

EXPERTISE AND MONEY

That is what culture needs from business, and precisely in that order

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Patronage of culture and art is popular among corporate donors. The country's major companies support the development of federal cultural institutions while others aim to diversify cultural life in the regions where they operate – outstanding examples can be found in Norilsk, Cherepovets, Sakhalin, and a number of other places across Russia.

Effective charitable activities help donors and beneficiaries alike. When a large business supports initiatives focused on improving living standards in the areas of its operations, the community benefits as much as the business, which needs its employees and their families to be happy and educated. A popular maxim states that art encourages thought. Needless to say, thought is essential for the quality of living. Wherever cultural life blossoms, people are happier, which makes the social sector and education thrive as well. Alongside this, there is a popular misconception that patronage of culture improves the donor's reputation whereas the social impact is of secondary and arguable importance.

It is not common practice to address cultural aspects while dealing with social issues. They should be addressed, though. Advanced systems for evaluation of charitable programs, for example London Benchmarking Group (LBG) that we at JTI use, help to build an integrated system of indicators reflecting changes in the life of a target group acting as a beneficiary in a particular charitable initiative. Effective cultural projects provide the donor with an opportunity to open a dialog with as vast an audience as possible. The observed and measurable impact from "injections" of the national high culture is exceptional in places where this kind of culture is a rare guest. The same is true about the development of local creative industries – new resources for regional cultural institutions bring about long-term positive changes in the particular region.

We can acknowledge that the importance of companies' participation in the evolution of culture and arts is proven. Let us talk about effective forms of donor support. It is not additional funding alone that the country's foundations need. It is the lack of professional expertise that holds back the development of Russia's best theaters, museums and festivals. The more remote the regions are, the more important the problem gets.

A higher level of businesses' engagement in culture management will benefit everyone. By no means do I urge philanthropists to stage performances or

decide for museum employees which exhibitions are worthy and which are not. Management in the cultural sector remains an exotic field of expertise and even when it is taught or researched in academic institutions; it is for some reason presented out of touch with management in every other area. Therefore, competencies of the commercial sector leaders in branding, marketing and HR can fundamentally change the performance of cultural institutions – forward-thinking theater managers and museum directors will welcome any assistance of this kind.

In the corporate world, a mission is an essential element of identity, long since elaborated. If you have no mission, it is unclear why you work and for whom. Having browsed through the websites of major Moscow museums, I found only one with a coherent mission – it is privately-owned. Corporate experience is particularly required in this area – a lot of cultural organizations need a clue as to how to *map stakeholders*, to put it in the business lingo. This would improve communication with the outside world.

Let me give you another example. One of the priorities of JTI's charitable program is to support people with disabilities in their endeavor to live a full life. In our communication with a number of cultural institutions we see that our partners' in-house expertise often prevents them from solving efficiently the issue of engaging people with vision, hearing and mobility disabilities. At the same time, the expertise of non-profit organizations working with disabled people with JTI's participation and our own experience in implementing charitable initiatives allow us to help cultural institutions choose advanced solutions to provide a truly inclusive environment. The solutions approved by beneficiaries of the service.

In a number of major cultural institutions, the boards of trustees only exist on paper. Theaters and museums, as well as any other non-government organizations, need an outside perspective, intellectual and social resources of those who care about them. Academic research focused on efficiency of management of non-profit organizations explicitly proves that a full-fledged board of trustees is a good thing. The public at large feel their involvement and engagement in the institution's activities whereas joint strategic planning helps to attract essential support better. Businesses are often unwilling to engage in the activities of such boards, same as the institutions are not always ready to organize their work professionally. At the same time, this is a growth area for relationships between culture and business, so both sides would be wise to make efforts.

A corporate donor can be certain that funds invested in culture will return as public goods. Meanwhile, it is undoubtedly easier to conduct business in a prosperous society. Reproduction of these public goods can be accelerated not by means of money alone but also through the managerial expertise, open and honest dialog as well as full-blown participation of the business in the activities of boards of trustees and supervisors. Such engagement in activities of cultural institutions allows businesses to establish long-term partnerships with those who sense the spirit of the age best, the artists. Doesn't this inspire market share growth and revenue improvement?