The future of museums

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Abstract: The future of museums would appear to be a hot topic for museum managers and developers. It was the main title of two international conferences at the end of 2012. One was the Network of European Museum Organisations (NEMO) annual meeting in Ireland (2–4 November 2012) and the other was ICOM’s Committee of Leadership and Management (INTERCOM) in Australia (25–29 November 2012).

Key words: The future of museums, management, museum customer, operational environment, earnings philosophy.

TIME FOR CHANGE

I gave a talk at both the NEMO and INTERCOM conferences last autumn. My presentation Who is Responsible for Preserving Heritage? (Un-)Successful Museums in the Future at the NEMO conference considered the role of museum customers. Which Business Should Museums be in? was my topic at the INTERCOM conference, and the aim of that presentation was to serve as springboard for discussion on the operational environments that museums can and should be adopting.

The impetus for both conferences was an awareness that the operational environment for museums is changing, creating a situation that will pose more threats than opportunities in the short term. The biggest threat is the weak economy in Europe, and it is obvious that cultural budgets are an easy target for politicians when it comes to making savings, as cuts to the cultural budget do not affect people’s lives in the same way as cuts in other sectors. Europe has been hardest hit by the economic downturn to date, but the economic climate in other parts of the world does not look too rosy for the foreseeable future either.

The economics of museums is not the only aspect that is changing. The pace of change is also accelerating. The way I see it, we are moving from a culture of planning to what could be termed a ‘culture of experimentation’. Experimenting with different ideas provides feedback more quickly than spending time planning and pondering whether your idea is going to be feasible or not.

In my view, it is clear that a culture of experimentation entails more publicity, too. In
the 21st century we need the oxygen of publicity to survive. It is rather difficult to get publicity for your planning processes but if you try to realise your plans, the media becomes interested – even more so if your experiment fails. Yet a culture of experimentation calls for being able to handle the risk of failure as well. This could be the most difficult task for museums not only because they are used to being expert organisations that don’t have to engage in risk-taking behaviour, but also because they have very little room for economic risk-taking activity in any case.

**Museums past and present**

In the INTERCOM seminar, Marsha Semmel (Director for Strategic Partnerships at the Institute of Museum and Library Services, USA) highlighted several differences between museums in the 20th and 21st centuries. In her opinion, the biggest change is in the technological environment and the most important skill is networking. She presented a scenario whereby 21st-century museums:

- are a combination of audience and content (vs. museums of the 20th century, which were primarily content-driven)
- preserve both tangible and digital objects (vs. mostly tangible objects)
- are multi-directional (vs. one-way)
- focus on audience engagement (vs. focus on presentation and display)
- act in highly collaborative partnerships (vs. act independently)
- are embedded in the community (vs. located in the community)
- have purposeful learning outcomes (vs. assumed or implied learning outcomes)

Ms Semmel is not the only expert who sees changes in the technological environment heralding a new era in museum work. In the same INTERCOM seminar, Dr Lynda Kelly (The Australian Museum) advised museums to think mobile before the internet, and e-publishing before printed books and magazines.

**Going digital?**

In my opinion, we need to accept the well-known Web 2.0 truism that if something exists, it can be found on the internet. For museums, this entails digitalisation in every function. It not only calls for investments in new technology, but also demands more inclusive and expansive ways of working and thinking. In most cases it implies networking because if a museum wants to be located on the internet, it needs to be a part of widely frequented networks. These won’t be the museum’s local networks, but ones like Europeana (www.europaeana.eu) or the new Finnish Finna service (www.finna.fi), where museums, libraries and archive materials can all be accessed from the same site.

Digitalised collections accessed through the internet will form the foundation on which other services will be built. To this end, internet-based collection management calls for rules and agreements concerning documentation. For example, we need to have standards for collection management and for metadata; we need to use the same terminology for the same objects, and search engines need to be able to locate them in the same place in every museum’s collection management system.

Internet accessibility doesn’t come without copyright problems. Internet publishing is the same as publishing in printed media or in an exhibition. The problem is that museums have a lot of material where copyrights are not
documented. In many cases, we have not made agreements with copyright holders about the terms of publishing. This could incur unforeseen costs. Oftentimes, we actually do not even know who the copyright holder is. These so-called orphan artefacts pose a problem, primarily when it comes to photographic collections.

