A Study of Art and Design Small Business Practices to Determine the Attributes needed for Operating a Successful Small Business

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There is no reason why an artist cannot make a living and operate a successful business in the arts industry, but there are reasons why many artists are struggling to earn a living and failing to manage their own businesses. Motivated by this thought, I was moved to determine if it is possible to identify the key attributes needed to operate a successful business in the arts industry.

I begin by thanking a number of people who have participated in and helped me with this research paper: My husband who was patient with me while working on the research and who continually encouraged; the staff of various arts organisations and associations, art practitioners and arts students who completed the survey or were interviewed for the case studies; and my supervisor Andrew Scown who provided support and guidance.

Finally, I would like to add that this paper should not be taken as an exhaustive study of art and design small business practices in determining the attributes needed for operating a successful small business, rather I would welcome criticisms and dissenting views as for only through informed discussion can the need for artists to acquire business skills be appreciated.
Abstract

Whilst small businesses are showing positive economic and social contributions to the country there are also downsides to be considered such as high volatility and failure. The small business cannot be separated from the proprietor or the management team; small business people need to understand how businesses operate. All small business owner-managers face the basic problems of smallness but they bring to their task differing personal and economic resources. Also, the type of business and industry make it more or less risky in terms of problems.

This paper is an inquiry into small business practices in the art and design industries. Research has shown that small business practitioners can and do learn from their own experiences and the experiences of other practitioners. The objective of this study is to determine the business skills required, if any, by self-employed art/design practitioners and the graduate attributes needed for operating a successful small business. This is an exploratory study aimed to understand artists and their practices. It employs research procedures that produce descriptive data, presenting in the respondents’ own words their views and experiences. The study is intended to invite further analysis so that the results can be used in the determination of professional development programs and business practice skills courses for art and design practitioners and VET Arts Small Business Programs. The research was partially funded by a grant through RMIT Business.

The inquiry into current business practices and business skills of arts practitioners and students will identify options and make recommendations on actions that can be taken by governments, the industry and educational institutions to ensure that Australia has a financially healthy, artistically vibrant and business competent arts sector. This paper will canvass opinions, including preferred options and implementation strategies.
Introduction

The following identifies key words which the project relies on, and establishes what the research means by: small business, successful business practices, small business failure, business training, artist and designer and cultural sector.

A small business is where one or two persons are required to make the critical management decisions- finance, personnel, purchasing, processing or servicing, marketing, selling. Successful business practices are identified as businesses that are able to manage the main business activity areas: marketing, finances, operations and administration and are financially making a profit. The definition of failure that has been adopted is the inability of the owner-manager to continue because of financial difficulties.

Business training, education and business skills development refers to the process of equipping arts practitioners and small business owners with a standard of business understanding and competency which will enable them to manage the main business activity areas: marketing, finances, operations, administration and ensure that they are financially viable.

The United Nations Educational, Scientific and Cultural Organisation (UNESCO) definition\(^1\) of an artist is:

\begin{quote}
Any person who creates or gives creative expression to, or recreates works of art, who considers his artistic creation to be an essential part of his life, who contributes in this way to the development of art and culture and who is or asks to be recognised as an artist, whether or not he is bound by any relations of employment or association.
\end{quote}

(UNESCO 1980)

The Australian Standard Classification of Occupations\(^2\) used by the Australian Bureau of Statistics (ABS) classifies the following occupations as ‘artists and related professionals’: painters and sculptors, photographers, designers and illustrators,

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\(^1\) Recommendation Concerning the Status of the Artist, UNESCO, Paris 1980.

\(^2\) Australian Standard Classification of Occupations (ASCO), Occupation Definitions, ABS (Cat. No.1223.0), 1990.
authors, journalists, film, television and stage directors, dance and choreographers, musicians, composers and related professionals, actors and related professionals, announcers.

A large part of this paper will focus on this group of occupations. Wherever the generalisation can be made, the term artist has been used to mean all of the above including visual artists and craftspeople, makers and designers, performing artists, musicians, film and television artists and community artists.

There is an even larger group of occupations, which are termed ‘cultural’. Librarians, administrators, museum and gallery curators and attendants, as well as arts support workers, are included in this category. The term cultural industries covers cultural activities which contribute a total of $13billion to our economy and includes film and video production and distribution festivals, libraries arts administration, architecture, design of all types, recording and publishing, radio and television broadcasting and heritage as well as the performing, visual and literary arts. For the purpose of this research paper, however, the main focus is on artists and designers.

The cultural sector comprises one of the fastest growing sectors of the economy\(^3\). The arts are a vital and legitimate industry in Victoria which improve the quality of life and strengthen and reflect the spirit of the state.

The reality seems to be that the vast majority of artists and designers earn relatively low incomes from their creative endeavours. The business success rate shows that two out of three culturally based small businesses do not survive beyond the first three years of their creation. The literature review presents the current state of play of the art and design industries as seen and assessed by some key industry practitioners. The purpose of this project is to research the issues dealing with business skills presented in the literature review and determine, in light of the results, how VET can more effectively assist small business owners and operators in the art and design industry.

This research project is an interpretive inquiry into art and design small business practices to determine the attributes needed for operating a successful small business within the arts industry. The focus of study is an educational inquiry into the level of business practice skills of art and design practitioners, incorporating a needs analysis.

\(^3\) as stated by Elise Fraser in the Project Kit, Business Skills for the Arts/Crafts Community Project, p 8.
It is designed to study the experience of small business practitioners in art and design industry. A study of the art and design industries has been chosen as the focus of study because of the researcher’s experience and involvement in the industry. This would enable the implementation of symbolic interaction with the research participants. The objective is to investigate the level of business practice skills among art and design practitioners. It is intended that the results will be used in the determination of professional development programs and business practice skills courses for art and design practitioners.

The objective of this study is to study the experiences and opinions of art and design practitioners to determine the business skills required by self-employed art/design practitioners and the attributes needed for operating a successful business in the arts industry. This will be done through: collecting already available industry statistics from a range of information sources, conducting surveys, interviews and case studies to collect data on business activity across the art and design sectors; collating the data and presenting a document that reports the findings.

This project and its results have great importance for educational institutions in providing future VET programs. The study is a workable project that will have benefits for industry specific VET training and education programs. The project’s educational importance includes: collecting data that will offer information for the development of future VET small business courses and professional development programs for the arts industry and documenting reliable information for the development of educational by-products that are industry specific. The data collected and analysed will be made available to the industry through a publication to be released to small business practitioners, course participants, arts associations and organisations at a future date.
Literature Review

The research focus is on the business skills of art and design practitioners. This section documents with insight, existing work in the field of business skills in the arts from primary and secondary sources. Research in the area of business skills in the arts is scarce, what is available is mostly from secondary sources. The secondary sources have been chosen selectively. The review includes studies by education and training bodies and arts based associations and organisations incorporating the documented personal experience and opinions of key industry practitioners.

The historical data and research identifies what people have said about business skills in the arts, it looks at the personal insights, feelings and perspectives of people through documented material. It presents the details of previous research in the areas of: arts industry profile, the employment situation of artists, arts education and training, and business practice skills in the workplace.

The purpose of the review is to investigate a loosely defined issue, business skills in the arts, and explore the theory in order to further clarify and define the research issue. Out of exploring the literature, theoretical questions arise that suggest the need for further investigation. The research and new data are tailored to answer the theoretical questions that come up from thinking about the theory.

