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Priorities of The Italian Cultural Firm
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Abstract: Strategy and management are becoming priorities for the survival and growth of Italian Cultural Firms. After a decade of advantageous legislation – from several acts regarding cultural foundations to fiscal acts concerning tax incentives for private sponsors – Italian Cultural Firm are curious of Fundraising Techniques. Also through the analysis of some highlighted case histories, it will be explained of fundraising techniques for the Cultural Industry and of performances of the Italian Cultural Sector in raising private funds. Price marketing will be analyzed next to fundraising as strategies that both nourish assets and resources of the firm. Case histories will be suitable, both for visual and performing arts, in order to give evidence of what is happening *on the Italian Stage*.

Key words: strategy, management, marketing, fundraising, culture

1. The managerial approach ... *on the Italian Stage!*

The Italian Cultural Firm has experienced a strategic revolution recently. Affected by an enhancing context both in statements, such as an incentivizing legislation and in facts, through an increasing managerial approach, the Italian Cultural Firm is much more oriented to marketing and some other *enterprising attitudes* than in the past. The Italian Cultural Firm is thinking about marketing, branding and other tactics and strategies that are well known for the for-profit world, but quite far from the not-for-profit world as the Italian Cultural Firm is.¹

With regard to legislation, in May 2004, the Italian Parliament emphasized the importance of promotion strategies, emanating the *Code of Cultural Goods and Landscape*.

Referring to art. 6 of the Code,

... *La valorizzazione consiste nell'esercizio delle funzioni e nella disciplina delle attività dirette a promuovere la conoscenza del patrimonio culturale e ad assicurare le migliori condizioni di utilizzazione e fruizione pubblica del patrimonio stesso. ... The promotion of cultural goods consists in communication activities that enable a collective use of the cultural heritage ...*

*Resisting invisibility*² - art. 111 and following – involves an appropriate branding, networking among cultural firms, partnerships with private sponsors and consistent advertising, all of them supported by multimedia investments.

In May 2005 another Act of Parliament stated the full deduction for private donations to Cultural Events and Institutions.³ This was an impressive start-up point⁴ in order to solicit altruistic souls. Innovative fiscal rules may sometimes give help - 5% of the personal income tax may be given to Italian not for profit institutions from the fiscal year 2006 – but it is important to rely on a sound management information system.

A Culture manager must plan, organize, implement and evaluate various marketing and fundraising strategies in order to maximize revenues and to fulfil his mission. The escalating mixture of media blitz, promotional hype and advertising competitiveness used to get consumers' attention does not leave a great deal of room for low-budget local arts organizations to make an impact. The need to retain and increase the number of subscribers, ticket buyers and members places an enormous amount of pressure on the arts manager of big, medium sized and small cultural firms.

Managing the cultural firm or the cultural event involves a lot of exceptions and trying to meet several quantitative and qualitative goals. In arts organizations a lot of people occupy multiple positions to control, for ordinary and unforeseeable variables. Since many arts organizations deal with specialized craft and work techniques - *labour and creativity intensity* – it is also hard to make accurate projections about the

¹ The Foundations is the prevailing not for profit *status* of the Italian Cultural Firm.

² Wyszomirski M., McClellan A., Shelly Power & Rebello-Rao D. (1997) "Resisting Invisibility: Arts Organizations and the Pursuit of Persistent Presence", *Nonprofit Management and Leadership*, n. 10.

³ Max eligible, 10% of personal income.

⁴ Though the propensity for philanthropy of the Italian is not so impressive in amounts of euros.

performance levels of a multi-task staff. Creative artists must interact with management so that multiple efforts and flexibility are needed.

A proper and accurate Management&Fundraising System is therefore *the value added input* to face up to the competitive arena.

A performance appraisal system is necessary both in quantity and in quality. Financial Statements do help – but it is not the only help – to control quantity and economical figures. Customer satisfaction indexes, interviews, fulfilment of Quality Standards do help to test the comprehensive quality of a firm or an event.

To plan a season or an event, figures, competences, facts and the unforeseeable must be managed. A *Project Budget* will be useful for an event that has a start and an end time and isn't repeated on an annual basis. An Exhibition, a Fundraising Event, a Gala, a Benefit concert, a Festival or a special production may have a specific budget. Both revenues and expenses may be kept separate from the regular – the normal day-to-day - *operating budgeting*.

