

3. Financial/economic sustainability

The crisis effect on the museums

The institutions have observed a decrease in their revenue. Due to the crisis the organisations had to cut back on the expenses and limit them to the necessary ones, increase investments in online activities and postpone events and costs related to them for the following years. Most of the institutions noticed a change in the ticket sales and the effect which crisis had on their other sources of income.

Other effects of the crisis on institutions' economic sustainability included:

- *Unplanned technological and technical investments (institutions invested more in digital services and digital equipment due to prior lack of this equipment).*
- *High costs of the abovementioned investments.*
- *Additional unplanned costs of introducing online activities and transferring events into virtual space.*
- *Reduce the work schedule.*
- *Implement savings due to decrease in income - research work was suspended, and the previously planned exhibitions weren't organised.*

The crisis had a major negative effect on the economic sustainability of museums, and this was mainly due to the loss of visitors and income due to COVID restrictions by the national and local authorities.

The special COVID support given out by some states was a significant positive measure and improved the economic sustainability in the event. It has been generally understood that the extraordinary state support buffered some museums economically to a degree that they suffered no permanent negative effects, and for example rarely had to lay off their staff due to the financial losses caused by the crisis years.

This kind of a system did not exist in the beginning of the crisis, however, but it was created by the government while the crisis was ongoing, which then delayed the beginning of the economic crisis support regime. As a result of what has been learned during the crisis, our respondents have put a big weight on adequate crisis planning by the state and local authorities, so that they have systems in place to be used when a crisis strikes already before the beginning of the crisis itself.

Today's preparation for new crisis

The institutions now are more aware of the importance of flexibility in the way they operate. They know that it is important to adapt to the external changes and be ready to abandon old patterns of operating.

The authorities' level of preparedness was in many ways lacking when put to test in the last few years. It would therefore be very useful to push the government and local authorities towards looking at the COVID years critically and taking concrete measures to improve crisis planning and preparedness to avoid falling afoul of similar issues during the next crisis situations and disruptions, whatever they might be.

Museums now understand much better that different disruptions and crises can take place. This is to say that the level of crisis awareness has increased. This understanding grew significantly during the COVID years. In several museums there have been discussions about preparedness in expectation of future crises.

At the same time, though, several respondents commented that their museums don't have existing plans for different kinds of crises, and that the work for creating such plans is not seen as a central priority. The ending of the COVID crisis seems to have lulled many museums into a new sense of things being back to normal.

The changes of investment plans

- *The areas of investment: organization of outdoor events, publishing activities, organization of online events.*
- *Museums are always seeking for a new option of development. More investments are foreseen for online, e-tools, outdoor programs.*
- *The main effect the crisis years had on museums' investments appears to have been a push to postpone them. A lot of work was left undone during the COVID years, and museums suffer for example from postponing different kinds of renovation and maintenance work in museum buildings and collection facilities.*
- *There has been a trend towards more investment into digitalization and for example new collection management systems.*

Solutions and offers for museums activity

- *New ideas for future: Thematic summer camps for pupils. Rent of premises for a theatre/actor for their performances. Areas for children*

care rooms. Educational programs for adults or combined. Teambuilding of staff. Restoration services (ex. Restoration of photographs).

- *There were relatively few comments about gaining new sources of investment and funding for museums in preparation for crises, the bigger emphasis was placed on improving conditions for public crisis support, and some discussion centred on improving cooperation between museums themselves, as well as museums and public authorities. On balance, this might be a typically “Nordic” way to look at the issue of museum resources.*

In the previous parts of the BaMuR project it was found that the COVID-19 crisis led to significant economic problems in many museums. A need for new and different sources of income was identified.

In the pilot we have therefore studied how Västerviks Museum within the theme of the Vasa Kings' ship have found new ways to sustainably work with new business models.

The collaboration was built by private entities, NGO's, museums, and universities.

Success factors Organisation and process

- *Collaboration between fieldwork, research and mediation as well as collaboration between business, academia and museum.*
- *A non-bureaucratic organisation with low thresholds, simple decision-making paths and the ability to be fast.*
- *Creative ways to overcome administrative barriers.*
- *A hub for organising and keeping all partners informed and updated.*
- *A process characterised by openness.*
- *A strong focus on the common interest, opposed to the economy. The common interest is in the basics from which everything proceeds). The interest is a theme around which people gather, a cauldron, instead of the funding itself.*

Collaboration/personal chemistry

- *The personal chemistry between collaboration partners is important.*
- *It is important that all collaborating parties respect each other.*
- *High level of trust in the cooperation and between participants.*

- *All partners have clearly defined roles, which means that all partners feel involved and secure in the collaboration. Everyone contributes with their specialist knowledge and everyone's participation is important.*
- *Prestige is set aside, removing the need to assert oneself.*
- *Personal conflicts are put aside and everyone works forward.*
- *It is particularly important that the leader or management is easy to work with and that someone assumes the role of diplomat when necessary.*
- *Collaboration is characterised by openness; new partners are admitted to the group if needed and interested.*
- *Committed and productive researchers manage the storytelling and are a sort of engine for a project of this kind.*
- *Speed. The faster you have the opportunity to act, the faster you end up at the forefront and become interesting to more people. Innovative thinking regarding collaboration and method development.*
- *Financing*
- *Possibility to apply for funding from different sources; local, regional, national, and international.*
- *Local funding that is levelled up with external, national, and international funding.*
- *Local financier who could make fast decisions when needed.*
- *The sharing of findings and results means that a smaller effort can be levelled up for a greater result when everyone gets to take part of everything that is done.*
- *Close, clear, and quick feedback to financiers and collaboration partners is important.*
- *After the pandemic, we have started a review of our economic structure and how to handle crises. We are now more aware of this and have reallocated our investments to technology. In addition, we own older buildings that require investment, and we are now allocating more resources to this purpose.*