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Abstract
This paper provides an overview of entrepreneurial activities in three non-profit performing arts organisations in Australia and lists implications for Vietnam. The relationship between limited funding, pressure to attract audiences and the need to act entrepreneurially to diversify funding sources characterises both countries. Case studies from Australia were used to analyse how leaders in arts organisations balance the interests of the various funding sources and market opportunities to service their revenue requirements. Our research strengthens the need to study how Vietnamese artists face challenges of financial viability, audience development, and balance between commercialization and artistic creativity. We conclude that entrepreneurship is seen as an important concept for understanding the development of arts organisations in Australia and Vietnam.

The contribution of the arts to the economy
In the developed countries, the arts and entertainment industries have experienced rapid growth and change due to emergence of the so-called creative economy (Florida, 2004) as well as far-reaching technological developments. The creative sector is one of the driving forces of post-industrial society. It is now recognized around the world as a key element in national economic performance, employment, education and creativity.

While governments and public institutions may be cutting back funding to arts, many entrepreneurial opportunities are arising due in part to the complex nature of these industries. Entrepreneurial behaviour and activity are thus attracting growing attention from arts leaders worldwide as ways of maintaining the organisational financial stability (Rentschler, 2002).

Entrepreneurship in the arts has developed a significant literature over the past three decades and non-profit arts institutions have undergone substantial change (See for example Aggestam & Henry, 2007, Brown, 2005, Cimnide, 2005, de Bruin & Henry, 2007, Henry, 2007, Hui, 2007, O Cinneide & Henry, 2007). The trend towards proprietorship and self-employment in the arts is impressive. Many favoured new-millennium arts professions are becoming self-employed entrepreneurs (Bureau of Labor Statistics and US Department of Labor). In the United States at least, a huge proportion of people in the arts and creative industries are self-employed (see Table 1).

<table>
<thead>
<tr>
<th>Profession</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artists</td>
<td>62%</td>
</tr>
<tr>
<td>Photographers</td>
<td>51%</td>
</tr>
<tr>
<td>Musicians and singers</td>
<td>48%</td>
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<tr>
<td>Designers</td>
<td>33%</td>
</tr>
<tr>
<td>Writers and authors</td>
<td>33%</td>
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<tr>
<td>Actors, producers and directors</td>
<td>28%</td>
</tr>
<tr>
<td>Fashion designers</td>
<td>25%</td>
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<tr>
<td>Graphic artists</td>
<td>25%</td>
</tr>
<tr>
<td>Television &amp; video</td>
<td>20%</td>
</tr>
</tbody>
</table>

Table 1: Professions, percentage of self-employed, USA

Yet arts organisations under increasing stress worldwide. Expenditure was exceeding income, government funding was in decline, demands for services were increasing and the environment was volatile, more competitive and dominated by the views of neo-classic economic rationalists. The interface of creativity, culture, economics and technology may have has the potential to generate income, jobs and export earnings
while at the same time promoting social inclusion, cultural diversity and human development. But the Global Financial Crisis has left arts organisation reeling and they are just now staggering out of recession.

Non-profit performing arts organisations in Australia have not escaped the changes, and these have contributed to political and economic uncertainty. Formerly reliant on limited and competitive funding, non-profit arts organisations urgently need to innovate to become more productive.

Artists in Asian countries are also not immune. They have long worked under relatively challenging financial conditions, but in contrast to the Western counterparts they may have built up the resilience, flexibility and capacity to cope with economic downturns, and to quickly resume their full range of activities when the economy recovers. The ASEAN Leaders’ “Statement on Sustained Recovery and Development” (2010) stresses

*The importance of the promotion of creative economy in paving the way for future growth based on creativity, innovation, and protection of intellectual property rights. We believe that the creative economy, which draws on ASEAN's rich cultural heritage combined with creative inputs from people in ASEAN, will add substantial value to its goods and services, and will help promote sustainable growth in the region.*

The pursuit of entrepreneurial activities has become growingly essential for arts organisations whether in East or West. Crisis leads to innovative thinking. The creativity process often happens when our knowledge thresholds are reached and there is a failure in systems to cope.