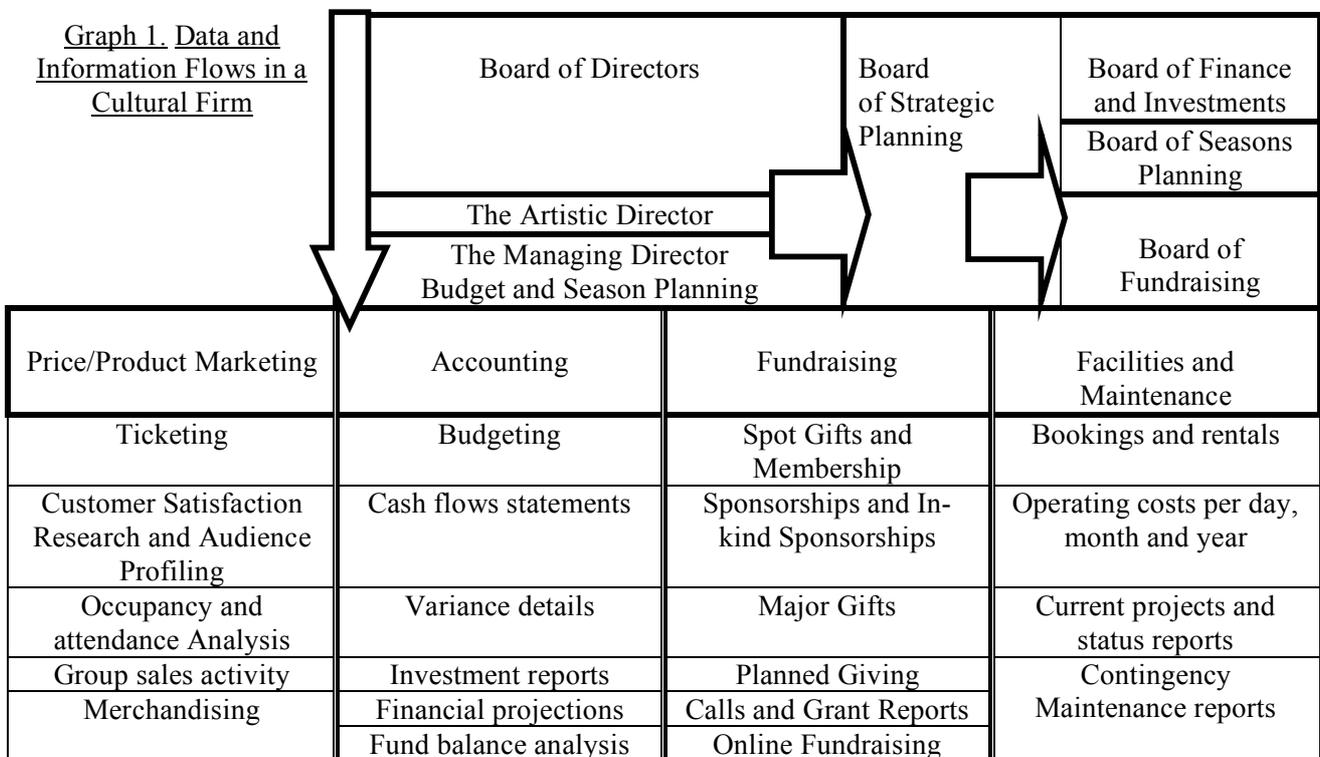
Of course, the budgetary process will include capital, flexible, fixed budgets, referred to the whole firm and the *strategic scenario*.

Having established season or longer perspectives' performance standards, energies and skills will be focused on achieving such goals, avoiding behind the schedule or the budget.

Cultural firms usually find themselves adjusting revenue projections to meet expenses, chronically troubling the whole organization future. The perfect management and fundraising system extends into anticipating behaviour patterns and not overestimating things. As uncertainty affects all planning, monitoring performances and making adjustments are required to meet objectives. Output and input standards must be clearly established.

In the following table, there is the possible Data and Information Flow System cultural managers should pay attention for. Boards may act hierarchically and Strategic Planning - lasting several years - may be separated from the Season and Budget – one year or shorter period – Planning. The Budget and Season Planning Process may include: price and product marketing – from ticketing to merchandising -, establishing the amount of own resources that are necessary for the single event; accounting – from cash flow to fund balance analysis -; fundraising – from money to resource-raising -; facilities and maintenance – from rentals to own buildings restoration -.⁵

Graph 1. Data and Information Flows in a Cultural Firm



Source: own elaboration of Byrnes William J., *Management and the Arts*, Focal Press, Burlington, Massachusetts 2003

⁵ Byrnes William J., *Management and the Arts*, Focal Press, Burlington, Massachusetts 2003.

