

Evaluating your business: a self-evaluation framework for creative and cultural industries' business survival

"The only man who behaves sensibly is my tailor; he takes my measurements anew every time he sees me, while all the rest go on with their old measurements and expect me to fit them." George Bernard Shaw

The big idea

Self-evaluation is a holistic process, during which you consider all elements of your enterprise's activities and operations. It involves you in collecting data and reaching conclusions on its strengths and weaknesses. It is designed to encourage you to collect evidence to inform your planning decisions.

This self-evaluation framework¹ aims to encourage you to constantly monitor your performance and find appropriate mechanisms for improvement and development. Something that may prove essential in the current turbulent and unpredictable external environment.

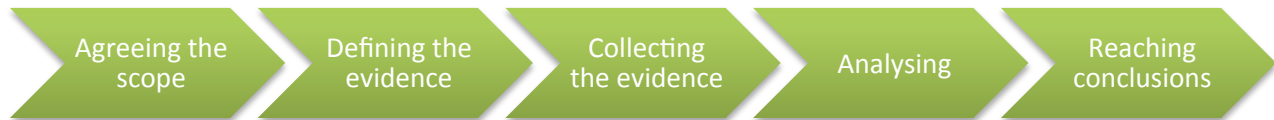
You should not think of the framework as prescriptive but rather as a tool to encourage a spirit of enquiry.

Purpose

To self-evaluate, you will need to be clear about what you are setting out to achieve. In other words, what success looks like. This should be well defined in your current business plan through appropriate objectives and targets. With this clarity, you should be better equipped to take appropriate risks and to communicate your values to all your stakeholders.

¹ Adapted from the Universalia [Institutional and Organisational Assessment Model](#), Arts Council England's [Self Evaluation](#) Framework, and the NPC's [Little Blue Book](#)

The steps in the self-evaluation process are:



- *Agreeing the scope* – this requires you to identify which areas of the organisation you wish to consider as part of your self-evaluation and how you will measure success
- *Defining the evidence* – is about being clear on what you need to collect to assess how well you are doing against your measures of success
- *Collecting the evidence* – is gathering data, both qualitative and quantitative
- *Analysing* – is **honest** assessment of your achievements in the light of the evidence
- *Reaching conclusions* – is about taking and communicating your honest assessment of achievements and using your conclusions to inform your business planning process

The tool

The aim of the self-evaluation framework is to enable you to evaluate:

- Your motivation
- The external environment
- Your performance and delivery
- Your organisational capacity and capability

Planning your self-evaluation process

There is no single approach to undertaking a self-evaluation, which will depend on a number of factors. There are a number of overarching questions you will need to consider, including:

- What measures of success will we use – are they clearly defined in our current business plan?
- How large is our organisation?
- How easily will we be able to access the data we need?
- What time and effort will be involved?
- How will we approach the process – looking at the whole organisation in one go or looking at specific parts of it?

Then you should decide, for each step:

- Who needs to be involved
- What needs to be done
- How long it will take
- What resources you will need

Who might be involved or consulted?

The most appropriate group of people to undertake the self-evaluation will vary from business to business but it is likely to involve a range of people from within and outside of your organisation. You should consider the following groups of people/individuals either to participate in part or all of the process, to consult or to take evidence from.

- The board of trustees or individual trustees
- Senior managers
- Members of staff from across the organisation
- Audience/participant representatives
- Artists
- Volunteers
- Funders
- Peers
- Suppliers

Evidence

A strong evidence base to support your findings and judgements is an essential part of a robust self-evaluation. In essence, you need to be clear why you think something is good or bad, working well or could be improved. It is always good to draw

evidence from more than one source to ensure that what you base your conclusions on is reliable, applicable and valid.

There are two types of evidence:

- Quantitative
- Qualitative

Quantitative evidence is the combination of facts and figures that are able to support your conclusions. It usually measures quantities. Examples include:

- Attendance figures
- Membership numbers
- Income against budget related to a particular activity or event
- Increases or reductions in, for example, donations

Qualitative evidence consists of observations, quotations, opinions and reactions from appropriate sources that inform your conclusions. It usually describes or tells a story.