Performing arts organisations (PAOs) in Australia have long felt marginalised and peripheral to government policy. Yet research shows that their contribution to the economy is enormous. While arts activities goods and services of course have cultural value, the key contribution made by Australia’s creative industries to the national economy has been acknowledged. Two important studies can be cited.

The Australian Copyright Council commissioned accounting firm Price Waterhouse Coopers (PWC) (2008) to measure the economic value and impact of the so-called Australian ‘copyright industries’ (press and literature, music, theatrical productions and opera, motion picture and video, radio and television, photography, visual and graphic arts, advertising, and software). According to this study, in 2006-2007, these industries employed 837,507 people, or 8.0% of the Australian workforce, accounted for economic value equal to 10.3% of gross domestic profit ($97.7 billion), and generated $6.873 billion in exports, equal to 4.1% of total exports. Most recently, Australia’s ARC Centre for Excellence for Creative Industries and Innovation (2010) more conservatively measured the creative economy at $31 billion and the number of workers at nearly half a million (or 5.3% of the workforce). The study cites another 171,000 creatives employed by governments, banks, manufacturers, and the education sector and so on. These are called ‘embedded creatives’. The sector operates 155,000 registered businesses, 60% of which are sole trader enterprises; generates 7% of all Australian earnings; has shown long-term growth rates of 5.8% over the past twenty years, roughly double those of the economy as a whole. In other words, the Australian creative industries have become as mainstream as mining, manufacturing, retail, and farming. The one negative feature in the study is the 2:1 trade deficit (importing more than is exported), leaving plenty of scope to expand Australian creative exports to offset the high level of creative content currently being imported.

Another negative feature long observed is the low productivity of the arts industries. An Australian government study (DCITA, 1999) investigated Baumol and Bowen’s (1985) ‘cost disease’ in relation to artists. To understand this concept, if the music industry pays its musicians 19th century style salaries, the musicians may decide to quit and get a job at an automobile factory where salaries are commensurate to high labour productivity. To help the arts achieve greater productivity, solutions were seen to encompass addressing the sector’s artistic vibrancy by securing their funding base and changing their existing financial dynamics. This was to be achieved by implementing best practice management and governance, through increases in private sector philanthropy, sponsorship and through audience revenue management. These solutions are seen in the report to ensure the necessary balance between artistic vibrancy and financial viability.

**Purpose**

The object of this paper is to investigate the types of entrepreneurial activities that are utilised by arts organisations in Australia to augment audiences and to increase productivity. The paper aims to provide a basis for extending understanding of how arts organisations and arts leaders tackle current funding issues by
innovative and entrepreneurial activities. Beyond this we will look at what lessons Vietnamese arts organisations can learn from Australian cases. This paper uses case study approach and document analysis as means of data sources. Our results contribute to the understanding of entrepreneurial activities in non-profit arts organisations in Australia. We seek to deepen the subject knowledge, which ultimately encourages arts organisations to use an entrepreneurial structure and entrepreneurial leadership, and in turn, can benefit not only scholars but also practitioners.

Entrepreneurship and non-profit arts organisations

The word entrepreneur is derived from the French *entreprendre*, meaning ‘to undertake’. The entrepreneur is someone who undertakes to organise, manage and assume the risks of a business (Frederick, 2010). Interestingly, the creative arts have long used another word, *impressario*, for a person who organises and often finances concerts, plays or operas. This is related to the Italian word *impressa*, an enterprise or undertaking.1 The definition is broadened so that today an entrepreneur is considered to be an innovator or developer who recognises and seizes opportunities; converts those opportunities into workable/marketable ideas; adds value through time, effort, money, or skills; assumes the risks of the competitive marketplace to implement these ideas; and realises the rewards from these efforts. Entrepreneurs are catalysts for change. They are independent thinkers who dare to be different in a background of common events. Research reveals that many entrepreneurs have certain characteristics in common, including the ability to consolidate resources, management skills, a desire for autonomy and risk taking. Other characteristics include brashness, competitiveness, goal-oriented behaviour, confidence, opportunistic behaviour, intuitiveness, pragmatism, the ability to learn from mistakes, and the ability to employ human relations skills. At the heart of entrepreneurship is the entrepreneur who engages in the process of initiating and propagating new business ideas, new markets, and new products (Begley & Boyd, 1987, Kent, Sexton & Vesper, 1982, Kuratko, 2002, Montagno & Kuratko, 1986).