In the Graph 1 it is relevant how Planning and Fundraising will play a key role in the enterprising approach of modern Cultural Firms. Next to fully developed Price-Product Marketing, Accounting and Maintenance, Boards of Planning and Fundraising work together with the Artistic Boards.

Here follow budget columns for a cultural firm, visual or performing, they should pay attention for. Particularly mentioning the several fund sources the firm could achieve, it is not excluded the row of in-kind sponsorship, clearly giving evidence of free aids (not in money) and not carried expenses.

Table 1. Budget Items for the *Enterprising Culture*

EARNED INCOME	EXPENSES - Investments
Subscription ticket sales	Tangible Investments: restoration, maintenance, etc
Single ticket sales	Intangible Investments: software, promotion, advertising and fundraising campaigns
Group sales	Subtotal Expenses-Investments
Subtotal sales	EXPENSES-Project
Gift shop income	Artistic salaries/fees/expenses
Advertising	Technical salaries/fees/expenses
Concessions (royalties)	Production cost
Interest	Administrative salaries/fees/expenses
Costume/scenary/works of art rentals	Marketing salaries and expenses (postage and shipping, etc.)
Location rentals	Special events
Education	Concessions
Surcharges on Ticket sales	Gift shop expenses
Miscellaneous	Occupancy (utilities, phones, etc.)
Subtotal Other Earned Income	Contingency
DONATED INCOME - PRIVATE	Subtotal Expenses-Project
Individuals	EXPENSES-Financing
Corporations	Interests, commissions and adjustments
Grant-making foundations	Subtotal Expenses-Financing
Co-producers/Partners	<i>Source: own elaboration</i>
Special events	
Matching contributions	
Subtotal donated income - Private	
DONATED INCOME – NOT PRIVATE	
State/County/Province/City grants	
EU grants	
National/International Cooperation Agreements/Institutions	
Subtotal Donated Income – Not private	
DEBT INCOME –Not Donated & Not earned	
Lending, venture capital and other financing	
Gifts-Money Back	
Subtotal Debt Income - Not donated & not earned	

2. Fundraising options: from the international to the Italian perspective

Strategy was an annoying word for the Artistic Boards of Italian Cultural Firms thirty years ago. Today, it is a priority.

Nowadays strategic priorities of Italian Cultural Firms could be summarized as follows:

- Diversification: cultural firms give hospitality to touring exhibitions and shows. Permanent collections are often mixed with other Creative Supply. Cultural firms are becoming locations not only for cultural purposes. (Consider House Museums and Castles as locations for meeting and other business events);
- Price Discrimination: from flex series to mini-subscriptions; from coupons to gift certificates; from weekend cards to memberships.⁶

⁶ Bennett R., Mousley W., Ali-Choudhury R., “Learning from the private sector: a quantitative study of marketing knowledge transfers from businesses to arts and cultural organizations”, *Papers and Proceedings of AIMAC 2007 Conference on Arts and Cultural Management*, Valencia, Spain 2007.

- Networking and Bundling: cultural firms grow stronger thanks to partnerships. They receive much more money from State and other fund-givers if their partnered cultural planning affects cultural districts' growth. Obviously, networking implies tourist bundles (from parking to restaurants discounts; from museums visiting to open air concerts).
- Profit versioning: cultural foundations – as cultural firms are mostly not for profit - do create For Profit Auxiliaries or Spin offs for merchandising and complementary services (cafeteria, restaurants, bookshops, etc.).⁷
- Fundraising and Promotion: fundraising techniques (mailing, events, membership, etc.) are now tested in order to raise money and in-kinds.⁸

Fundraising is an everyday activity for a cultural firm. The quest to build, maintain and enlarge The Donors List who routinely support and believe in the organization is a full-time challenge, but *Italian Firms do not exaggerate their hazards in Recruiting Fundraising Teams*.

For several USA not for profits, 40 percent or more of the yearly operating budget may come from gifts or grants from individuals, foundations and corporations. If there is a decline in gifts from any of these sources, arts organizations will have to cope with serious financial difficulties.

The changing external environments (economic, political and legal, cultural ad social, technological, etc.) could affect fundraising opportunities and fundgiving inclinations. In order to avoid slack or laziness, the Fundraising Team should concentrate on profiling needs and implementation processes.

