



New business development and opportunities ahead

1. Current position

The current five-year financial plan brings the Institute back to a sustainable annual break-even position by 2021, operating seven days a week. However, our Grade II* listed building requires consistent and substantial investment, and our programming ambitions will require funds long-term to develop and test new content and partnerships. In other words, break-even will not be enough.

We are extremely fortunate to be financially independent. Our annual income is around £2.5m broken down by:

- Programme – 11.1%
- Investments – 56.1%
- Grants – 0.3%
- Donations – 0.1%
- Bar sales at events – 0.8%
- Commercial hire of spare capacity in our spaces, via B I Trading Ltd – 31.7%

2. Ambition

We wish to generate a substantial and sustainable surplus to be reinvested in our programming ambitions and into our building and facilities. To do this, we intend to develop new business and income opportunities, including potentially via donations and grants, as well as maximising our current income sources, without compromising the independence and mission of the organisation, reducing availability of our spaces for our own programme or generating an unsustainable administrative and reporting burden on our already small staff.

The increase in income generation will be for specific projects, including infrastructure improvements, and for longer-term programming. It will also enable us to replenish our endowment fund (which itself generates income).

3. The last five years

Infrastructure

Significant investment has been required in recent years to maintain and repair our Grade II* listed building, including full replacement of the roof and substantial repairs to the ceiling of the

Great Hall. This unforeseen expenditure has required us to draw down funds from our endowment which have yet to be repaid.

Insufficient investment until 2014 means we have a substantial list of further issues to resolve, requiring extensive and potentially disruptive upgrades to the air cooling and extraction systems, toilet facilities, box office system and digital presence, together with a substantial reconfiguration and refurbishment of our Library space.

Meanwhile, the staff team office accommodation is currently spread over three adjoining buildings, whereas we intend to accommodate everyone together, requiring some repurposing of space and upgrades to our systems.

The team

The business plan to 2021 has required a total overhaul of our staffing structure and contracts to be able to deliver its objectives. The restructure process concluded in late 2016 and means about half our staff have only been with us since early 2017. Not all the new roles have been filled; nonetheless we have increased our operating hours to a full 7-day offer. Capacity has been somewhat stretched and we have focused on improving and delivering our core offer and retaining existing clients.

4. Looking ahead: the opportunities

Venue hire

Whilst we wish to maximise our venue hire income, there is a ceiling. Priority for the spaces goes to our own programme, which generally operates on weekdays before work, at lunchtimes and in the evenings and both daytime and evenings at weekends. All of these require set-ups and pack-downs beyond the times of the activity itself.

Furthermore, we will not accept bookings for public activity that clashes with our own programme (eg third-party concerts or dance classes) or ethos (eg religious activity such as church services) or which could damage our reputation (eg political rallies or tobacco companies). This can limit the available saleable options.

However, there is clearly more to be squeezed from the existing availability if we take the time to research demand for what we can offer well: spaces of various sizes in what is quite a specific and historic building located right next to a major transport hub at the crossroads of the City and East London. Our initial thoughts include:

- Filming and location work
- Meeting rooms by the hour for companies nearby
- Rehearsal spaces including large groups (eg orchestras)
- Further exam packages beyond our current client base

There will be many more and we have a Venue Hire & Events Planning Manager to help us identify and convert those opportunities into sustainable income. The amount of money generated will not be the prime consideration.

However, we do not wish to rely solely on venue hire to increase income and attract new business. We see other opportunities to develop our business, which include:

The café space

We are exploring pop-up options to enable us to generate income from the café space that was formerly the car park, operated by Benugo until May 2018, whilst retaining the flexibility to make use of the space ourselves for specific projects..

The space is a potential shop window for the Institute, having an entire wall of glass on Brushfield Street which has very heavy footfall both on weekdays and at weekends. The choice of pop-up tenants will therefore be very important to enhancing our brand value and attracting potential customers to our own offer, as well as potentially presenting partnership opportunities for activity within our own programme.