Schumpeter (1934) believed that the central characteristic of the entrepreneurial endeavour was innovation/initiative and risk-taking function necessary to start businesses off. According to Schumpeter, entrepreneurs attempt to foresee change, and develop new products or new business ideas to take advantage of that change. Entrepreneurs must know how to make use of innovations in modern technology, processes and/or marketing strategies to take them in new directions, at the same time being committed to grow as fast as the marketplace allows. Accordingly, the entrepreneur requires many other personal qualities such as ambition, independence and self-confidence (see also in Schumpeter, 1942).

Entrepreneurship activities in the arts is a tool to explain our proposition that arts organisation need to be innovative in their activities to attract audiences and arts leaders need to be entrepreneurs in guiding their organisations to adapt to rapid changes of global economy. The field is broad and includes such areas as: preserving cultural traditions; asset-based community planning; economic development and the arts; arts-based business incubators; and cultural heritage tourism.

Public arts organisations

The term ‘public arts organisation’ (PAO) is composed of two parts: (1) It refers to institutions that produce works of art in any medium that are planned and executed with the specific intention of being sited or staged in the physical public domain, usually outside and accessible to all; (2) It is a non-profit organization that does not distribute its dividends to owners or shareholders, but instead uses them to help pursue its goals. In most countries they are exempt from income and property taxation.

In our case, we focus on innovation in two activity areas within PAOs:

- *Funding diversity* is defined as obtaining funding from a variety of sources – government, sponsors, and audience activities.

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1 It is important to note that not all languages follow this ‘undertaker model’. In Malay, *usahawan* means someone who does a commercial activity at some financial risk. In the Thai language, the word for entrepreneur is *pupagongan*, which means literally ‘someone who assembles other people together’. In Indonesian, *wirausaha* has the signification of ‘courageous private sector’. In the Garinagala language of Australian Aborigines, they use *egarga* or ‘story-teller’ to mean entrepreneur. The Māori language of the Polynesians of New Zealand has two words for entrepreneurship. *Ngai tuaite* means the ‘needle that binds things together’. The other word that Māori use for entrepreneurship is *tmihanga a Māi, or the ‘tricks of Māui’.*
• Creative programming is defined as leaders developing a market edge in programming activities such as performances, merchandising and so on, which allows a balance between elite and more popular outputs (Rentschler, 2002).

Each of these activities has the salient dimensions of autonomy, innovation, risk-taking, pro-activities and competitive aggressiveness, as identified by Lumpkin and Dees (1996). However, it also provides entrepreneurial activity in the broad funding areas to take into account of increased market competition.

What do we mean by entrepreneurship within the context of PAOs? Geursen and Rentschler (2003) argued for entrepreneurial value balance (EVB) by recognizing that a cultural organisation needed to be entrepreneurial in its behaviour from all possible funding sources if it is to reach its potential. We have extended this definition to include Schumpeter’s notion of creative destruction, which encompasses market turbulence and market change as contextual activities required for entrepreneurship. Hence, we define ‘public arts organisation entrepreneurship’ as:

the process of creating stakeholder relevance for the community by bringing together unique combinations of public and private resources to create social and cultural opportunities in an environment of change and to increase the quality of the PAO audience experience.

It is in this respect that entrepreneurship is applicable to non-profit arts organisations.

Arts managers as entrepreneurs

Innovation and creativity in management and operation is essential to maintain organisational viability. Paralleling the importance of arts marketing and management, the role of arts leadership is vital in guiding arts organisations to adapt to local and global changes (Rentschler, 2002). In response to the changes in the arts environment, the growth of the entertainment sector and the challenges of contemporary arts organisations, arts managers must be able

• Spot opportunities. An opportunity comes more often from the creative process and from intuition than from scientific analysis. An opportunity is something that an entrepreneur recognises as solving a real problem or adding value for people. The best business opportunities may well be the ones that solve the problems of everyday life. If the idea solves a problem or adds value then it becomes an opportunity. (Hall, 1999)

• Evaluate opportunities. A critical task of starting a new business enterprise is conducting solid analysis and evaluation of the feasibility of the product/service idea getting off the ground. (Frederick, 2000:300-305)

• Identify and ‘read’ environmental signals to survive and ensure success for their organisations and the people who work in them (e.g., Deakin University, 1996, Byrnes, 2003).