Audiences and techniques are diversified and they need proper skills.

The first financing-fundraising source of a cultural firm – Italian one included - is ticket sale. Product and price marketing must be well developpe in order to stimulate occasional and season ticketing.

Ticket options are quite diversified

From flexible ranges to membership planning, tickets are the first and main instrument to associate to the Cultural Organizations:

- a. *flex series*: the purchaser *composes* their season.
- b. *Mini-subscriptions*: mini-collections of two or three events for the business man or weekend tourist.
- c. *Coupons*: a wide range – carnets of ten or many more – of performing events and discounted opportunities attached to tickets: *shopping for fun and fundgiving!*
- d. *Group sales*: for families, groups of friends, firm boards, groups of tourists, etc. They includes fringe like transport discounted fares, restaurants mini-menus, etc.
- e. *Gift certificates*: one entry (family, friends, etc.) is free and/or allows small gifts or includes *fidelity cards* for specified shops.
- f. *Tickets back and reselling*: as a fundraising instrument through the non participation to the event. If the season purchaser phones to the theatre 24 hours before the performance, a place will be freed in order to be sold. The *kind customer* - who phoned to disengage his place - will be allowed to tax-deduct the ticket amount.
- g. *Membership*: a proper association strategy, including an annual quota with *fringe benefits* (parking, bars, restaurants, locations for business needs, fiscal deductions, etc.).

If marketing evolves in the *personalization of the product*, fitting customers inclinations, it could be that customers are attracted by membership campaigns and do become loyal Donors or Friends. This an early experience in Italian Cultural Firms but it is enchanting how flexibility is becoming the key word of Marketing Teams.

Apart of State and Local Administrations Calls or a good price discrimination, the mainly diffused Fundraising technique is Relationship Marketing. Through PR and Institutional Communication Investments, Italian Firms do attract private sponsorships. Nevertheless, the amount of private sponsorship only represent – on average - 5-10% of performing arts revenues, 10-30% of visual arts ones.

Fundraising is not only a money-collecting activity. Several strategies are developed in order to stimulate different *sides* of philanthropy, achieving:

Colbert F., Damperal M., “Exploring key relationship marketing variables among art organizations”, *Papers and Proceedings of AIMAC 2007 Conference on Arts and Cultural Management*, Valencia, Spain 2007.

⁷ Klamer A., “Cultural Entrepreneurship”, *Papers and Proceedings ACEI Conference*, Vienna, July 2006.

⁸ Beverly Thompson J., “Sponsorship as a Form of Fundraising in the Arts: A Bilateral Perspective Involving Relationship Marketing”, *Papers and Proceedings of the 8th AIMAC International Conference*, Chaire de Gestion des Arts, Hec Montreal, July 2005.

Individual/corporate Involvement: citizens and firms (Foundations and other grant-making institutions) are targeted by an accurate fundraising planning.

Financial/in-kind/resource Involvement: not only money! Volunteering, locations for orchestra rehearsals, the organization of supporting events like charity auctions, raffles, etc, are examples of in-kind sponsorship.

Near/Far Involvement: it is possible a different ranking – in quantity and in time - of the relationship between the sponsor and the sponsee. Being a Member of the Orchestra Society is quite much more involving than a planned giving with mere financial collaterals. *Challenge Gifts* (like *The Maestro Gift*), echoing the participation to a quite consistent fundraising campaign of some superstars, are much more overwhelming than a Christmas Card.

From the point of view of financial techniques, giving is thought as a diversified periodical donation planning, with a feedback of financial and not only financial benefits. Rather rare in Italy! Traditionally, the *Charitable Gift Annuity* is a money promise of the sponsor in exchange for rents, quite common in the insurance industry, picturing different age and risk classes.

Rents are usually de-taxed or deductible and if capital gain tax is due, it can be deferred like the timing of rents cashing.

The *Deferred Charitable Gift Annuity* is a sponsorship whose rent payment is deferred to a future date.

The *Pooled Income Fund* collects donations like nominative quotas of different Fund Members. The fund targeted to common stock exchange or securities investments, gains are periodically distributed. Rents are deductible.

With the *Retained Life Estate* you could donate the property of your house, living in till the end of your life and the cultural firm succeeding in the property.

In the *Life Income Agreement* the cultural firm may sell the sponsor's house, investing the revenue and paying a rent.