The colloquial quotes which are expressed by art practitioners deserve reflection, “I am an artist, what’s small business got to do with me! “ In responding to this opinion, probably not a lot if you are running your creative endeavour as a hobby. But for the artist trying to earn an income and make a profit from their endeavours, an absurd declaration. “I am an artist first and a business person second!” Well candidly, if you don’t market your product successfully you wont sell, if you don’t sell, you won’t earn any money, if you don’t earn money you’re out of business. So, surely, business acumen is just as important as the creativity generated by an artist.

The problem is not the very good technical (artistic) skills of creative people, but rather that as a group, they most certainly lack training in critical business practice skills and small business management know-how. Herps (1996) states “Artists learn about small business management by making a series of incremental mistakes. Some
mistakes are small, some are very big and fatal”. Artists and designers are the same as every other small business owner, except their business is culturally based.

Business is by far “demeaning to the notion of what is art” The business of art and the maintenance of artistic integrity are not mutually exclusive. Why don’t our arts small businesses survive? I think it is due to the fact that, almost always, artists don’t have the small business management competencies necessary to support the business survival of their artistic endeavours.

**Arts Industry Profile**

Self-employment in small and micro business is a major form of employment in Australia, making a significant contribution to the Australian economy. Field (1997) highlights the need for attention to be paid to research in small business. His focus however has been in comparing large and small businesses. Field states that there is an irony in there being little attention to small and micro business, as if “one size fits all” rather than some “tailoring” and customisation being considered and offered. However, Fields study is an example of the numerous research in the area of generic small business. Why is so much research effort, and hence funding, expended on generic small businesses when industries such as the cultural industry are making significant economic contributions and are a vital source of opportunities for self employment but are lacking the business skills and small business management know-how?

The cultural industry comprises one of the fastest growing sectors in the economy (Fraser 1994). It remains an important source of opportunities for self-employment for many people. Based on the 1996 Census results, a total of 255,098 people were employed in the cultural sector (Cultural Ministers Council 1996). In a more recent study (Arts Count 1998) the three largest occupations were identified as designers/illustrators, library/museum workers, film/T.V/ radio/stage. On average, people in cultural occupations were younger than the workforce in general. Of the people in cultural occupations, 31%, were aged 25-34 compared to 26% for all

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employed persons. More than half, 58\%, of the people employed in cultural occupations were aged 25-44 years of age.

A nation-wide survey focusing on professional artists in Australia was conducted in 1983 as part of Australia Council’s Individual Artists Inquiry. Updated in 1989 by Throsby and Mills (1989). The latest study published in 1994 was by Throsby and Thompson (1994). This report followed the same format as the Throsby and Mills (1989) report. The studies however, neglected to look at issues relating to business skills that affect arts practitioners.

The research by Throsby and Thompson (1994) shows that a significant percentage of artists seek to earn a living through the sales of their visual or performance art, thus seeking to operate as independent contractors or micro-enterprises. However, according to the Australian Tax Office (1994) the arts has one of the lowest income levels in the country. There are about 40,000 practising professional artists in total within Australia and unemployment rates are high in the artistic professions, ranging from 25\% for visual artists to 48\% for actors. The low income levels and high unemployment are certainly a training and education issue.

Artists rarely receive training in either employment skills or small business management during their artistic development. Why are they left to fend for themselves as small business operators, without the skills or knowledge to do so? According to McLachlan (1996) cultural businesses need customer service and management skills desperately but are least likely to be able to afford the cost of acquiring them. He states openly that very often people in small business and the self-employed have never had any training. In a 1993 Artists Survey by the Australia Council, (Throsby & Thompson 1994) it was found that 60\% of all artists had learnt on the job and 58\% had taught themselves. Such results suggest that formalised training is not always sufficient or appropriate and that creative instincts and changing market tastes may lead some artists towards self-teaching and less formal training arrangements (Australian Bureau of Statistics 1998). But at what cost when you have an industry associated with high rates of business failures and low income levels and high unemployment? Is there another means by which these artists can be assisted with acquiring business skills?
Unlike people in other occupations, artists tend to start their vocational training during childhood. Throsby and Thompson (1994) found this to be the case for one third of all artworkers. In particular, 80% of dancers and 62% of musicians, 36% of visual artists, 30% of composers, 29% of actors, 13% of craftspeople, 7% of writers had undertaken training in their art form prior to reaching the age of 18 years. After reaching some competency in their chosen artform, many young people seek formal training to refine their technical skills and establish credentials for a professional career. However, where, if at all are they learning the business skills and management know-how? Is the ‘struggling artist’ experience, for which the industry is associated, necessary? Can the young be better prepared? I strongly believe so. Findings from the 1996 Graduate Destination Survey (Guthrie 1996) found that only 52.9% of recent graduates in the visual/performing arts field had full-time employment. This is the lowest proportion for any academic field of study. In comparison, recent graduates in psychology, the humanities, business studies and medicine recorded full-time employment proportions of 65.9% 68.3% , 79.5% and 99.9% respectively.

Small Business Framework

The Australian Bureau of Statistics (1996a) uses guidelines regarding size definitions of small business. They nominate a small business to be a business that employs up to twenty people in the services and construction sectors or up to 100 people in the manufacturing sector. Other characteristics of small business (Australian Bureau of Statistics 1996b) include independent ownership and management, financial control and major decision-making by the owner and operations located in one place. A micro business is defined as a business owned or operated independently with fewer than five employees.

All small business owner-managers face the basic problems of smallness but they bring to their task differing personal and economic resources. Peacock (1999) supports the notion that the type of business, industry sector and market niche make it more or less risky in terms of problems. An Australian Bureau of Statistics (1998) study established that there were around 850,000 small private sector businesses in Australia in 1997 with some 3.5 million employees employed in the small business sector. Small business accounted for almost half of total employment in 1994-95 and the small business workforce is increasing at a faster rate than the big business
workforce (Howard 1997). Small business generates jobs because they are labour intensive (Bastian 1998). However, small business is under represented in formal education and training activities with studies finding that less than a quarter have participated in training since commencing business (NCUER 1998).

If education and training are significant contributors to skill maintenance and development, and as small business represents a large and growing proportion of national employment, then small businesses’ under-representation in education and training has implications for the level of skills in the economy as a whole, especially when we have an economic situation where two of every three culturally based small businesses do not survive beyond the first three years of their creation (Herps 1996). Training and education are essential ingredients in fostering the professional development of artists in their arts businesses, a challenge most arts schools have not taken up.

Other forms of learning can contribute to the development of knowledge and skills. There is some thinking which suggests that arts small business rely on informal, practical contextualised experiential learning (Field 1998; 1997; Gibb 1997). Several researchers have found that small businesses do not value structured training; they prefer hands on learning (learning by doing) and believe that is more effective (Catts et al. 1996; Coopers & Lybrand 1994).

The specialist knowledge required by artists to run their business is not available through the majority of small business skills programs. So many artists experience difficulties as they learn through trial and error. (Fraser 1994) This is a costly process for the individual artist that leaves many feeling vulnerable and frustrated. Woodland (1996) believes that artists, performers and craftspeople have special needs when it comes to business training. Practitioners in the cultural industries really want to generate income from their talent and want to develop business skills to support that. Many artists admit that they are no good at business. Woodland is adamant that succeeding in business requires no particular talent, just application and learning from hands-on experience. The essential question for this project is “Is this hands-on-experience enough?”

