
Return on investment

Partnership evaluation - a best practice guide

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Based on the work conducted by Arts & Business and the London
Benchmarking Group.

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Why evaluate?

Do you need evidence to take to your internal and external stakeholders as to why your organisation engaged in a partnership and the value it generated for you? How can you be sure your partnership has met its objectives and delivered for your organisation? And do you want guidance on how to improve and enhance your partnership so that you achieve maximum return on investment?

Now you can evaluate your partnership with the latest return on investment evaluation tool developed by Arts & Business and the London Benchmarking Group.¹

Although initially it may seem a daunting task, evaluation should be in proportion to the project itself – therefore it is not appropriate or recommended that every partnership undertakes a significant evaluation. But some form of measurement is needed by all.

A new standard

Adopting thorough evaluations of cultural partnerships has been hampered by two challenges – there is no common standard to ensure quality/benchmark performance and how to quantify some indicators. Without an agreed, common standard in terms of quality and practice, it has not been possible to benchmark a partnership against another, nor develop metrics whereby a good partnership should develop x return on investment.

Without being able to put your partnership in context, it is difficult to truly capture whether it has been a success in the marketplace. **This evaluation tool sets the standard of best practice, allowing for greater clarity in reporting and delivery, enhance project planning and objective setting** and ensures mutual understanding and collaboration between the partners in evaluating the project.

The nature of working with the cultural sector is that some of the benefit and value is around social return on investment, and some of the evidence for this is unquantifiable. But this should not prevent you measuring what you can or providing relevant indicators where needed.

The most common indicators used to evaluate the success of a cultural-commercial partnership are press coverage (column inches) and audience numbers; although many evaluations are getting more sophisticated this still goes nowhere near valuing the true outcomes of partnerships, for either partner. Sponsorship nowadays is more sophisticated and no longer just about money but the exchange of skills, expertise and knowledge. **To reflect this more holistic and diverse relationship, evaluation methods need to change. We developed this tool to address this need.**

¹ The London Benchmarking Group is run by Corporate Citizenship on behalf of its 110 corporate members, who evaluate and measure the members' community partnerships

Objectives inform measures

Partnerships should have clear objectives outlining what both partners are seeking to achieve. From these objectives it is possible to identify which measures should be included in the evaluation. For example, if the company wishes to achieve marketplace benefits (brand recognition, increased sales, customer satisfaction and retention etc) then customer surveys need to be undertaken to measure satisfaction rates, perceptions of the brand or its position in brand league tables.

However, there will be a number of spillover effects that also add significant value to the partnership, such as employee engagement, corporate social responsibility, good will in the community etc. These types of diverse outputs are increasingly common in partnerships today. It is important **all relevant internal stakeholders are involved in the partnership** i.e. across the business functions from sales to HR and community relations. Data relevant to all of them can be captured in the evaluation and should be considered during the planning stage.

By capturing these secondary measures, the real value of the partnership can be caught. This essential knowledge can then be used by both partners to refine, refocus or develop new partnerships.

Benefits

- Bespoke tool for cultural partnerships developed by the leading experts in this field - Arts & Business and the London Benchmark Group
- The latest and most robust framework which sets the standard
- Provides you with evidence of how your project and partnership performed
- Essential for establishing how future partnerships can be made more effective
- Gives you the real cost of activity so you can establish how efficiently you are working and benchmark yourself against the market
- Essential for internal buy-in, support and be able to secure internal resources by being able to justify the expenditure
- Used to generate PR and media coverage
- Can be used as a project management tool
- Findings and recommendations on one easily digestible page, that internal and external stakeholders will read and understand
- Identifies clear actions and recommendations for you.

Best practice evaluation

This booklet contains **the latest measures, considerations, methods and ultimately a more rounded and meaningful tool for evaluation that all partnerships can adopt**. It sets the standard for others to follow. A tool that will add value to both partners. By pulling all of the information on to one page, the tool offers a clear and easy way to report the complex, multi-layered outcomes of cultural-commercial partnerships that can be used by all stakeholders across the organisation and business.