Arts organisation managers channel their innovation in a variety of ways. Pick (1980:11–13) identified a complex role of arts administrator which is a combination of different responsibilities to artists, audiences, government and among those is an entrepreneur and risk bearer. Radbourne and Fraser (1996) provide a strategic plan for arts managers in cultural industry development that expects them to utilise environmental, industrial, and organisational analysis, and to combine traditional and strategic thinking, and entrepreneurship. Miller (1999) encompassed their activities in a variety of ways. They think up a new idea or concept, such as an idea for a new production. They invent or build a tangible object such as a theatre set or a sculpture. They organise other people and come up with a new organisational form or approach to structuring things. They achieve collaboration, cooperation, and win-win relationships with others. They produce events in which people are involved, with a sequence of happenings, a particular setting, and so forth.

Entrepreneurial behaviour and activity are attracting growing attention from arts leaders as ways of maintaining the organisation’s financial stability in a period of rapid change (e.g. Rentschler, 2002, Chong, 2002). Although there is a lack of literature in this area, the trend is highlighted in Freakley and Sutton’s work (1996:1): “People working in the industry have to be flexible, multiple-skilled and entrepreneurial to survive. . . . Even as performers they need good administrative skills and knowledge about funding systems.” Colbert (2003:30) compared the notions of entrepreneurship and leadership in this way: “Entrepreneurship and leadership are interconnected. To be successful, an entrepreneur must possess leadership skills. Leadership suggests an ability to guide the way and have others follow”. At the same time, entrepreneurship implies an ability, a chosen goal to find or assemble the resources necessary to achieve it; In order to achieve the goal, it
may require one to be innovative and to go beyond or even against the usual ways of doing things (Schumpeter, 1934).

Entrepreneurial behaviour and activity are vital for the arts sector. Fillis (2004:12) asserts that innovation, risk-taking and pro-activeness are central features of the entrepreneurial process. Fillis also underlines “entrepreneurial businesses are best suited for the contemporary business environment since they are able to respond quickly to changes in the environment” (p. 13). Chong (2002) indicates, entrepreneurial modes of behaviour are promoted as essential for all type of organisations. Several other works emphasise the need for arts leaders and arts management students to be entrepreneurial (e.g. Rentschler, 2002, Dewey, 2004, Radbourne & Fraser, 1996).

The need for more entrepreneurial thinking by arts leaders is thoroughly discussed in Rentschler’s (2002) ‘The Entrepreneurial Arts Leader’. Her theory of entrepreneurship is a synthesis of theories on arts leadership and has been tested by a rich body of data gathered from interviews and case studies. Rentschler identifies a theoretical framework that provides arts leaders with a crucial focus that will enhance their capability to efficiently fulfill their mission, and assist in shaping organisations as well as in responding to changes in policy in the present competitive arts environment. She makes the point that ‘the entrepreneurship model’ in arts organisation includes three parts: variance (person), viability (place) and vitality (product) are required to achieve a balanced leadership approach. According to Rentschler, the entrepreneurial arts leader creates value through innovation.

In sum, there is a limited literature in entrepreneurship and the arts, especially using entrepreneurial activities to develop audiences and visitors for the arts organisations. Our research will enrich and contribute to the knowledge in this area.

**Methodology: Case Study Approach**

The scope of this paper is to examine the research question in the performing arts organisation context. The question is:

*How do arts organisations and arts leaders in Australia use entrepreneurial activities to develop audiences?*

The selection of cases follows methodological strictures of Eisenhardt (1989), Merriam (1988), and Punch (1998) and examines what actually happened over time and around a crisis point in contexts of Australia PAOs. We conduct our examination within the context of the non-profit performing arts organisations and (opera, ballet and art museum in Australia). We selected arts organisations which had innovative programs, activities and leadership. The case studies include the Australian Opera, Australian Ballet and the National Gallery of Victoria. We also use annual report, website and other available sources to analyse organisational context and operations of cases. A triangulation of the data was achieved by considering the various documentation, organisational records and the annual reports.