Miller (1997) emphasises that arts small business training and education has a lower participation rate and acceptance than other disciplines. She states that “research
conducted in 1992 by the Federal Government showed that cultural businesses did not access government programs and assistance to nearly the same extent as other small businesses. While things may have changed in the last seven years, the belief still exists that the lack of awareness of the existence of this type of help, and a lack of willingness to use it still pervades the arts industry. Williams (1986) found that the greater the amount of consultation with knowledgeable persons and other sources of information, the better the chances of success. This was also a large concern of the Beddall Inquiry (1991) which complained that despite the numerous sources available (government agencies, TAFE, trade and professional associations, chambers of commerce . . .) people intending to start up a small business show reluctance to use them. The Karpin Inquiry (1995), an analysis of Australia’s present situation and performance from a management perspective, agreed that there was a need to encourage and prepare intending proprietors and argued although there were numerous short familiarisation courses in Australia more thorough and intensive programs were also needed. The Karpin Inquiry also confirmed that long term change requires training and management needs to focus on developing skills needed for the future, not the skills that may have been needed in the past.

**Industry Policies, Research and Statistics:**

It seems that the Australian art and design industry lacks reliable, well organised and accessible statistics on arts based business activities. This opinion is supported by the Cultural Ministers Council (1991), Statistical Advisory Group, who published a similar statement in the 1991 National Culture/Leisure Industry Statistical Framework. This has hindered the effective planning, development and delivery of successful training programs for small business practitioners operating within the industry.

Consultants, National Institute of Economic and Industry Research, (Arts Count 1996) have in the past years completed the development of a comprehensive statistical database designed to monitor trends and benchmark outcomes in the subsidised sector of the Victorian Arts Industry. The checklist in the past has been based on a mix of financial and program performance measures including: employment and labour force

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5 Millar J 1997, Where arts, culture and industry meet, in *Smarts*, Issue 18, Department of Communication and the Arts, Canberra, p2.
trends, financial viability, development and presentation of cultural product, marketing and audience development, touring and tourism initiatives, introduction of information technology. Nothing has been reported on business skills in the arts.

**Creative Nation** (1994) is a cultural policy of the then Federal Labour Government. Under the previous government, the first Commonwealth Cultural Policy was launched. The policy tried to support and foster all facets of Australian culture. Stevenson (1999) stated that “The cultural policy was a response to the rapidly changing economic and cultural climate, as well as a catalyst for re-examining the place of the arts in Australian society, highlighting new and potential connections between creative practice, private enterprise and government”. Minimal effort was place on the business skills of artists. **For Art’s Sake: A Fair Go and Arts for Australia’s Sake** are the policies of the present Federal Government. However, on examination it also lacks a commitment to arts business education and training. From one government to the next, we really have not seen a shift in the ideology. Where does the importance of business skills education and training fit in? Why is the government not moving more rapidly towards art industry business skills development programs? Why isn’t it encouraging a move away from government supply-side funding programs? As an industry, the arts should be encouraged to become self-supporting. This means educating practitioners on how to look after themselves, market themselves, communicate effectively and financially manage their creative endeavours. Governments of every level can play a pivotal part in encouraging this shift.

In studying these policies and numerous others on a Federal and State level, there clearly seems to be a lack of investment and commitment to education and training on a business level. The government has demonstrated no awareness of the importance of business education and training in the industry. This has surfaced strongly as the study and research has progressed into educational and training aspects of arts graduates and industry practitioners.

Millar (1995) identified that a 1992 report by the Commission for the future titled **A Framework for Improving Viability in Selected Sections of the Cultural Industry** found that in order to analyse an industry sector, it was important first to be able to
describe it quantitatively and qualitatively. It also found that: “the overwhelming majority of funding for cultural activity went into production with comparably little assistance given to marketing and promotion, few cultural enterprises had participated in general industry assistance programs offered by the State and Federal Government, there was a lack of detailed understanding of the overseas markets for cultural products”.

The Cultural Industry Development Program was born in response to these findings and has four main objectives: to provide information to the cultural industries on existing industry development programs, to develop industry-based schemes to strengthen business and marketing skills using existing industry assistance programs, to create an export market development package targeted at the Asia-Pacific Market initially for publishing and heritage services, to centralise the collection of industry related data. Some activity was displayed as an outcome by the Cultural Industry Development Program, such as the launch of its directory of business assistance publication *Smart Tactics*. However, this is not enough to improve the general level of business skills in the arts.

If the cultural industry comprises one of the fastest growing sectors in the economy and if education and training are significant contributors to skill maintenance and development and as small business represents a large and growing proportion of national employment and this has significant implications for the level of skills in the economy as a whole, doesn’t this justify some government intervention? Especially when research has shown that arts businesses do not access general small business programs and assistance to nearly the same extent as other small businesses. Training and education are essential ingredients in fostering the professional development of artists in their arts businesses so to improve business success.

**Training and Education**

Despite a proliferation of literature in small business training (Ulrich and Cole 1987; Curran and Stanworth 1989; Breen and Hall 1990; Gallagher 1991; Christie 1992; 6

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6 Stevenson, D 1999, Collaboration partnerships and the creative economy, in *Smarts*, Issue 18, Department of Communication and the Arts, Canberra, p16.

Stanworth and Gray 1992) and the existence of a training industry, the vast majority of small business owners are not seeking to improve their skills by training.

Clarke Carthew and Associates (CCA), a private arts business training provider, is considered to be at the forefront of specialist training in arts enterprise development by arts organisations and governments throughout Australia. CCA had been operating its (New Enterprise Incentive Scheme) NEIS program for Visual and Performing Arts in Victoria since 1992 with great success. However, they lost the tender to a large city based educational institution who proposed to offer general small business management programs instead of arts based programs. Clarke (1996) claimed that an important phenomenon of strong cohesiveness develops between the members of the arts training groups brought about by the commonality of their enterprises and the problems they face. This is evidenced by a considerable amount of sharing of market research sources and business resources. In a later report, (Clarke 1998) he evidenced that DEETYA research results indicate that Arts NEIS graduates have a survival rate of greater than 85% after 15 months in business. Statements published in the Cultural Ministers Council’s National Culture/Leisure Industry Statistical Framework declares that a nation’s social and economic well being depends on the extent and effectiveness of its creative and artistic activities. It also states that the importance of education is central to national cultural and leisure objectives in providing a better educated and more highly skilled population, which can deal more effectively with change. It seems that although DEETYA research shows positive results in support of arts business training, the government is not committing to supporting the continuation of industry specialised business skills development. In light of the governments policy on arts education in the cultural industry not much is being done in practice.

Lamperd (1997) in his vision for the cultural industry sectors, believes “the business of art and the maintenance of artistic integrity are not mutually exclusive”.8 He proposes that “there are excellent opportunities for artworkers to be assisted in developing commercial business skills to allow them to better support their artists endeavours and more out of the grant mentality”.9 Over 35 % of business plans

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9 ibid.
reviewed by NEIS Committee Queensland were associated with the arts, culture and leisure sectors. Lamperd states that this indicates a need for managing agents and business skills that specialise in arts and cultural activities. Levy (1997) was involved with the development of ‘Artsinfo’ a one stop arts shop. She comments that she found there was a high level of confusion, particularly among new and emerging artists, about what sort of services were available to them and where they needed to go to access them. “It was a case that if you weren’t in the loop, then there were things you just didn’t find out about”.

Market research for ArtsInfo elicited the following responses: 91% of cultural workers thought they would need assistance from a cultural grant or business support program in the future and a focus group testing with emerging and established artists revealed a need for information on copyright and other legal issues, tax issues and business assistance.

**Business Failure and Business Practice Skills**

With a reported high incidence of small business failure, realities are that two of three culturally based small businesses don’t survive beyond the first three years of their creation. This is a serious waste of resources which has not only economic, but also human costs. The definition of failure that has been adopted is the inability of the owner-manager to continue because of financial difficulties. The only national longitudinal study of small business starts and exits in Australia was instituted by Williams (1986). It commenced with business starts in 1973 and is still being updated regularly. By 1990 there were 33,624 start-ups that had been studied in all industry sectors (Reynolds et.al 1994).