The framework – template

Cultural partner:		Commercial partner:		Project:	
Financial Year:	Outputs				
	The cultural organisation			The company	
Inputs	Leverage	Community benefits – the public	Community benefits – the cultural organisation	Business benefits for the company	Recommendations and actions
<u>Company inputs:</u>					
<u>Cultural organisation inputs:</u>					
Total input cost: £	£		£	£	



Community impacts	Impacts – cultural organisation	Business impacts - company	Recommendations and actions

How to use the framework

Inputs	Leverage	Community benefits	Cultural organisation	Business benefits
<p>Inputs – The business</p> <p><u>Why should I include it?</u> The input value must reflect the true value of a partnership to a business, from human resources through to financial contributions. The company needs to calculate the value of its cash support, in-kind and time.</p> <p><u>What data to collect and how to get it</u> These should be calculated 'at cost' to the company.</p> <p>It should also cover the management costs of a) setting up the partnership and b) of running the partnership.</p> <p>Inputs – the cultural organisation</p> <p><u>Why should I include it?</u> Unlike other charitable organisations, the arts are running a business, so knowing how much activities cost is essential for good management and capturing it positions the arts partner as an equal partner. Not accounting for the arts input costs undervalues the role, value and expertise the cultural partner brings to the table.</p> <p><u>What data to collect and how to get it</u> This should cover both the time and effort of establishing and running the partnership, the cost of the joint project (e.g. staging an exhibition), but not fixed costs.</p> <p>Relevant costs should be ring-fenced in the accounts and attributed to particular projects.</p>	<p><u>What is it?</u> The additional resources the project attracts as a result of the partnership from third parties (e.g. from Trusts or other businesses because of the primary partner's involvement).</p> <p><u>What data to include</u> Ticket sales, donations during the activity, funding from smaller-scale partners, unique retail sales, catering and entertainment income, specific to the project.</p> <p><u>How to gather the data</u> These income streams should be ring-fenced within the cultural organisations accounts.</p>	<p><u>What is it?</u> This is about the value the partnership creates for the public and society.</p> <p><u>What data to include</u> Attendee figures, profile of audience, how many first-time visitors, how the experience was rated and what they learned.</p> <p><u>How to gather the data</u> Mostly the responsibility of the cultural partner to gather but need to share with the business partner, so there should be support from the business to conduct this work.</p>	<p><u>What is it?</u> For when the objective of the partnership is to build the capacity and capability of the cultural partner.</p> <p><u>What data to include</u> Turnover, operating capital, physical assets, size and diversity of audience and management systems.</p> <p><u>How to gather the data</u> These measures are cross-departmental, therefore different departments need to work together and share data. There needs to be baseline data on each of these indicators so you can measure the change.</p> <p><u>Why should I include it?</u> Used by the business to demonstrate the 'public value' they've helped generate and for the cultural organisation to demonstrate their institutional value to funders.</p>	<p><u>What is it?</u> Cultural partnerships generate benefits across the business, from HR through to sales and branding. Even if the driver for the relationship comes from just one department, others will benefit. When you have to make the case for resources, it is vital the spill-over value is captured.</p> <p><u>What data to collect</u> Three types of indicators:</p> <ul style="list-style-type: none"> • marketplace: brand recognition, sales, expectations of customers • employee benefits: staff satisfaction, retention, development and staff performance • community: staff engagement and quality of life <p><u>How to gather the data</u> Primarily from consumers and staff surveys, which is the responsibility of the business to gather. There are also established indicators like media comment and coverage that can be used.</p>
		<p>Community impacts</p> <p>Longer-term measures, not the immediate outputs. Increasingly needed as partnerships become longer lasting and more wide ranging. When the objectives are to cause change in behaviour, attitudes, careers etc it is only impact measures that capture this. Need for longitudinal studies.</p> <p>About generating new audiences and changing behaviours. This requires qualitative research through participant/community surveys that explore behaviour and attitudes.</p>	<p>Cultural impacts</p> <p>About tracking the ongoing capacity development of the cultural organisation, by looking at turnover, diversity of audience/programme and of management systems up to 5 years after a partnership project.</p>	<p>Business impacts</p> <p>Essential to look at impacts for sustained partnerships because otherwise its accumulative effects are not captured. Indicators like brand re-positioning, increasing sales, consumer engagement needed. Demonstrating this shows real competitive advantage.</p>

How we can help

We have been working with cultural-commercial partnerships for more than 30 years, and over that time we have evaluated, advised, brokered and activated partnerships of all artforms, all business sectors and sizes across the UK.

We can advise you on how to tailor and use this evaluation tool for your partnership. If you want more information about how we can help you evaluate your partnership, conduct the evaluation or advice you on how to use the findings to shape future projects contact us.

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