONTE DA LUA

IF 2/3 OF THE VISITORS WHO DID NOT PAY IN 2010 PAID 3 EUROS FOR THEIR ENTRY, THIS WOULD EQUIATE TO AN INCREASE IN TICKET SALES OF 2,885,751 EUROS WHICH WOULD INCREASE THE TOTAL TICKET SALES EARNED BY THE IMC BY 70%.

PENA NATIONAL PALACE SINTRA
PUBLICLY OWNED PRIVATELY MANAGED ORGANIZATION THAT OVERSEAS 7 NATIONAL MONUMENTS IN A UNESCO WORLD HERITAGE SITE OF SINTRA.

FINANCIALLY SELF-SUSTAINABLE.

TICKET INTAKE OF THE IMC 1/3 PER VISITOR OF PSML IN 2010.

CEO PROF. ANTÓNIO LAMAS HIGHLIGHTS: NO FREE TICKETS, ROBUST TICKETING SYSTEM WITH OVER 300 TYPES OF TICKETS (IN INTERVIEW 2011). AT WHAT COST, NAT. DEM?

VISITOR NUMBERS HAVE BEEN GOING UP AT SAME TIME AS TICKET PRICES. SOURCE: PSML FINANCIAL REPORTS 2007-10

VERY IMPORTANT - NO ADEQUATE STATISTICS DETAILING NATIONALITY OF VISITORS.
SOURCE: IMC ANNUAL REPORT 2010, PSML FINANCIAL REPORTS 2007-10

IN DEC. 2004 INTRODUCED TICKETING FARE.

PRICE WENT FROM 3 EUROS IN 2004 TO 7 EUROS IN 2007.

ATTENDANCE HAS REMAINED CONSTANT.

IN 2007-2010 VISITORS WERE ASKED NATIONALITY, DURING THIS PERIOD THE NATIONAL VISITOR DEMOGRAPHIC WENT UP 5-12%.

SOURCE PHONE INTERVIEW, AGAIN STATISTICS NOT 100%
SOURCE: INTERVIEW WITH SONIA SANTOS DIRECTOR OF COMMUNICATIONS CASTELO DE SÃO JORGE

CASE STUDY: SÃO JORGE CASTLE

CONCLUSIONS

MORE TICKETS MUST BE PAID FOR.

ONE DAY A WEEK OR ONE DAY A MONTH?

PRICE ELASTICITY MONUMENTS VS. MUSEUMS, ISSUE OF SELECTIVE TICKETING AND THE ETHICAL DEBATE.

DEVELOPMENT OF SOPHISTICATED TICKETING MANAGEMENT MODELS, DEVELOPING ADEQUATE STATISTICS.

IN 2012 THREE MORE MONUMENTS WERE ADDED TO THE MANAGEMENT OF PSML.
THE FLOW OF MONEY WITHIN THE IMC

PROBLEMS WITH THIS MODEL

- THIS MODEL DOES NOT ALLOW FOR CONTINGENCIES, IN 2010 THE AMOUNT OF MONEY PROVIDED BY THE GOVERNMENT DID NOT COVER THE SALARIES.

- NOR DID THE EARNED INCOME COVER THE RUNNING COSTS.

- FINANCES ARE CENTRALIZED SO THERE IS A TIME LAG BETWEEN EXPENSES AND PAYMENT.

- NO AUTONOMY OVER THE MANAGEMENT OF SHOPS.

- LIMITED FINANCIAL AUTONOMY OVER EARNED INCOME II, DONATIONS ARE VERY SMALL IN 2010 NATIONAL COACH MUSEUM RECEIVED 12,000 EUROS ONLY.

- NO ACCESS TO LOANS FOR INVESTMENT.

- NO WAY OF SAVING FOR THE FUTURE.

SOURCE: IMC ANNUAL REPORT 2010
HYBRID MODELS OF MUSEUM MANAGEMENT, CHANGES TO THE LAWS GOVERNING THE IMC COST CUTTING MEASURES

- Channeling income through the Friends of the Museum, not-for-profit status with Museum Director on the Board.
- Crowd-funding.
- Public/private partnerships like PSM.
- Changes in the Law so that museums are allowed to keep earned income for longer than one year.
- Exploring Fiduciary Agreements, the Stedelijk.
- Simplifying the decision making process so not as centralized.
- Strict energy efficiency models, reward-based system.
- Closing some museums during low-season to conduct research.

ON-LINE CONTENT AND BRANDING

- Homogenized easily recognizable name and logo.
- Websites homogenization, big discrepancy in standards of the web-sites.
- Availability of contents for research (mostly museums).
- Available in English.
- User-friendly.
- Google search friendly is key.
- Embracing new media and understanding that new media engage in different ways.
TOURISM INDUSTRY AND INFRASTRUCTURE

- BREAKDOWN OF VISITOR PROFILE

- THE STRUCTURE OF THE INDUSTRY, T.O.'S, DIRECT BOOKING.

- THINK REALISTICALLY ABOUT ACCESS AND CAPACITY IS IT ADEQUATE OTHER LIMITATIONS KNOW THE COMPETITION.

- BRING TOURIST INDUSTRY INTO CULTURAL LOCATIONS SUCH AS HOTEL RECEPTIONISTS TO THE MUSEUMS AND BUILT HERITAGE.

- NICHE TOUR OPERATORS.

- ADEQUATE AND ACCESSIBLE WEB-SITE IN ENGLISH WITH INFO ON ACCESS AND OPENING TIMES.

- REGULAR INFORMATION ABOUT VISITORS SHOULD BE COMPILED FOR TICKETS AND SHOP.
MUSEUM SHOP

• OFTEN MOST TACTILE AND INTERACTIVE PLACE IN MUSEUM - DIDACTIC PURPOSE.

• SITE, LOCATION, MISSION SPECIFIC.

• UNDERSTAND YOUR VISITORS.

• MERCHANDISE PROMOTES.

TRANSPARENCY

CULTURAL ORGANIZATIONS WHO RECEIVE TAX BENEFITS AND PUBLIC MONEY, SHOULD MAKE FINANCES AVAILABLE ON-LINE.

LISTEN TO THE STAKEHOLDERS AND ENCOURAGE THEIR PARTICIPATION

• LOCAL SHOP OWNERS.

• MUSEUM SHOP STAFF.

• SECURITY GUARDS MAKE GOOD CURATORS.