Pricing our offer

What should we be charging and to whom? Are we subsidising this activity or do we need it to generate a surplus? How frequently and by how much should we increase our prices? What can the market support? How can we maximising utilisation of our existing offer, rather than simply adding new things in?

This applies to a pricing strategy for our venue hire as well as for our events, courses, tours and workshops. We choose to subsidise activity that we wish to develop, and some of this subsidy is paid for by the surplus generated from courses such as photography, Pilates and languages. Our class sizes are small, which is attractive compared to many of our competitors, but it means we need to get the pricing right and market what is distinctively Bishopsgate Institute about our offer.

Meanwhile, overheads are low for our monthly ballroom social dance, meaning we have kept the ticket price at £10 since we started them in 2013 because it is helping retain loyal audiences and keeping the event accessible. Do we look at some sort of loyalty or regular customer discount or bonus while increasing the on-the-door or one-off price?

New business and partnerships

Might sensitively-managed sponsorship from an East London gin manufacturer help us to deliver a series of cocktail hour tea dances with minimal subsidy?

Might regular grant funding from the City of London Corporation enable them to deliver their objectives around cultural provision in the Square Mile while enabling us to deliver free-to-audiences lunchtime concerts of excellent quality?

Might our large-scale musical theatre productions attract sponsorship that we can live with?

Which grant-giving bodies have objectives that would be achieved by supporting our work or by making it possible to improve our infrastructure?

What experiences could we offer that might appeal to businesses wanting to fulfil corporate social responsibility and/or motivate and retain their staff?

With whom might we partner on exciting projects (and potentially joint funding bids) to increase the resources and profile available to us to achieve our objectives whilst reaching (and preferably retaining) new audiences?

E-commerce and merchandise

We already use give-away merchandise, such as pin badges or tote bags, to attract potential audiences and raise our profile. We are considering extending this to reinforce the quality of our offer (eg a notebook using images from our archives for all enrolled students). We have begun to explore paid-for merchandise (eg sets of postcards, temporary tattoos for West Side Story) and need a retail strategy to consider the commercial opportunities presented by the content of our special archive collections.

Marketing, advertising and PR

Whilst these are costs, we will need to invest in raising our profile with the audiences we wish to attract. One size does not fit all, and our offer is so diverse, we need to think specifically about where our audiences are finding the information they seek about the things that interest them. An excellent and very user-friendly website and booking system are a must. Clever, witty campaigns in the correct places could win us new fans. What *pro bono* support or specific funding is there for charities to improve their digital presence?

Donors and friends

We currently encourage people booking a course or event to add a donation as they complete their purchase but do not engage in active fundraising. Some donors of collections to our archives also present funds towards the cost of cataloguing and conservation of those materials. The total amount donated last year was £2.5k.

How might we attract sustained private donations towards specific projects, the maintenance of our archives or our general offer? Do we want to set up a Friends of Bishopsgate Institute scheme, and what would the cost/benefit analysis be? Do we want to look at crowdfunding, registering with donation sites (eg The Big Give) or hosting fundraising events? Do we want to shake a bucket at the end of free-to-audience events such as the lunchtime concerts? Would registering for GiftAid be worth it, and when are we eligible for tax relief on ticket purchases? Every little helps, but we must balance the administrative burden and reporting requirements against potential income earned.

5. A holistic and entrepreneurial approach

We need a business development strategy for the whole organisation that is not aiming simply to generate as much income as possible.

The entire organisation – all aspects of the business - needs to be considered, not just activity streams such as venue hire or courses. We must be entrepreneurial, confident and bold to maximise opportunities but we will not chase every trend or pot of money (and are fortunate not to have to do so).

The strategy will need to comprise long- and short-term income-generation as well as partnership and profile-raising opportunities to achieve our business plan objectives. The result will be to bring the Institute to beyond break-even on a sustainable basis without compromising our own programme and ethos.

Francesca Canty
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