The evidence suggests that, a large proportion of business starters do not have the competence to handle the management that is needed, and in many cases this is brought out in the very early stages of the venture. Inadequately managed finances were the main functional problem for failed businesses. The financial problem may be due to a lack of financial background for many starters. They bring to the venture only technical skills. Also because personal satisfaction’s such as independence and quality of life are more sought after rather than financial returns, financial aspects tend to be

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neglected. (Peacock 1984). The Karpin Inquiry (1995), in contrasting the management of Australia small and medium enterprises to world practice, found that although there was a distance still to go in customer orientation, entrepreneurship and functional skills, strategic skills and management development were the most deficient aspects.

Failing as a business venture in the arts normally means artists continuing their artistic endeavours as a hobby and/or having to supplement their incomes. Millar (1996) reports that,

*an estimated 35,000 Victorians earn their living from the arts and many more supplement their regular income with a part-time or hobby involvement in the arts, craft, heritage and entertainment industries. Unlike some career areas, the arts tend to attract people who already have a strong vision of where they are heading. Artists need to combine their ambitions with practical skills that will help them survive in an industry where the median level of income might be between on average $12,000 and $15,000 a year.*

(Millar, 1996)

There is agreement between small business owners generally and the literature that management inefficiency is the underlying root cause of small business failure, and therefore probably the main cause of many of the problems of surviving firms. (Peacock 1999) The most adverse result of a lack of management skills is failure, but incompetence and inexperience in management creates problems and sub-optimal performance for surviving businesses. (Peacock 1985) There is a need for assistance to improve small business efficiency. According to Herps (1996) every day dozens of people start a brand new business and within two years 52% are closed, usually in very traumatic circumstances. Only 15% of small business owners religiously keep their cheque book/bank balances absolutely accurately. Just doing this simple procedure improves their survival rate by a factor of three times. He also states that it is astonishing that only 12% of small business owners are smart enough, or dedicated enough to obtain management competency training before starting their own small business.

Artists and designers put themselves at risk by thinking that business skill is something that they do not need to be concerned with. Millar (1995) stated that the
perception of artists thinking of themselves as artists first and a business person next is diminishing. She commented that to some artists, “defining cultural workers in business and industry terms somehow tarnishes their very creativity, as if economic imperatives are for other occupations but leave a nasty metallic taste in the mouth of artists”. In a later article by Clark (1996) it is apparent that this view may not be decreasing. Clark expressed that he is an artist first and a business person next. Clark admits that he belatedly realised that craft and art is his career. “Being an artist is both your lifestyle and your philosophy. It’s who you are”.

Millar (1996) declares that a person needs more than raw talent and high hopes to build a successful career in the arts.

A combination of conviction, communication skills, willingness to train and keep training, small business ability, the capacity to manage peaks and troughs of work and income and a flexible approach to how and where you work are among the necessary qualities. Small business skills are essential and this is even truer now than it used to be because of the move toward contract and freelance work in many areas and arts graduates not being able to secure work following graduation. Also, there is a lack of advertised jobs in the industry.

(Millar, 1996)

Development of training programs and focused career paths has contributed to an increase in professionalism in many areas of the arts. There are not too many individuals or organisations who are active in raising the importance of art/design and business skills. Hodge (1996) states that more culturally appropriate and commercial opportunities and higher incomes for artists can be achieved by a well informed and well respected industry with greater communication and collaboration between artists, administrators, entrepreneurs, consumers, educators and government. Gillian Corban of Corban and Blair, designers and producers of stationery and corporate gifts has

11 Millar, J 1995 Who are we? in Smarts, Issue 1, Department of Communication and the Arts, Canberra, p5.

12 Clark, B 1997, A free range artists view, in Smarts, Department of Communication and the Arts, Canberra, p39.
been active in raising the importance of design and management as inextricably linked goals. A study carried out by Gillian (1998) looked at how designers saw business people and how business people saw designers. Business people perceived designers as creative, lateral thinkers, passionate and leading interesting lives. But they were also seen as, impractical, academic, inarticulate, ego driven, not team players, not customer sensitive, lacking business awareness and business skills. Designers saw business people as perceptive outward looking, receptive to ideas as ‘knowing their business and their customers’, passionate about what they do, diligent and responsible. But, they were also seen as not taking the time to ‘smell the roses’ lacking vision and trust, suspicious, bottom line focused, lacking sound structures for the introduction of new things and with little design knowledge.

Availability of talented and skilled professionals, along with a growing community awareness of the contribution the arts make to Australia’s quality of life and attractiveness as a tourism destination, mean that growth in this sector is greater than for the economy as a whole. For individuals, however, a key issue is still how to market their talents and products in a way that will earn them a living. Do they have the skills to ‘do it right’? I doubt it! As George (1999), an arts marketing consultant, voices, the tourism market holds huge potential for visual artists and craftspeople, especially in the development of souvenirs. International visitors alone spend nearly $300million on visual arts and crafts per year. “It’s also pretty tough on artists getting the product out there when they don’t have the knowledge, skills or training to market their work effectively. Artists just don’t see themselves as businesses, which is imperative if they are to succeed”. According to George (1999), artists often forget practical details such as sending incomplete orders, sending them weeks late, not signing artwork, not including care instructions on labels or not packing artwork safely. Moodies (1997) emphasises that “The artists of today needs to understand at least the basic principles of marketing and be able to price, advertise and sell their writing, sculptures, paintings and jewelry. To meet the growing demand for a more business-like approach to creative producers, a new industry is beginning to emerge of small business advisers to artists whose job, in part, is to convince artists of the

13 George, H 1999, Un Momento: Merchandise awards raise the standard of souvenirs, in Smarts, Issue 18, Department of Communication and the Arts, Canberra, p18.
benefits of putting the time they normally use for creative endeavour into running a business”. 14 But is it enough?

Why are arts students graduating from mainstream arts courses confused and anxious about business practices? Winikoff (1996) states that “Art and Design students need to be prepared for what they will encounter in the market place. In many tertiary education courses they are still not taught professional practice as an integrated component in the curriculum”15. Alongside their training in art and design theory and practice, students need an understanding of management and administrative practices and law, budgeting and financial management, project tendering, appropriate scale of fees, contracts, professional ethics, moral rights and copyright, taxation, insurance, occupational health and safety, marketing and promotion.

As indicated in recent reports such as Fraser (1994), most artists do not make a living from their studio practice. Many subsidise their professional work in the arts through working in completely unrelated areas like manual labour, taxi driving and waitressing. In doing so they are not effectively utilising their skills and potentialities and this is both a personal and collective loss. Instead, they could seek employment in fields which would benefit from the contribution of innovative problem solvers.

What about training for those working in the arts who have no qualification? How can they acquire business skills? Clarke (1996) stresses that generally artists performed badly and were unhappy with the outcomes of the process. He also states:


the artists are not motivated by profit or growth and they struggle with the perception of commercialisation of their art or prostitution of their art for commercial purposes. They are driven by the need for recognition and for the luxury of time and funds to undertake projects which express themes they wish to communicate. The drivers of arts enterprises are thus self-sufficiency, a desire to live from the pursuit of creative activities and the need to finance artistic projects. There is a discernment of a difference between an arts business with a commercial focus, and an arts enterprise, which is viewed as an artisan enterprise from which the artist may gain a living.

(Clarke 1996)

Clarke goes on to state "the other major component of the arts enterprise is the need for a portfolio of activities".16 He acknowledges that artists cannot live from their principal creative activity alone, this is supported by Throsby & Thompson’s (1994) which shows that only 50% of the artists annual income is derived from the principal creative activity. Both performing and visual artists are likely to teach as an adjunct to the principal activity and painters often seek to extend the life of their images by reproduction as prints and cards.