Examples of qualitative evidence include:

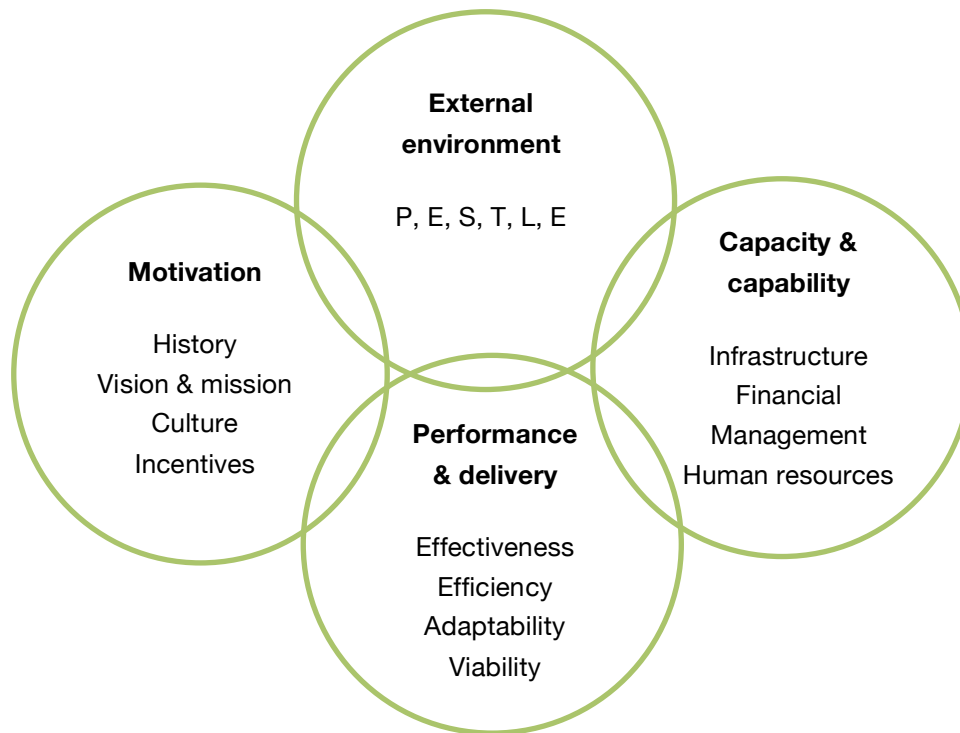
- Artistic assessments completed by peers
- Critical reviews
- Audience responses
- Observation

Most of the measures of success will already exist in your current business plan and/or this year's action plan. If they are not included, or if they are insufficiently defined, think about how you want to measure your achievements. Remember there will be hard and soft measures. This self-evaluation framework does not offer criteria for judgement because the criteria need to be appropriate for your organisation.

Equally there is no standard way to record your findings but you should document them.

The self-evaluation framework

The self-evaluation framework focuses on four key areas:



- **Motivation:** why you do what you do, your reason for being and how that has evolved over time
- **External environment:** the external context in which your business operates
- **Performance and delivery:** how well you deliver on your vision
- **Capacity and capability:** the resources, structures and processes available to deliver the vision

Each area is presented as a table made up of three columns:

- Elements – a breakdown of the key area
- Desired state – a high-level description of a business that is effectively delivering each element to guide your judgements
- Questions – identifies the type of question you should be asking yourself to effectively evaluate your strengths and weaknesses relative to that element. These

questions are for guidance; do not work through them slavishly, use those that are relevant and develop your own where appropriate

To implement the tool, work through the questions and use the evidence you gather to determine how near your organisation is to the desired state. If you have a different end goal or feel you need additional questions, feel free to amend accordingly. The important thing is to conduct a rigorous review rather than simply follow the questions listed here.

The process of self-evaluation should be one of interest, enquiry, curiosity and challenge. Enjoy it!

Motivation

Elements	Desired state	Questions
Reason to exist	You add real value to your artform/sector/practice area and/or your audiences/participants/customers	<ul style="list-style-type: none">• Why do you exist and for whom?• How has your history shaped your current vision?• Do you have the potential to grow or expand?
Clarity	You have a vision statement that clearly outlines your artistic and organisational aspirations for the future	<ul style="list-style-type: none">• How clearly do you define your ambitions for the future?• How well is your vision understood?
Shared ownership (where appropriate)	Your governing body understands and fully supports your ambitions	<ul style="list-style-type: none">• Does the governing body share your understanding of your ambitions?• How have you ensured that the governing body can advocate for the vision?
Communication (where appropriate)	Your staff, partners and audiences/participants know what your ambitions are and have had an opportunity to give feedback	<ul style="list-style-type: none">• How have you ensured that all your staff and those who work with you understand your vision?• How do you monitor the effectiveness of your communications with staff and stakeholders?
Values and behaviours	You have clearly defined the values and behaviours that are demonstrated in your work	<ul style="list-style-type: none">• How well are your values aligned to the vision?• How well do you demonstrate the behaviours that are appropriate to our values?• What are the underlying norms that govern your business?• What are your unwritten rules?