The most well-known Anglo-American fundraising instrument is *trust*: in the *Charitable Remainder Trust*, the sponsor profits by a fixed rent and the cultural firm is beneficiary of his fund quota at their death; in the *Unitrust, Net Income, Net Income with Makeup, Flip* the rent is updated and corrected in order to avoid inflation or consistent losses.

In the *Charitable Lead Trust* the cultural firm is excluded of the final destination of the patrimony but receives a significant rent.

Apart from the Retained Life Estate, other financial techniques are rarely admitted as of lack of legislative flexibility.

Tax-exempt bonds are similar to the Italian *Social Sharing*: issued by town councils, they are statuted for cultural or social missions. They pay a fixed rent to the beneficiary at a future date, collecting consistent summing up of contributions for renewal of buildings, innovating programs, etc.

Though not particularly developed in Italy and abroad for cultural purposes, from the point of view of modern technologies modern e-fundraising can consist of the following formats:

Give online or support online functions, traditionally calling for an online bank transfer, often a step that you cannot avoid, when booking online for a concert ticket;

Click and give: the non cultural firm gives a sponsorship, just for entering their websites and showing interest for their merchandise;

Shopping to give: the non cultural firms gives a sponsorship if you buy on their website;

Vetting portal: cultural firms are collected on a common website-village where you can read of a common cause;

B2B online fundraising: non cultural firms offer their competences as online volunteering, locating on their websites promotion of Cultural seasons, tributary or marketing or branding and e-branding, free consulting, etc;

Online charity auctions, where art masterpieces or non art are sold in order to collect the necessary financing aid for a cultural initiative;

Online slots machines or raffles or other game websites, where subscriptions or bids are devolved to cultural firms;

Online Fundraising techniques like e-fundraising (online bank transfers) or click and give, shopping to give, online auction and vetting portals are not diffused in the Italian cultural industry.

Some innovative fundraising comes from the product-placement, now experienced in the Italian Movie Industry.

Here follows some Italian case histories of highlighted *Enterprising Culture*, where fundraising is exploited in several techniques and targets.

3. *Enterprising Culture: Highlighted Italian Case Histories*

The House Museum is the location – often the birth house – of famous artists. Here are collected memorabilia and libraries of writers, painters, musicians and other Genius of Italian History. Most of Italian House Museums receive funds from Local Administrations' (Regions) and private (members – *The Friends of ...* -, consumers, bank foundations, ecc.).

More than 40 House Museums – donated or purchased - have been connected in a Trust that is FAI, Fondo Ambiente Italiano - the Foundation for the Italian Environment - for thirty years. A strongly coordinated Season of Art Exhibitions, Concerts, Readings, Edutainment, etc. is diffused in House Museums all over the Italian boot.

Strong of a keen team of Volunteers – fond of Italian Arts and the Italian Creativity – FAI usually raises funds from patrons, members and sponsors whose grant-making is 32,99% of the total amount of revenues. Specific State (and local administrations) grants and private contributions – 44,93% - are *targeted* for fixed projects.

Table 2. Performances of *Jewels lighted by FAI, Fondo Ambiente Italiano 2004*

The Financial Statement	% of total
The Cultural Heritage Asset	64,57
Offices and Furnishing	0,77
Pledges, Grants and Loans receivables	3,63
Investments (securities, bonds, etc.)	25,84
Net Assets or Fund Balances	78,62
Liabilities	7,69
Restricted Funds for Risks Assurance	10,08
The Statement of Revenues and Expenses	% of total
Memberships	32,99
Private and State (or local) contributions for Specific Cultural Projects (restorations, exhibitions, edutainment with Primary and Middle Schools, etc.)	44,93***
Pricing	5,98
Revenues of FAI Counselling and Services	9,58
Locations	1,81
Interests on savings and investments	2,56
Merchandising (catalogues, printing and publications, etc.)	1,51
Restoration and Program Services Costs	48,17***
Advertising Costs	7,08
Counselling Costs and Out-sourced Services	18,04
Personnel Cost (salaries and wages)	19,35