**Conclusion**

The literature identifies’ what people have said about business skills in the arts, it has presented the personal insights, feelings and perspectives of industry practitioners and findings from authors of training and education research. It has presented the details of previous documented research in the areas of: arts industry profile, the employment situation of artists, arts education and training, and business practice skills in the workplace.

The purpose of the review was to investigate a loosely defined issue, business skills in the arts, and explore the theory in order to further clarify and define the research issue. Out of exploring the literature, theoretical questions were asked that suggest the need for further investigation. The research will endeavour to answer the questions that came up from thinking about the theory.

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It is clear that historical research has been limited to arts training in general. It has not dealt sufficiently with the issue of business skills of the arts. This neglect has led to gaps in the research. The literature identifies that for many years the arts in Australia has been characterised by low income, dependence, high unemployment and high failure among arts small businesses. While there is now substantial evidence about employment, the general practices of artists and designers and the lack of awareness of support programs and services, further research must delve into the lack of business skills and small business management know-how of artists and designers.

The literature review suggests a lack of business awareness, skills and small business management know-how, but many of the authors have disregarded the experiences of arts practitioners in this area. They have overlooked the business practice skills of arts practitioners and arts students and the effect stemming from educational institutions who, provide technical skills development but, are neglecting to take up the challenge of incorporating effective business skills development.

This establishes the scope of this thesis. The research will investigate the experiences and opinions of arts practitioners, arts students, trainers and industry bodies. The validity of the main points of the literature review will be researched. The research will delve into the small business management practices, attitudes and opinions to determine the attributes needed for operating a successful small business within the arts industry.

The subjects and issues that the researcher believes warrants further study are as follows:

student opinions on the need for business skills, the attitudes of educational institutions on business skills development as well as technical skills training and education, the views of art and design industry bodies, associations and organisations and the needs of art and design practitioners. The research topic is a study of art and design small business practices to determine the attributes needed for operating a successful small business.
Methodology

This study relies on social research as a tool of gaining knowledge and of gathering information about people and their social life, collecting information on the social phenomena of business skills in the arts and interpreting the findings.

It is an exploratory investigation into small business practices in the art and design industries. The issue to be studied is the level of business practice skills among art and design practitioners, particularly the neglect of educational colleges and universities to address and teach arts business practice skills within art and design disciplines.

The theoretical perspective that grounds this study is the interpretive (or naturalist) paradigm. This perspective is influenced by the thought that ‘reality is subjective’ (see Hughes 1990: 89-114). The research will help to interpret and understand the experiences of arts practitioners. It will include an educational inquiry into the level of business practice skills of art and design small business practitioners and a needs analysis of the professional development requirements of arts small business practitioners. What is important is the subjective meaning of their practices. The study will also rely on my informal wisdom that has developed from my experiences.

The research uses qualitative methodology. A loose definition of the theory is identified. It is expected that during the study more information will be collected that will help define the issue more clearly in a more concrete manner as recommended by Sarantakos (1998). The more information gathered and the more respondents included in the study, the clearer the definitions will become. The study is interested in the people’s interpretation and experiences of business practices and skills. It is a study of art and design small business practices to determine the attributes needed for operating a successful small business within the arts industry.

Van Manen (1990), in researching lived experience demonstrates how phenomenological approaches can be used in education research, to understand special qualities of different human experiences. Brookfield (1990) in writing about expanding knowledge about how people learn specifically recommends phenomenological approaches, including interviewing, critical incidents and analysis of written autobiographical material.
The purpose of the research, according to the interpretivist theoretical perspective is: to explore and interpret, to understand and to discover the business practice skills of artists and designers. Through the use of qualitative methodology, the research process will involve: theorising, collecting and analysing of data.

In order to address the research issue, qualitative analysis using in-depth surveys, case studies and interviews has been chosen as an appropriate methodology, given the following conditions as proposed by Yin (1994):

- the type of research question
- the extent of control the investigator has over actual behavioral events
- the degree of focus on contemporary as opposed to historical events.

The above methods are designed to produce descriptive data, presenting in the respondent’s own words, views and experiences. The purpose of qualitative methods in this study is mainly to collect the data that will provide the basis for further thinking and operation.

**Research Sample and Data Collection:**

The data was collected by the researcher using surveys and interviewing using a tape recorder and an interview protocol.

**The Surveys**

The instrument was applied to 20 art and design students and practitioners in Victoria. 16 of the surveys were returned. The participants were asked to fill in an in-depth survey (see appendix) which took about 20 minutes. The survey questions were segmented into four parts:

Questions 1-8 relate to background information of the respondent

Questions 9-13 relate to the respondent’s perceived need for education and training

Questions 14-15 related to employment information

Questions 16-33 asked the respondent for their feedback on business practice skills in the workplace.
The results were tabulated and then analysed and compared to the literature theory.

**The interviews**

Three interviews were conducted and the practitioners were from various experiential backgrounds. They were chosen for their involvement in arts training and education.

The in-depth interviews took approximately one hour and were recorded using a tape recorder. Interviews were semi-structured which suited the phenomenological style of this research. The aim was to explore the experience of the participants. Transcriptions were taken from the tape-recorded interviews and by using thematic analysis, the information was organised and coded into various themes.

**Case Studies:**

Within the case study research, three arts business programs were chosen. The criteria for selecting these programs was according to their success rate and arts practitioners’ general awareness of the programs. Evaluation forms were individually reviewed, the general consensus was summarised and statements were extracted as quotes that summed up the general opinion of program participants. In situations where access to individual evaluation forms was not possible due to policies, an evaluation profile (being either written or oral) was provided by the institution or training provider. The information was documented and analysed.

**Results and Discussion**

**Analysis of data:**

**Introduction**

The research data was analysed by organising it into categories on the basis of themes, concepts and similar features. Concepts and themes were then linked to each other in terms of sequence, as oppositional or as sets of similar categories. They were collated and interpreted in theoretical statements. Critical questions of data were formed and questions posed in the literature review were revisited and explained. Through analysing the situation, I organised data and applied ideas simultaneously to specify
the case. In bringing the data and theory together ‘casing’ was employed as suggested by Ragin (1992).

The form of analysis in this research involved inference of empirical details. This was done through passing judgement, using reasoning and reaching conclusions based on evidence. There was also careful examination of empirical information to reach a conclusion. The conclusion was reached by reasoning and simplification of the complexity in the data.

Data was analysed according to adequacy. Adequacy being attained when sufficient data has been collected that saturation occurs (Morse 1994). The data was sorted through, various explanations, discussions and responses were evaluated. The analysing process also involved comparing features of the evidence gathered with related evidence in the literature review.

A conscious effort was made to avoid errors, false conclusions and misleading inferences. There was an alert for possible fallacies and illusions.

**Results, Analysis and Discussion**

The research results reveal some interesting insights into the experiences, opinions and needs of industry practitioners for acquiring business practice skills and small business management know-how.

As described by the first interview participant, most artists go into small business because of their desire for freedom, a desire for balance in creativity which they cannot get from a nine to five job. They want to be able to make their own decisions and have control over their destiny as an artist. The literature identifies that the arts remains an important source of opportunities for self-employment for many people, this is strongly supported by all the interview participants. On average, people in cultural occupations were younger than the workforce in general. People in cultural occupations who were aged 25-34 made up 31% compared to 26% for all employed persons. In this research survey most of the respondents were aged between 20-30 years. Unlike some career areas, the arts tends to attract people who already have a strong vision of where they are heading. Most of the survey participants had a clear vision of their direction.
A perception still exists amongst artists, although declining, that defining cultural workers in business and industry terms somehow tarnishes their very creativity, according to the survey most respondents disagreed with this view.