External environment

Elements	Desired state	Questions
Economic situation	You have a clear understanding of the impact of the current economic climate on your audiences, stakeholders, suppliers and staff (where appropriate)	<ul style="list-style-type: none"> • What is the impact of the global economy locally//regionally//nationally (as appropriate)? • What are the economic trends in your sphere of influence? • What is the economic outlook (short and longer-term)?
Government policy	You are aware of relevant national and local government policies	<ul style="list-style-type: none"> • What policy changes have been or are being discussed that could impact on you? • How well do you understand what is happening across government departments and in your local authority? • Do you fully understand the priorities of those who give you funding?
Demographics	You are knowledgeable about the demographic spread within your remit and any potential for change	<ul style="list-style-type: none"> • What is the demographic mix of your catchment area? • What changes in population are planned or anticipated in the next 3-5 years (and beyond)? • What opportunities or threats do these represent?
Technological development	You are up to speed with current and future technological developments	<ul style="list-style-type: none"> • How well are you monitoring technological developments? • How well are you assessing the potential of those developments for your business?

External environment

Elements	Desired state	Questions
Competitors	You are knowledgeable about your key competitors, their work, organisation and financial circumstances	<ul style="list-style-type: none">• Who are your competitors?• What do you know about them?• How likely is it that there will be new competitors in the next 12-18 months?
Legislation	You are up to date with changes to legislation and amend your policies and work accordingly	<ul style="list-style-type: none">• In what areas do you need to comply with legislation?• How do you keep up to date with changes in legislation?• How do you ensure that you implement changes in a timely fashion?
Environmental	You are aware of our environmental impact and proactively seek to minimise any detrimental effect	<ul style="list-style-type: none">• What is your environmental impact?• How often do you audit your environmental impact?• How do you keep yourself informed of developments to help minimise your environmental impact?

Organisational performance and delivery

Elements	Desired state	Questions
Artistic or heritage policy/statement	You have a clear statement of the artistic and/or heritage aspirations that guide programming and activities that is understood by your governing body, management and staff(as appropriate)	<ul style="list-style-type: none">• What are your artistic and/or heritage aspirations and challenges?• How well are they articulated?• How do you report achievements against your artistic and/or heritage policy/statement?• Do the governing body, management and staff all have a shared understanding of your artistic ambitions?
Artistic and/or heritage programme or production	Your artistic and/or heritage programme or products enable you to meet your aspirations (where appropriate, this will be defined in your artistic and/or heritage policy/statement)	<ul style="list-style-type: none">• How well does your artistic or heritage programme reflect your artistic or heritage policy?• How do you judge the success of your programme or products?• How well have you achieved the artistic or heritage goals set out in your business plan?
Art form development/preservation	You clearly define your commitment to artform/cultural development/preservation and your plans demonstrate this commitment	<ul style="list-style-type: none">• What is your commitment to artform/cultural development/preservation?• What are you doing to meet this commitment?

Organisational performance and delivery

Elements	Desired state	Questions
Artistic achievements	You have a well-defined process for gathering and considering a range of views of your artistic and/or heritage achievements	<ul style="list-style-type: none"> How do you assess whether you are achieving your goals? To what extent do your achievements enable you to meet your artistic and/or heritage aspirations?
Existing audiences/customers/p participants	You have a good understanding of existing audiences/customers/participants and have developed mechanisms for effective communication with them	<ul style="list-style-type: none"> What do you know about your existing audiences, customers and/or participants? What particular audiences/customers/participants do you target? Why? What growth/decline in audience/customer numbers have you experienced over the past 3 years? Why? How do you communicate with them?
Potential audiences/customers/p participants	You have a good understanding of the audiences/participants/customers that you would like to reach and have well-developed approaches for communicating with them	<ul style="list-style-type: none"> What new audiences/participants/customers would you like to reach? How are you/should you communicate with them? What success have you had at reaching new audiences/customers?

Organisational performance and delivery

Elements	Desired state	Questions
Diversity	You have plans to ensure that you reach a diverse audience that reflects the community in which you operate	<ul style="list-style-type: none"> • Do your audiences/participants/customers reflect the diversity of your catchment area? • What steps are you taking to broaden the diversity of your reach? • How successful have you been?
Quality of experience	You have an established process for gathering audience/customer feedback and incorporating it in the overall artistic evaluation of your work	<ul style="list-style-type: none"> • What do your audiences tell you about the quality of experience that you provide? • How do you evaluate your audiences'/customers'/ participants' views of the quality of experience that you have provided to them?
Personalisation	You have appropriate mechanisms to enable audiences/participants/customers to personalise their artistic experiences	<ul style="list-style-type: none"> • How do you provide opportunities for your audiences/customers/participants to personalise their artistic experience?
Partnerships	You work with partners and other providers to offer the best possible opportunities to your	<ul style="list-style-type: none"> • How do you work with partners to strengthen your offer/relationships with audiences/customers/participants?