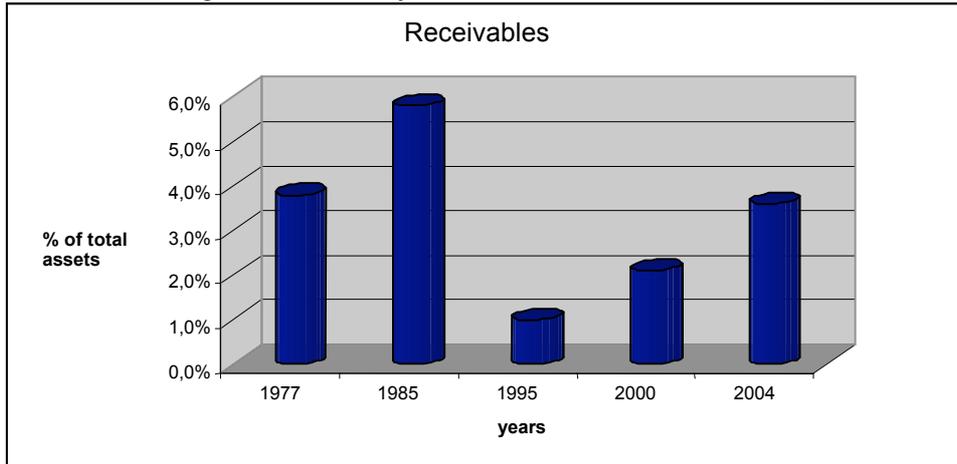
Source: FAI Statements 2004

In 2005, visitors of FAI properties were 300.000. There were 69 FAI Shows in FAI Villas, from concerts to modern and contemporary art exhibitions (above all a permanent collection, Dan Flavin's one at Villa Panza Biumo in Varese). 62.000 FAI members and 5.000 volunteers are today counted and FAI is succeeding through sheer will-power.

Most of the Asset of FAI counts for villas, castles, manor houses, a gay-coloured and targeted collection of *jewels*, often locations for exhibitions, conventions, meetings, ...film scenarios (See *Star Wars* and Villa Balbianello or *Golf Volkswagen Advertisement* at Villa Balbianello ...). Diversification and networking are here exploited in order sell out any location opportunities and better economic performances. Memberships programmes are selectively evaluated in order to gain several and multi-purpose resources.

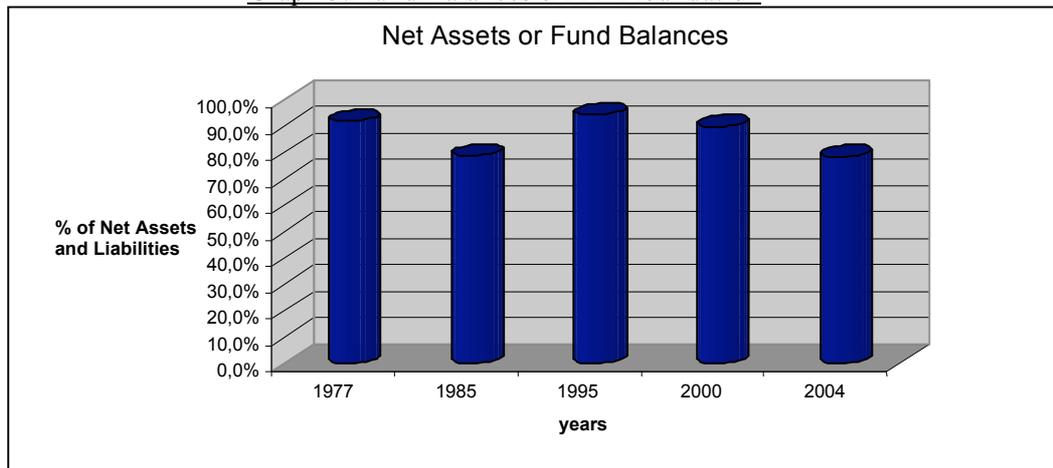
The sound performance of FAI are here recorded. The young Fundraising Team has developed a mature proficiency raising funds both from the private and from the public stakeholders.

Graph 2. The History of Receivables of FAI Foundation



Italian Cultural Firms do often show alarming high receivables that are signal of a scarce cash. FAI Statements are quite reassuring. As shown in the previous Graph, FAI management is not waiting for money or resources. Donors are particularly prompt and trustworthy and they give as soon as they are requested. As a consequence Net Assets of FAI are solid.

Graph 3. Fund Balances of FAI Foundation



Italian Cultural Firms are often affected by high debts as high receivables mean loans of banks and other financing experts. FAI relies on own resources, more than 70% of the summed up amount of Liabilities and Net Assets.

Of course, liabilities cannot be avoided if You are every day engaged with manor houses restoration or routine maintenance. Nevertheless FAI has given evidence of a sound management of ordinary and extraordinary expenses.