The large body of literature, shows that a significant percentage of artists seek to earn a living through the sale of their visual or performance art, thus seeking to operate as independent contractors or micro-enterprises. One interview participant stressed that many artists want to pursue careers which are not a business. Their practice is more about contributing to the culture in a way that is not necessarily financial. Most of the data obtained through interviewing arts trainers and educators seemed to suggest that most, in the early part of their careers, seek to establish their studio and produce artwork. One interviewee put it ‘young artists are keen to establish their careers’. All three interview participants stressed the point that it is only when artists realise a grave need for financial progress that they actively engage in marketing and selling their work and acquiring business skills. The younger artists however, after reaching some competency in their chosen artform, seek formal training to refine their technical skills rather than business skills.

The arts has one of the lowest income levels in the country as documented by the Australian Tax Office (1994). Most survey respondents when asked why they thought this was the case simply replied: Australia is not big on art and artists’ talents are not valued enough. Most of the general public do not indulge in the arts as much as they could. Only a small number of the population has the education and money to value and desire objects purely for their beauty. The arts are not viewed as important because they have never been taken seriously enough and not recognised as a mainstream field of work, more as a hobby. They also stated that most artists don’t know how to operate a business successfully. They may make the transition from art as a hobby to art as a profession and not actively contemplate the money earning possibility from their art, they are more a technician than a manager, neglecting marketing, advertising and promotion. Most of the interview participants expressed the opinion that the income problem stems from the general lack of financial management skills of artists.

A common statement made by all interview participants was that many artists subsidise their professional work in the arts through working another or other jobs,
some of which are in completely unrelated areas. However, most of the respondents believe that artists can earn a living from their art. Two of the interview participants identified that even though this is the case, as trainers, they supported this practice because it generally offers other aspects to the artists' careers through creativity and opportunities. They also stated that, people who do not understand arts business would probably say that this is inappropriate.

Artists rarely receive training in either employment skills or small business management during their artistic development. This is supported by the research data which found that most respondents had never received business training of any kind. This does not however mean that they do not consider it to be important. The respondents’ replies to questions such as ‘Do you think small business management skills have anything to do with those working in the arts?’ and ‘Do you think small business training and education is necessary for artists and designers?’, resulted in overwhelming support for the need for business skills. Practitioners in the cultural industries really want to generate income from their talent and want to develop business skills to support that. The interview participants elaborated on the common practice with business skills development. It was stated that a lot of young artists do not pursue business skills development because, at this early stage in their career, they don’t feel they need them. At tertiary stage they are focused on their artistic career. It is not until some experience later that they get to a point where they start thinking about what they can do with their artform to actually create a framework and formalise it. They then consider making a living from their artistic skill. At a mature age in their artistic career, they start to consider professional development of business skills.

When an artist is ready to acquire business skills they seek programs which are relevant to their practices. The research results suggest that generic training is not always sufficient or appropriate. Generic programs do not cater for the needs of artists. All interview participants affirmed that artists have specific needs and issues which apply directly to them. There are issues such as copyright that are not being addressed by generic programs. Some artists manage to cope with generic program, but most do not.
The research results also identify that formalised training is not always satisfactory or appropriate. Respondents prefer a combination of in-class formal lecture/trainer, flexible training programs and hands on learning which takes into consideration the artist’s lifestyle and creative processes and practices. These results were supported by the interview participants who identified that arts business training programs must not be too rigid. The program must provide a balance that the arts community is looking for when seeking professional development. Creative instincts and changing market tastes may lead some artists towards self-teaching and less formal training arrangements. It is commonly recognised that other forms of learning can contribute to the development of knowledge and skills.

There was some thinking in the literature suggesting that arts small business relies on informal, practical contextualised experiential learning. This was also supported through the research. Survey respondents were asked the question ‘What are you doing to improve your business practice skills?’ Most indicated that they were trying to gain on the job experience. This also supports the literature where several researchers found that small businesses do not value structured training; they prefer hands on learning (learning by doing) and believe that is more effective. (Catts et al 1996; Robertson & Stuart 1996; Coopers & Lybrand 1994)

The arts small business training is under represented in formal education and training activities despite the findings of reports such as Beddall Inquiry (1990) which identified that a small business management course delivered to students and apprentices via the education system is the most effective way to provide basic management training. The research found that most of the survey respondents had never participated in a business skills development program. This supports the findings of other studies that less than a quarter have participated in training since commencing business. However, a majority of respondents did agree that business skills training and education should be more widely represented in arts courses.

What is the role of universities in regard to small business culture and the education of small business owner-managers? Considering the fact that the arts remains an important source of opportunities for self-employment for many people, it is clearly amplified by most of the research participants that small business studies are taught in
a minority of universities, contrary to the intentions of the Beddall and Karpin Inquiries.

Revisiting a question I posed in the literature review, Where, if at all, are artists and designers learning business skills and management know-how? It seems to be that they are acquiring their knowledge through experience which at times has detrimental ramifications for their arts practices, as identified by the interview participants. It was clearly expressed by one of the interview participants that “the specialist knowledge required by artists to run their business is not available through the majority of small business skills programs. So many artists experience difficulties as they learn through trial and error. This is a costly process for the individual artist that leaves many feeling vulnerable and frustrated”.

Despite the existence of a training industry the vast majority of respondents did not seek business skills training. They acknowledged that most arts small business owners do not participate in business programs. This is in line with the literature which identified that cultural businesses did not access government programs and assistance to nearly the same extent as other small businesses. Data collected from this research seems to indicate that most artists are not aware of what is offered and how to access programs and support services. There are excellent opportunities for artworkers to be assisted in developing commercial business skills to allow them to better support their artistic endeavours. Research has shown that arts businesses do not access general small business programs and assistance to nearly the same extent as other small businesses. Training and education are essential ingredients in fostering the professional development of artists in their arts businesses. All of the interview participants stipulated that, most of the time, artists cannot afford the programs that are being offered and therefore are unable to access them, disadvantaging themselves and the potential of their business.

Most of the respondents surveyed believed the business of art and the maintenance of artistic integrity are not mutually exclusive. Most of the respondents believe that the two (creativity and business acumen) are seen to be important. The ideology that “I am an artist first and a business person second” seems to not be supported by most of the survey respondents. Most survey and interview participants agreed strongly that
artists and designers put themselves at risk by thinking that business skill is something that they do not need to be concerned with.

With a reported high incidence of small business failure, realities are that two of three culturally based small businesses don’t survive beyond the first three years of their creation. Most of the respondents indicated that the reason for this is: artists don’t know how to market themselves and their work; there needs to be more business education and awareness of rights; the high failure rate is due mainly to little education; there is a lack of education, planning and advice that is relevant and courses should be supplying more knowledge. Others stated, the artists priority is their creativity, most artists and designers do not realise what it takes to stay in business, costs etc.

The root cause of small business failure in the arts is poor management. All respondents confirmed that good general management skill is important. Respondents identified that management skills vital to business success include marketing and financial management. Most research respondents declared that a large proportion of artists who operate small businesses do not have the competence to handle the management that is needed and in many cases this is brought out in the very early stages of the venture. The Karpin Inquiry (1995) identified that strategic skills and management development were the deficient aspects. It was also stipulated by most of the interview participants that the financial problem faced by many artists is due mainly to the lack of financial background. They bring to the venture only a technical speciality. The results are supportive of the literature theory.

There was also agreement form the interview participants that a person needs more than raw talent and high hopes to build a successful career in the arts. A combination of conviction, communication skills, willingness to train and keep training, small business ability, the capacity to manage peaks and troughs of work and income and a flexible approach to how and where you work are also among the necessary qualities.