**Limitations**

This study uses non-probability ‘purposive’ sample of arts organisations in Australia. We acknowledge that this study is case-based using a limited number of cases and multiple source of data collection. These data cannot be used to infer from the sample to the general population of PAOs in Australia or overseas. Generalisations and discussion are filtered through our own personal contacts and knowledge of the topic. This technique introduces sampling error and makes it unlikely that the sample will accurately represent a broader population.

**Entrepreneurial structure and leadership**

We created a heuristic as general way of addressing the research question: We sought to assess each PAO on its entrepreneurial abilities based on leadership style, creative programming and funding diversity demonstrated in annual reports.

This approach identifies clear early adopters. Hence the approach provides grounded support through a comparison between two performing arts organisations and one art museum. Both performing arts organisations are typical examples of evidence in the reports of entrepreneurial leadership positively effecting financial outcomes. Furthermore, if the data is examined on an individual case study basis, the patterns for
individual institutions reflected some differences between PAOs in the same interest area and across the different interest areas, and museums.

**Australian Ballet**

The Australian Ballet is Australia’s national ballet company, performing works from the classical repertoire as well as contemporary works and commissions. Established in 1962, The Australian Ballet is an ideal study of the development of the global arts organisation led by far-sighted administrators and creative artistic directors. Yet, the path has not always been an easy one. In the early years, entrepreneurship resided in the administrative leadership of Impresario Peter Bahen until the dancers’ strike of 1981, soon after which he left the organisation. The entrepreneurial role then shifted to the artistic leadership under Maina Gielgud (artistic director from 1983-1996) until she, too, was embroiled in industrial trouble in the mid-1990s. She eventually left in 1996. While Bahen and Gielgud may have left under a cloud because of their management style, their contribution should not be underestimated.

Bahen (1962-1983) built up reserve funds and used them wisely to build a home for the Australian Ballet in Melbourne, including even a car park to boost income (other than government income). Expansion of audiences through the television medium was also far-sighted and later emulated by other performing arts leaders. Its purpose was to extend audience reach and to justify to government the expenditure of public money on a not-for-profit organisation. At a time when most performing arts companies were largely parochial in outlook, his vision was global and international: “The Australian Ballet’s most important production of 1975 or indeed any other year was The Merry Widow. Through it, the Company ... aroused enormous interest overseas”. Bahen argues that “good relations between countries are fostered by more than trade. An important part of our foreign policy must be ... the Australian Ballet” (The Australian Ballet, 1980:4-6).

On the issue of funding, the Australian Ballet shows leadership in its early realisation that funding diversity would lead to sustainability and allow artistic creativity: “Australian Ballet follows the world trend of moving from subsidised ‘poor relation’ to full participation in the entertainment field where only the financially strong seem to survive” (The Australian Ballet, 1975:6). Bahen was operating with a more business-like model than was typical for arts organisations of the time. He was also operating under considerable duress, with labour struggles and threats to eliminate government subsidy hanging over his head.

After Bahen left the Australian Ballet, leadership dynamism shifted from the administrative to the artistic sphere under the artistic directors van Praagh, Gielgud, Stretton and McAllister. This was facilitated by the Australian Ballet being restructured after the dancers’ strike in 1981, so that the artistic director and administrator both reported directly to the board. Before that time, the administrator had reported to the board and the artistic director to the administrator. These entrepreneurial activities enabled the Australian Ballet to build reserves and gain a sound financial footing which underpinned its artistic development in later years.

After the financial deficit in 2007 (due to the global economic crisis and in the investment in the new production of The Nutcracker), the Australian Ballet gained its strong performance both artistically and financially in 2008 (The Australian Ballet, 2008). Ballet Operation was a surplus of $861,020 due to a successful year at the box office, efficiencies of administration and good results of international tour to Europe which proved the success of their innovation in operation. The most recent appointed Executive Director, Valerie Wilder, continued to develop the Ballet’s new approaches to audience development through Education Program. One of the outstanding achievement in audience development is the introduction of “Out there – The Australian Ballet in Schools”, bringing ballets to schools to at least 10,000 students who have experienced with various activities/workshops in this program (Wilder, 2008).