Graph 4. The involvement of FAI in the preservation of the Italian Heritage



Source: own elaboration on FAI Statements

FAI is always committed to the restoration of villas. Donors will be loyal if they read in Reports *signals* like high restoration expenses.

On the Italian Stage, FAI is not alone in gaining members' support.

Membership programmes are now well-implemented by some museums like Fondazione Triennale through the T-Friends Cards Programme.

Fondazione *La Triennale* is the most famous design and modern/contemporary art museum in Milan. With a strong diversification, this museum is above all financed by the State and Local Administrations. Merchandising is quite developed and the earned income of pricing, the bookshop, restaurants and location rentals is a good percentage of revenues.

Table 3. The Statement of Revenues and Expenses (%) of Fondazione *La Triennale*, 2002-2004

	YEAR	2002	2003	2004
REVENUES	STATE AND LOCAL ADMINISTRATIONS CONTRIBUTIONS	59,22	51,78	35,05
	PRIVATE CONTRIBUTIONS	10,30	20,78	14,68
	PRICING	7,66	10,22	17,23
	EVENTS	0,00	11,00	25,13
	INTERESTS AND FINANCIAL GAINS	21,93	5,75	5,09
	EXPENSES	PROGRAM SERVICES	63,63	44,71
	SALARIES AND WAGES	7,11	10,66	8,79
	DEPRECIATION	4,33	6,14	7,05
	GENERAL EXPENSES	24,93	38,50	26,13

Source: own elaboration referring *Fondazione La Triennale Statements*

If rows referring to private contributions, pricing and events are summed up, the above table gives an example of an Italian Foundation with prevailing private revenues. Foundation *La Triennale* is maximizing quality of its exhibitions and, every day, betters its managing practices, conquering the favour of The Private.

Triennale has lately inaugurated the first Italian Museum for Design.

In December 2007, the Museum of Design in Milan is born out of the Permanent Collection of Fondazione *La Triennale*, www.triennale.it. This collection is the basis for exhibitions on Italian Design but the descent will implement and nourish a continuous touring of exhibitions. The aim is to give evidence of the history of Italian industrial production, thanking great masters and upcoming Italian Creativity which is well known all over the world.

First opened in 1997, the Collection has several historical pieces like wooden models by Giovanni Sacchi and original drawings by Alessandro Mendini. Since 1998 the Collection and the related initiatives have been curated by Silvana Annichiarico who will be the Director of the Design Museum.

Being subject of a General Agreement among public administrations, private sponsors and institutions the Design Museum is worth 12.710.000 euros, with a surface of 1.900 sm and an innovative bridge connecting La Triennale with rooms that will be dedicated to objects, images, installations. Designed works will be integrated and narrated through videos, films and real objects of past and present supply chains.

The Museum will be a network opportunity for several design clusters spread over the Italian landscape, trying to raise funds both from local administrations and private sponsors and members.

The Italian Design will remain a *diffuse identity* whose location and promotion pole will be La Triennale.

The first target will not be to increase a collection but to exhibit what has already been affordable in the Italian Collection. Touring exhibitions will alternate in 15 months, focusing, at the beginning, on the publishing industry related to design, Galleries of Design, etc.

Networking with national and international stakeholders could reveal itself a good opportunity to raise funds.

One of most famous tradition of the Italian Theatre is the *Masking Role*, coming out from small and big community legends and tales, from Pulcinella to Pantalone, from Arlecchino to Colombina ...

The Carnival – www.ilcarnevale.com - is a complicated organization and event but it today reveals a strong combination of different activities (diversification) and international networks.

One of the most famous Italian Carnivals is the Viareggio Parades Event, born in 1873 on the coast of the beautiful Tuscany, surviving the World Wars, nowadays famous for the political satire, with strong connections with other European Carnivals and the strong vocation to implement Collateral Happenings – among those, Arts Courses - in the *Cittadella* (Small Town of the Carnival, with a museum project; an international consortium of *Carnivals of Europe* Project, co-funded by the European Union; courses about MaskMaking).