It is astonishing that only 12% of small business owners obtain management competency training before starting their own small business. The survey data indicates that most respondents thought that: this may be the case because some artists feel capable of running a business; artists and designers do not realise what is involved in running their own business and feel they have adequate skills and
knowledge to run a business without having done a course. Emphasis is always placed on acquiring artistic skills not so much on gaining business skills.

Another issue that was raised by most research participants was the concern that there are not too many individuals or organisations who are active in raising the importance of art/design and business skills. Most research participants believe that more mentors are needed and a greater exposure to role models. This would bring about faster change with the acquisition of business skills and professional development in small business management know-how.

The findings are significant as they suggest that there is a great deal of acceptance and acknowledgement for business skills in the arts. Other findings include issues such as: educational institutions should be doing more and most artists are not aware and therefore not accessing business support services and business programs. Related to this finding is that artists require industry specific contextualised training that is a combination of in-class formal/lecture training, flexible learning and hands on learning. The findings have disclosed that there is an increasing acceptance and acknowledgment of the need to be ‘business wise’. In the next section the findings will be interpreted further and discussed in relation to the literature theory.

**Interpretation and Discussion of Findings**

In analysing and interpreting the findings, a clear paradox seems to be evident from the research. There seem to be two obvious schools of thought, the traditional view which has stigmatised the industry “business has nothing to do with artists” and the view that “business skills are becoming increasingly important and necessary for success in the industry”. Results verify that the latter is increasing in its following. Could this mean a possible shift in traditional thinking? It seems to be an issue of survival economics manifesting itself in the thoughts of artists. Most research participants identified that to earn a living (money/profit) from one’s art one needs to understand how to survive in business.

The initial general opinion across the industry is that an artist’s raw artistic talent and creative energies are grounds enough to build a successful career in the arts. This view is voiced strongly, however, the view that business acumen is also somewhat important is starting to penetrate the thinking processes of artists and designers. Most
respondents supported this. It is worth identifying that the acceptance of business skills and small business management know-how is not divulged until you delve into the career aspirations, goals and financial objectives of individual artists and designers. It is only through scratching the surface that I did find that most artists wished they understood more about business activities that could help them with their artistic endeavours.

On the surface, there seems to still be widespread opinions that business skills are not as important as the creativity generated by an artist. This seems to be coming from artists who are still adopting a ‘head in the sand‘ approach and attitude to business activity, allowing decisions to be made on their behalf and allowing events to take their own course. This lack of forward planning, as identified by the respondents is often lamented down the track.

A significant percentage of artists who participated in the research are seeking to earn a living through their artistic endeavours. Some are seeking to operate as independent contractors or micro-enterprises, however they tend to get frustrated and concerned about their lack of business skills, especially in the areas of marketing, communication skills and financial management. The research has disclosed that there is an increasing acceptance and acknowledgment of the ‘need to be business wise’. A clear recognition exists, especially by young graduates, that the traditional view of ‘I am an artist first and a business person second’ is changing. Students are clearly acknowledging that this mindset is not the way to sound practice, especially if you wish to be successful. However, what the data does suggest is that business skills are not actively being sought until they have gained some years of experience and career development. It is at this stage that they are more aware of their need to formalise their activities as the interview respondents validated.

Early indications from the research reveal notions of something fundamental going on. Is it a shift in perceived needs and thinking among artists? Most artists who were surveyed acknowledge the benefits of acquiring business skills and small business management know-how. The interview participants identified that we are seeing a phenomenon now where artists are seeking professional development in business. The recognition of the need for business skill seems to be setting a new model for the contemporary artist.
Most agree that, as a group, artists and designers most certainly lack training in critical business practice skills and small business management know-how. Their learning about small business management issues is primarily through experiential learning, that is, learning by making a series of incremental mistakes. In revisiting a question posed in the literature review, Why don’t our arts small businesses survive? The answer seems to be that most artists believe that they don’t have the small business management competencies necessary to support the business survival of their artistic endeavours.

Some of the thinking highlighted through the literature which suggests that arts small business relies on informal, practical contextualised experiential learning is strongly supported. Several researchers have found that small businesses do not value structured training; they prefer hands on learning (learning by doing) and believe that is more effective, this has certainly come through the research findings.

There is an irony in there being little attention to arts small business practices, as if ‘one size fits all’ rather than some ‘tailoring’ and customisation or contextualisation being considered and offered. According to the findings, differentiated courses would be preferable. Relatively higher failure and low income risks in the industry are exactly the reasons to offer industry specific business skills training and education. Most artists and designers believe that they have special needs when it comes to business training. Practitioners in the cultural industries really want to generate income from their talent and want to develop business skills to support that. Many artists say “look, I’m no good at business”. There seems to be consensus on the thought that “business requires no particular talent just application and learning from hands-on experience”.

The specialist knowledge required by artists to run their business is not available through the majority of small business skills programs. So many artists experience difficulties as they learn through trial and error. This is a costly process for the individual artist that leaves many feeling vulnerable and frustrated. Artists experience difficulty in planning and organising finances due to gaps between periods of employment and commissions, and the uncertainty of grants and opportunities to exhibit and perform. Forward planning is unpredictable and the resulting uncertainty may prevent a commitment to loans and mortgages that could further the artists
career. Financial management appears to be a problem for most artists and designers. This is supported by the literature. It was revealed that adequate bookkeeping, costing, pricing and financial management issues such as taxation must become part of an arts practitioners process to reduce the risk of failure.

Artist’s and designers do not see themselves as the same as every other small business owner, they have different practices, ethics and processes. The majority of arts businesses are inherently different to other businesses because the core business for artists, designers and craftspeople is a portfolio of activities with the individual artist at its centre. An artist will often be involved in a number of activities linked to the production of artwork. These may include designing, producing, teaching, fundraising, marketing, selling, packaging, collaborating, consulting and demonstrating. As indicated in the literature, most artists do not make a living from their studio practice. Many subsidise their professional work in the arts through working in completely unrelated areas like manual labour, taxi driving and waitressing as supported by the findings. In doing so an artist is not effectively utilising their skills and potential and this is both a personal and collective loss. At times work which is not related to the primary creative activity has a distracting effect. Instead, they could seek employment in fields which would benefit from the contribution of innovative problem solvers and enhance the artists career forming part of a portfolio of activities.

The opinion that business is demeaning to the notion of what is art is still evident, however not as harsh and obvious as it once was. Contemporary artists are remolding the traditional mindset that the business of art and the maintenance of artistic integrity are mutually exclusive. The research findings have indicated that artists and designers put themselves at risk by thinking that business skills are something that they do not need to be concerned with.

The arts remains an important source of opportunities for self-employment for many people. Yet it is one of the lowest income sectors in the economy, with high unemployment. The research identifies that many artists supplement their incomes and finance projects with income from part-time or sessional/casual work. Artists rarely receive business training in arts discipline, this need for business skills development is left to when the artists feel they can afford to seek professional
development for their artistic development. Some trainers believe that this is not necessary. It can be covered in most of the arts education programs, even on an introductory level.

Arts small business training and education is reported to have a lower participation rate and acceptance than other disciplines. Research findings showed that arts businesses do not access government programs and assistance because they are not aware of them or they cannot afford them. The lack of awareness of the existence of this type of help, and lack of financial resources to afford them, is what pervades the art and design industries, not the lack of willingness to use them.