**Opera Australia**

Unlike The Australian Ballet, Opera Australia (established 1956 as a ‘parent’ organisation) has not had the opportunity to create financial and personnel reserves to enable self-help and sometimes has had difficulty fulfilling its mission as a touring company. This dilemma, as experienced by the traditional performing arts organisation, was identified in the 1975 Chairman’s Report: “Even with a determined effort to save costs and to introduce economies, it is not possible to reduce expenditure below a certain minimum whilst discharging our responsibility as an ensemble Opera Company in Australia with an acceptable standard of quality” (Opera Australia, 1975:1).

By 1980, Opera Australia leadership under Patrick Veitch recognized what the Australian Ballet had started five years earlier: “that new initiatives must be undertaken if the Company’s artistic growth and
financial security are to be consolidated”. The methods to achieve this were to be audience growth through ‘regular telecasts’ and ‘the presentation of opera in non-traditional venues’ (Veitch, 1980:6) as well as diversifying funding beyond government reliance and box office revenue: “contributions from individuals and from business firms will be relied upon increasingly to fill a crucial gap in our operating revenues”. The need to increase community access and diversify funding is an on-going theme in subsequent annual reports, thus reflecting debates and issues in government cultural policy being implemented.

By 1985, Opera Australia was still operating with a deficit, but was described as ‘innovative, entrepreneurial and predominantly cost-effective’ in its new commercial activities which resulted in considerable increases in income. In particular, the leadership of Opera Australia’s general manager, Patrick Veitch, was singled out for steadily increasing Opera Australia’s stature in the five years since he took leadership of the company.

The situation changed significantly as a result of its pursuit of innovative and entrepreneurial operations. 2008 was a year of high achievement of Opera Australia in which it produced a solid operating surplus of $838,000. It must be noted that this was the fifth consecutive year Opera Australia gained operating surpluses (Chairman’s Report Opera Australia, 2008). During last five years, about 65% to 70% of Opera Australia’s income is from the box office, earned income and contributions while the rest of it is from government grants (Opera Australia, 2007, Opera Australia, 2008, Opera Australia, 2009). This means that the company’s innovation in audience development showed its success although it has always been a challenge to develop audiences for high arts such as opera or ballet. However, criticisms in its current operation and transparency were increasing in 2008. However, reflecting the public’s concern about the Global Financial Crisis, the company experienced a loss in 2009 (Opera Australia, 2009).

**National Gallery of Victoria (NGV)**

The National Gallery of Victoria (NGV) is an appropriate example of entrepreneurship in the museum world, as the new facility on Federation Square attracted one million visitors in the first five months since opening and entrepreneurial leadership has seen sponsorship leap in the recent years. The last years of the twentieth century reinforce the contention that a new building program rouses the public and supporters to cultural institutions. It is also evidence of the architectural interest generated in art museums, where internationally recognized firms are appointed to design an art work to contain the art works of the collection. This emphasis on museum architecture is part of the argument that identity distinguishes museums and cities one from another (Chong, 1999).

The NGV (established 1861) has a long history for an Australian cultural institution. In July 1997, Victorian State Government announced creation of the Museum of Australian Art on Federation Square, to be administered by the NGV as a second campus (National Gallery of Victoria, 2000, National Gallery of Victoria, 2010). Opened in 2002, it exhibits NGV’s 20,000 Australian artworks. Victoria boasts the world’s most comprehensive display of Australian art and the Gallery’s Aboriginal and Torres Strait Islander collections have been given a prominent display space. In 2003, the NGV’s St Kilda Road building reopened after its $136 million renovation.

It is important to view the two NGV galleries as part of a longstanding plan to position itself as pre-eminent in Australian art collection and display. The renovation and extension of the second site answers the call for Melbourne to refashion its gallery’s founding aim as a national institution. The Federation Square project constructing a museum of Australian art is thus a response to pressures on two fronts: positioning Melbourne as a major cultural centre which needs to be properly represented by its gallery; and better recognizing the achievements of Australian artists, not least of all contemporary ones. Moreover, the project provides the opportunity to reinterpret the site, which once housed ugly twin towers, pulled down to make way for this new cultural expression.