Table 4. Revenues and Expenses (%) of The Viareggio Carnival (2004)

Revenues	
o Earned Income (Carnival Days Parades)	10,10
o Other Earned Income: Merchandising, <i>Cittadella</i> Locations	1,56
o Revenues of the Carnival Days (excluding merchandising)	0,38
o Public Contributions for The Carnival	7,35
o Contributions <u>coming from</u> The <i>Cittadella</i> Program	57,92
o Public Contributions for The <i>Cittadella</i> Program	21,22
o Sponsors	1,47
Expenses	
o Carnival Days Parades	12,73
o Collateral Events	0,46
o <i>Cittadella</i> Expenses	74,45
o Insurance costs	0,13
o Advertising	2,02
o Wages and Salaries	1,21
o General Expenses	1,92

Source: own elaboration

Diversification could be as funds' nourishing as networking.

The *Vittoriale degli Italiani* – at Gardone Riviera, on the shore of the Garda Lake - is the Manor House where Gabriele D'Annunzio lived from 1921 to 1938, collecting evidence of his production and life style. The *Vittoriale* is the complex of the Villa, gardens, places, and the Theatre where Gabriele was used to invite famous artists – from writing to performing and visual artists – in order to enhance a certain literature and refined style of ... expression.

The *Vittoriale* was declared a National Monument in 1925.

Nowadays, the *Vittoriale* is a not for profit Foundation whose Mission is:

The preservation of the Italian Memory of matter and spirit ... the promotion of the Work by D'Annunzio, the protection of his copyright ... and the fulfilment of any suitable activity for the development of the Garda Region.

If we consider the revenues and expenses range of *Il Vittoriale*, it could be stressed how main results arise from a private and flexible management pattern where not for profit values mix with for profit strategies and goals.

Table 5. 2002 – Revenues of The Incomparable Life

State and local authorities contributions revenues	7,63 %
Own revenues	85,31 %
• printing and publications	0,1 %
• entry fees	67,84 %
• theatre	23,59 %
• locations	5,73 %
• interest	1,63 %
• refunds	0,9 %
• copyright 10%	0,1 %
Other revenues	7,05 %
Tot.	100%

Table 6. 2002 – expenses of The Incomparable Life

Current expenses	90,65 %
• administration	2,66 %
• personnel	32,92 %
• advertising	1,62 %
• production costs (maintenance, utilities, etc.)	38,71 %
• theatre	22,39 %
• taxes	0,89 %
• other	0,72 %
investments	2,29 %
• building maintenance	38,85 %
• severance pay (retirement fund)	61,14 %
Debt discharge	0
Other	7,05 %
Tot.	100%

Source: own elaboration on *Il Vittoriale 2002Results*

Conclusions

The expansion of the cultural and entertainment industry together with slower growth rates of available monetary resources made financial management a crucial sub-system of a modern cultural organisation and enterprise. When analyzing both budgets and the financial sources it becomes obvious that cultural finance is not a symmetric monetary business relation. Strategies of both directors, Artistic and Managing, could spread from pricing to fundraising, from program services to education programs. An elevated cultural background and an over average knowledge in the field is therefore a key competence for the financial manager in a cultural organization, as he should – even more than the artistic director – be capable to bridge the gap between the creative content and money issues.

Italian Cultural Firms are making efforts to get closer to their community. They get to accomplish several goals: innovate and nourish events, improve services, try to adapt to visitors' tastes, enhance the education and entertainment facets of attending and produce activities aimed to improve the visitors' and members' satisfaction. For financial or social reasons, Cultural Firms need to reach larger audiences and provide overwhelming experiences to its stakeholders.

In balance sheets of not Italian Firms, the high percentage of salaries and wages – paid to a permanently employed personnel - gives evidence of consolidate practices, developed in Marketing Teams of Experts of communication, marketing, financing, and modern info-technologies. *Miscellaneous* accounting estimates different activities not typical (as phone, mailing, etc.) like galas, (Wine Tasting Events, Black and White

Balls, Corporate Nights, Golf Outing with music, Children and Schools Mini-Concerts, etc.), issuing of cards (*fidelity* and spot donations) and a particular use of Internet infrastructure e-chat and forum promoting. *Miscellaneous Fundraising Expenses* may also exceed traditional “postage and shipping” or “printing and publications” expenses, this proving that flexibility and innovation are needed in marketing and fundraising practices. Always *Customizing* to the same strategies does not result in effectiveness. Organizing miscellaneous events or implementing diversified development operations can be more successful than *ordinary* campaigns.

Here it has been given evidence of changing roles of Italian Cultural Boards trying to implement a strategic and managerial approach in order to better performances of the Italian Culture. Something has been done and something more and more could be done in order to maintain and promote the Italian Heritage. Let's see who is the next *on the Stage*.

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