Research findings confirm that, unlike people in other occupations, artists tend to start their vocational training from a very young age. After reaching some competency in their chosen artform, many young people seek formal training to refine their technical skills and establish credentials for a professional career. But the lack of skill development seems to be in the area of business practice. It is agreed that small business training and education seems to be under represented in arts courses. There is support for the belief that training and education are essential ingredients in fostering the professional development of artists in their arts businesses, a challenge most arts schools are failing to take up.

One respondent commented that the business program she was undertaking has taken considerable amount of time away from her art. When asked about what benefit she is gaining from participation in the program “I am being heard in a way that I haven’t been heard before. I feel that I have a place. I am learning how to take advantage of opportunities and networks. The biggest thing is that it has changed my attitude and I am more open to possibilities. I have always sensed that I had to be careful about how I talked about marketing or business development with other artists or educators, as if these topics were demeaning to the notion of what art is“.

Development of training programs and focused career paths have contributed to an increase in professionalism in many areas of the arts. There are not too many individuals or organisations who are active in raising the importance of art/design and business skills. On this point it was clearly indicated through the research that more role models and mentors are needed.
Most students shared the concern that art and design graduates need to be prepared for what they will encounter in the market place. Their experience stresses the point that many tertiary education courses are not teaching professional practice as an integrated component in the curriculum. Alongside their training in art and design theory and practice, students said that they need an understanding of basic business management skills, legal issues, budgeting and financial management, costing and pricing, contracts, professional ethics, moral rights and copyright, taxation, insurance, occupational health and safety, marketing and promotion. A strong concern was communication skills especially in the area of marketing, both self promotion and promotion of their products/services.

It is from this study that the importance of communication is affirmed. The most important type of communication that most artists especially design practitioners do not employ is in marketing to new prospects. Artists seemed to recognise that they can find themselves at the mercy of the fashions and trends in the art market over which they have little control. Artistic integrity is often at odds with market demand and opportunity.

**Conclusion**

The research progressively drew attention to aspects of the paradox emerging in the industry. The research findings indicates’ that there is a need by arts practitioners for business practice skills and for calls for a new responsiveness to the education needs of artists wanting to go into business.

So what is the issue arising out of this research? It seems clear that there is some dichotomy between literature theory and actual practice. Not only are the views of artists and designers changing, but so too are their practices. Some differences do exist between what educational institutions are teaching and what students feel they should be made more aware of whilst undertaking an arts course.
Implications for education practice and further research:

To produce any item of quality, be it called art or craft, requires some basic ingredients on the part of the artist or craftsperson. These ingredients, although complex in themselves, include a creative capacity and personal motivations together with a high degree of knowledge and skills in terms of the materials, tools and equipment.

While it is often said that artists are not good business people, this does seem a rather strange statement to make, especially in light of their ability to organise themselves and their studios to produce articles. This is further emphasised when one considers the involved and exacting needs of some articles and processes; and one must not overlook the inherent dangers, safety, precautions and maintenance requirements that are taken into consideration.

The problem of business management is not simply one of creative temperament, but rather a lack of educational opportunity in that area. Business skills and small business management know-how are crucial to heightening the business success rate and nurturing the business skills of a thriving arts industry. The significance of the arts to the cultural and economic health of the country and its place in the world is something which needs consideration by government and educational institutions. The government’s approach to education and training should ensure access to business skills development. This would be significant for growth and development of arts small businesses.

Australia’s arts organisations need to devote far more resources and commitment to developing the business skills of arts practitioners if they are to become strong and viable. If long lasting gains are to be made then an active commitment to increasing the level of business skills and greater economic return for visual arts and crafts. Significant advances have to be made to improve employment, business survival and success rate as well as income levels. If Australia is to remain competitive in the arts and global economy, attract investment and create new job opportunities for Australians, all spheres of the industry need to work together to develop best practice in business.
There is a need for assistance to improve small business efficiency. The importance of education is central to national cultural and leisure objectives in providing a better educated and more highly skilled population, which can deal more effectively with change. More opportunities and higher incomes for artists can be achieved by a well informed and well respected industry with greater communication and collaboration between artists, administrators, entrepreneurs, consumers, educators and government.

**Highlighting New Trends that are Emerging:**

**Growth in arts exports**
Artists deserve support in effectively marketing and managing their art. Government and educational institutions should play a part in ensuring that the right conditions and skills are in place to enable the Australian arts industry to compete in the global market place.

**Growth in Tourism**
The tourism market holds huge potential for visual artists and craftspeople. Helen George, director of Australian Arts Enterprise, a marketing service and project management organisation comments that ‘to make it in the tourism sector, artists will have to lift their game . . . it is very cut throat and extremely competitive, so artists will have to get it right. Training institutions and arts service organisations could play a much more constructive role in assisting with professional practice’.

**Highlighting Future Needs:**

**A need for Arts Business Skills Programs;**
Artists and designers, through the research have indicated a need for business skills development and small business management know-how. The majority of research participants identified that creativity and business acumen are not mutually exclusive. The two are seen to be important amongst artists and designers. This demand justifies an increased need to supply arts business skills training and education programs.
**Mentoring programs;**

Most research participants also identified a need for mentor programs that focus on business skill development.

**Arts Business Forum;**

A forum to be established to discuss the development and implementation of professional development programs dealing with business skills and small business management know-how.

**Government commitment to educational reform;**

There needs to be a obvious commitment form the different levels of government to encourage and support the attainment of business skills within the arts community.

**Commitment by educational institution to incorporate business skills in their programs;**

Educational institutions will need to do more to incorporate business skills development within their arts disciplines.

**More access to flexible study and learning materials;**

There should be more investment in developing flexible learning materials that are industry specific and cater for the needs of artists and designers.

**Exposure and effective promotion of assistance programs for the arts;**

This could be streamlined by one organisation or structure such as ‘ArtsInfo’ to provide a single gateway service.

**Implications for further research:**

It is proposed that the findings of this research be extended. The research findings and the potential information that can be further generated give scope for further study. The themes for further research are suggested to include: Firstly an exploration of the concept of business skills as understood by artists and designers, secondly an industry
specific comparison based upon the business goals of arts practitioners and thirdly, a more detailed analysis of the training and education business skills development programs that are being offered or could be offered.

For the industry to realise and reach its full potential there is a need for a strategic approach to its future development possibly a ‘National Arts Business Action Plan’.

The research findings calls for a ‘new’ responsiveness to the educational needs of people in arts business and arts students considering employment in the industry.

Conclusion

The general aim of this research project was to study art and design small business practices to determine the attributes needed for operating a successful small business within the arts industry. The study focused on conducting an interpretive inquiry into the business practice skills of art and design practitioners. It was designed to study the experience and opinions of small business practitioners in the art and design industries.

In general, the results of the study are sobering and deserve some reflection! The research findings are not clearly consistent with all aspects of the literature theory. Data for a number of research participants verified a strong acceptance for business acumen. The data also identified clearly that all of the research participants believe that small business training and education is necessary for artists and designers. No such acknowledgment is made by any previous research. There was an unclouded standing by most research participants about the integration of business skills development within arts courses and programs to better prepare the graduates.

The arts environment in Australia needs to undergo a number of fundamental changes in regards to business skills and small business management know-how of arts practitioners.

As the phenomenon of art and business acumen is becoming a topic of growing interest and importance both in economic and academic terms, it is imperative that the industry develops a better understanding of the need for business skills and small business management know-how.

For the industry to realise and reach its full potential there is a need for a strategic approach to its future development possibly a ‘National Arts Business Action Plan’.
The research findings calls for a ‘new’ responsiveness to the educational needs of people in arts business and arts students considering employment in the industry.

It is through collaborative training programs that the information base for developing business skills in the arts businesses can improve their business practices and success rates. While artists and designers in general have the direct experience, it is one thing to ‘know’ and another to have the facts.
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