According to NGV’s Annual Report (National Gallery of Victoria, 1986), throughout the 1980s, directors of the NGV considered innovative ways of increasing audiences and the significance of institutional initiatives. Institutionalising marketing was one of the changes introduced. Adequate promotion was considered the key to attracting new visitors, so the position of marketing and publicity manager was created with funds from the Business Council. Business plans for the shop and publications department were developed with an emphasis on producing merchandise to complement exhibitions. Further, an organisation chart was introduced into the Annual Report in 1989. In this and subsequent years into the early 1990s, it
discussed restructuring. Restructuring of the public sector was symptomatic of changes occurring from the 1980s, and art museums were not exempt from them (Johanson & Rentschler, 2002).

In 1998, media entrepreneur Steve Visard was made president of the Council of Trustees, while in 1999 Dr Gerard Vaughan was appointed director of the NGV. Vaughan came to the NGV with impeccable credentials earned at the British Museum as director of development, where he raised many millions of British pounds. Together they form an entrepreneurial team, launching a major three-year fundraising campaign in 2000 for the rebirth of the NGV. A body of professional staff was recruited to deal with fundraising, sponsorship, media and public relations. A new branding campaign has been implemented, to differentiate between the NGV International at 180 St Kilda Rd and the NGV Australian Art at Federation Square.

In mid 2001, a two page colour spread in The Australian newspaper appeared profiling the Federation Square development. Links are made to the regeneration of the central city district: “It links the gallery-rich area of Flinders Lane with Southbank and really gives the city a heart” (McCullough-Uehlin, 2001:R19). This focus is reinforced in other documents. For example, Visard states in his 1999-2000 president’s report that the materialising of the NGV at Federation Square is “already changing the way we view the centre of our city” and that “slowly and steadily our ambitious visions for the Gallery’s future are becoming a reality” (National Gallery of Victoria, 2000:4). Further, it sees its role as engaging with contemporary art and life, so that “we can tell the Australian story in many different ways and engage constantly with art of its time” (McCullough-Uehlin, 2001:R19). Finally, the importance of the building is made in the context of mission, management and leadership: “There is internationally a huge emphasis on big buildings, of which we are now one. But they need to be followed through with a strong plan, which includes a five-year exhibition program of intellectual rigour yet presented with flair and imagination; successful marketing; care of the collection; publications; acquisitions; and creating an environment [that] is attractive to its owners – the people – its staff and visitors” says Vaughan (McCullough-Uehlin, 2001:R19). With McCaughhey as director, emphasis had been placed on a shift in the way the gallery is perceived by its viewing audience—not anymore as a ‘treasure house’ but instead as a ‘communicative instrument’. Aspects of the permanent collection were thus re-organized and re-installed with a focus on the particular phase in human development they are seen to demonstrate from an educational or academic point of view. This emphasis had been extended and expanded under subsequent directors, culminating in Vaughan, who has been reappointed as NGV Director for a further five years according to NGV 2008-2009 Annual Report (National Gallery of Victoria, 2009). Currently, NGV diversified its revenues and enhanced visitors’ experience to the Gallery by investing in the new NGV Shop, Tea Room and beautiful Persimmon Café/Bistro and Grollo Equiset Garden (National Gallery of Victoria, 2009).

Discussion in relation to Vietnam

This paper sought to answer the question: How do arts organisations and arts leaders in Australia use entrepreneurial activities to develop audiences? We have used selected cases of three Australian PAOs to argue and demonstrate the changes that have occurred in their operational strategies: more entrepreneurial and innovative in their operation in order to develop audiences/visitors and balance income/expenditure.

Our study identifies that funding diversification from box offices and government grants, sponsorships is very important for organisation viability. In achieving the funding diversification, the requirement on leaders to be entrepreneurial and using innovation in their activities is essential if they are to cope with this requirement. Our findings have demonstrated that the different stakeholders groups each require careful nurturing. This entails substantial efforts in internal marketing aimed at stakeholder or funding source, governing boards, internal management and staff to assure funding opportunities are materialise and optimized. In this respect, PAOs have a challenging task. Our findings agree with Frankly and Sutton’s work (1996:1) which emphasises that people working in the arts industry need to be entrepreneurial to survive. Further, to achieve sustainability in audience development, arts managers may be required to even much more proactive, innovative in their usual way to operating and performing (Schumpeter, 1934), bringing their arts to school students via various initiatives as the case of the Australian Ballet.