Organisational performance and delivery

Elements	Desired state	Questions
Risk analysis	audiences/participants/customer You are able to take informed risks and monitor their impact, taking action when necessary	<ul style="list-style-type: none">• Do you regularly seek opportunities to work in partnership with others?• How do you identify, assess and monitor potential risks?• What steps do you take to plan for risks occurring?
Business plan	You are working to a current business plan to ensure that you deliver your vision and aims within budget	<ul style="list-style-type: none">• Do you have a robust business plan that has reasonable financial predictions of income and expenditure/cashflow and balance sheet?• Does the plan include a detailed budget and cashflow for the coming year and projections for future years?• What is your policy for contingency and reserves?
Finance	Your organisation is financially sound and makes effective use of available resources	<ul style="list-style-type: none">• Does your business have a history of balancing income with expenditure?• Have your patterns of expenditure met your stated ambitions?• Is your organisation over-reliant on a limited number of income sources?• How reliable are your income sources and which sources are most at risk?

Organisational performance and delivery

Elements	Desired state	Questions
		<ul style="list-style-type: none">• Do you have sufficient cashflow to meet your monthly obligations?• Do you have a reserves policy?• Do you have an investment policy in relation to your assets?

Organisational capacity and capability

Elements	Desired state	Questions
Strategic leadership	Your governing body fully understands its roles and responsibilities and takes appropriate steps to work with you and provide appropriate guidance and support	<ul style="list-style-type: none">• How does the governing body engage with the development and monitoring of your business plan?• How does the governing body ensure that you have the appropriate mix of skills and experience?• How well does the governing body reflect the diversity of your communities?• Do you have the potential to improve your results?• Do you have the ability and willingness to change?
Business plan	You have a clearly defined business plan that is approved by the governing body and all your staff understand their	<ul style="list-style-type: none">• How well does your business plan define your goals and targets in relation to your vision?

Organisational capacity and capability

Elements	Desired state	Questions
Management structure and style	You are managed and structured to enable you to achieve your aspirations in the most cost-effective and efficient way	<ul style="list-style-type: none"> • How have you ensured that the whole organisation understands the plan and their role in its implementation? • How do you review your achievements against the plan? • Do you have clear controls to identify and manage underperformance? • Is your business plan advanced on an annual basis? <p>How well does your structure:</p> <ul style="list-style-type: none"> • Define reporting lines • Provide manageable spans of control and direction • Ensure the right people are making decisions <p>How effective is your management style?</p>
Financial management skills	You employ and/or are supported by individuals with appropriate knowledge and skills to ensure that you are effectively managed and meet statutory requirements	<p>Do you have the appropriate knowledge and skills to ensure that you manage your finances effectively?</p>

Organisational capacity and capability

Elements	Desired state	Questions
Regular reporting	You report on actuals against budget on a regular basis	<p>Do you regularly review your actual income and expenditure against budget?</p> <p>How well do you recognise the implications of financial performance against budget on cashflow and the balance sheet?</p> <p>How well do you respond when there is a variance?</p>
People	Your management and staff (as appropriate) work together effectively to deliver your vision	<ul style="list-style-type: none">• How well do you provide clear leadership?• Do you/your staff have the right mix of skills and experience?• Are roles, responsibilities, objectives and measures aligned to the achievement of your business plan?• What opportunities do you provide for personal development?• How well does your team reflect the diversity of your communities?

Organisational capacity and capability

Elements	Desired state	Questions
Processes and systems	Your processes and systems enable you to operate effectively and efficiently	<ul style="list-style-type: none">• Do you have effective processes for identifying, contracting and working with suppliers?• Do you have effective systems for communicating with your audiences and partners?• Do your systems ensure that you adhere to regulatory requirements?• Are your systems safe and secure?
Location/ facilities	Your location/facilities are appropriate for the delivery of your vision	<ul style="list-style-type: none">• How well do your location/facilities meet your needs?• Are they in a good state of repair?• Do you have a clear plan and associated funds to maintain/repair/replace these facilities?

Take the next step

Having read the framework, which for you was the most important area to review? Where will you start and who will you involve? Which area was least comfortable (perhaps you should start there)?

Top tips

- Check your assumptions as you go through the process, sometimes there is a danger that we see what we want to see. One way of doing this is to involve other people and bring in different perspectives
- Find benchmarking information, such as [My Cake](#), which can help you locate your work in relation to others in your sector/field
- If you don't have the time or resources to work through the whole evaluation, select what for you are the four or five key questions you need to answer

Encourage a spirit of ongoing monitoring and review to make self-evaluation