The entrepreneurial management that has evolved in non-profit PAOs is entrepreneurial in the sense of Mintzberg, Ahlstrand and Lampel (1998) because it is management through a strategic vision. Our cases indicate that these PAOs provide the managers a scope to set the activity boundaries provided they operate strategically within the identified boundaries. However, if a ‘new’ and very different opportunity is perceived there is a ready discussion whether to embrace this opportunity by moving the boundaries as long as this is in
line with the overall entrepreneurial vision for the organisation. In this respect, they practice what Eisenhardt (2002) and Santos and Eisenhardt (2005) attribute to successful strategic activity in contemporary organisation. Davis, Eisenhardt and Bingham (2008) supports this style of management by simple rules, particularly in perception of the role of leader, the manner in which the offer to the various stakeholders is structured and the methods are used to probe and create new opportunities. We support Chong’s (2002) argument that entrepreneurial modes of behaviour should be promoted as essential for all type of organisations, including arts organisations.

What implications does our study have for Vietnam? Of course, it goes without saying that Vietnam has one of the greatest collections of performing arts and art treasures in the world. From French artistic influences, to calligraphy, and silk and woodblock paintings, from traditional Vietnamese music, theatre and dance; from its great literature to even puppetry, Vietnam’s arts organisations are some of the most prolific in the world. Yet arts workers in Vietnam have complained that, whilst their material conditions are improving because of the ‘left-hand job’—mostly tourist shows—they fell jobless in their ‘right-hand job’, or their principal work as dance artists (Stock, 2003:220). The dilemmas reflect the way that Vietnamese arts organisations are trying to reconcile the conflict elements of globalisation, consumerism, nationalism, communism and traditional values. Perhaps, as Kolkko (1997:43) claims, Vietnam is drifting aimlessly in many crucial social and institutional areas.

Our research strengthens the arguments of Huong Le, who is perhaps the greatest exponent of arts entrepreneurship in Vietnam. In this PhD dissertation at the University of Sydney, she examined the case studies of the Vietnam National Symphony Orchestra, the Hanoi Youth Theatre, the Sydney Symphony Orchestra, and the Melbourne Theatre Company. The findings indicated that globalisation and particularly economic changes are major pressures that are pushing arts organisations to adapt. She recommends that some arts management training courses in Australia could, if adapted, contribute to enhancing arts management and the entertainment industry in Vietnam (Le, 2003:220). Recently Le (2008) has gone on to publish an important article in Journal of Arts Management, Law & Society about how Vietnamese artists face challenges of financial viability, audience development, and balance between commercialization and artistic creativity. In her examination of the influences of economic changes on the performing arts sector, Le points out that cultural policy does allow arts organizations, arts managers, and artists more opportunities to develop a greater degree of autonomy and more freedom in performing, programming and other artistic activities. In the wake of đổi mới traditional Vietnamese arts organisations, especially handicrafts, were able to diversify. But controversially, while privatization (the Vietnamese term is “socialization” or xã hội hóa) may have occurred in every sector, including services, industry, and agriculture, its use is still very controversial when it comes to the arts. Le advocates that the Vietnamese government should consider appropriate funding policies and schemes, as state funding still forms a significant part of public companies’ incomes in order to further the entrepreneurial growth of the sector. Toward this end, in 2010 the Danish Embassy in Hanoi in co-ordination with the Ministry of Culture, Sports and Tourism held a seminar on effective ways to seek sponsorship as well as development of culture and art of Vietnam. The purpose was to create a foundation for Vietnamese policy makers to set up policies to assist the development of culture and art (Nhàn Dan Online, 2010).

We conclude that entrepreneurship is seen as an important concept for understanding the development of arts organisations in Australia and Vietnam. The question now is can these entrepreneurial management styles be maintained or will they revert to a more managerial style for corporate governance purposes? This study has implications for the various debates about entrepreneurship within arts management, as well as accepting a definition appropriate to the arts, as it examines the interplay between the multiparty funding sources in determining entrepreneurial forms. An extension of our research is to study stakeholder offering/pricing not only to test these concepts but also how these managerial concepts impact on creativity and the internal culture of these organisations. The study of contemporary PAOs thus has a significant role in the future development of both the strategy and entrepreneurship literature. It also has great saliency to the development of these organisations in Vietnam.

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