Notwithstanding the problems, digitalisation presents a great opportunity for museums. We now have the chance to attract many new visitors or clients, depending on how we choose to call the people who use our services. Digitalisation gives us the opportunity to open internet, mobile and purely virtual museums alongside brick-and-mortar establishments. In actual fact, mobile and internet services are not just a possibility, they are more or less a necessity.

**THE NEW ECONOMY**

News from nearly every European country shows that museums are in a situation where demands for new services and a new way of working are increasing, while public resources are decreasing. The problem is that the majority of museum resources come from the public sector. For example, in Finland the share of public money in museum budgets is 80%. In practice, this means any growth in resources lies in the private sector and we need to learn to operate in a normal market situation, which includes commercialising our services, competing with other service providers, and making a profit.

Operating in the private sector is nothing new for museums, of course. We have already made inroads in the commercialisation of exhibition services, and museums have also become service providers in the tourism industry. The problem, however, is that tourism is a business area where profitability is weak in general, and I contend that this poses a particularly significant problem for museums. Two studies to this effect have been published in Finland (Levä, 2008, Kallio, 2012). These studies indicate that ticket and museum shop sales do not even cover the direct costs of those functions. If we factor in the indirect costs of exhibitions themselves, operational losses are guaranteed.

I think it is appropriate to ask, therefore, whether it would make better financial sense to commercialise the expertise museums possess in information management, teaching, consulting, storage and research, as well as the conservation of the cultural environment and the restoration of artefacts and buildings. These are all areas in which we possess unique know-how, there is little competition and, if we compare the information management business to the tourism business for example, the profitability in teaching, consulting and research is much better.

What museums now have to do is put time and effort into evaluating what kind of know-how they possess, which business they should be engaged in and, above all, who their real customers are. Their real customers are the ones who will pay their bills. But they won’t pay simply for the museum to exist – they’ll pay for the benefits they derive from the museum’s expertise.

**MUSEUM CUSTOMERS**

I’ve done consultancy work for a number of museums, and all too often their customers are either not defined, or words like ‘visitor’ or ‘the public’ become synonymous with the customer. In my opinion it is important to recognise that
the customer differs for every museum. Generally speaking, museums could be placed into three categories from the customer perspective: 1. ‘Rich’ museums, 2. ‘Absolute Value’ museums and 3. ‘Poor’ museums.

A Rich museum organisation has a huge amount of capital (money, stocks or other exchangeable capital). The Rich museum’s customer is the governing body. An Absolute Value museum, on the other hand, has no exchangeable capital, but its maintenance has been inscribed in legislation or in other regulations. Its customers are representatives of the state and cities (politicians, bureaucrats).

A Poor museum organisation has neither capital nor absolute value status. Poor museum customers are those who are willing to pay directly (e.g. via admission and information service fees) or indirectly (via grants) for their services.

INDICATORS OF AN AT-RISK MUSEUM

Prosperous museums may exist in all three categories. But it is vital that a museum realises in which category it primarily belongs.

Rich and Absolute Value museums won’t find themselves in desperate circumstances where they are under threat of closure. It is obvious that the museums that are likely to run into such difficulties are the ones in the ‘Poor’ category. Poor museums are particularly at risk if they act as if they were rich and believe they have an Absolute Value status. Unfortunately, I’ve witnessed this kind of assumption all too often in the case of Poor museums. Such museums can be identified by one or more of the following indicators:
- The museum doesn’t have an earnings philosophy.
- The museum doesn’t know how much it costs to acquire photographs, objects, books or other artefacts, and how much it will cost to preserve them.
- The museum takes new artefacts into its collection without adequate resources (money).
- The museum employees and administration are passionate souls who regard the preservation of history as their duty.
- The museum has a lot of prestigious and rich patrons who assist museums to acquire objects and other material.
- The museum believes the state or the city will rescue it if its economic problems become unmanageable.
- The museum only regards visitors as customers.

The risk for the museum sector as a whole is that the majority of museums can be placed in the Poor category. In Finland, only 7% of all museums are owned by the state – making them Absolute Value museums – and the percentage of Rich museums is even smaller.

INDICATORS OF THE SUCCESSFUL MUSEUM OF THE FUTURE

There is no doubt that museums have a future. However, I maintain that a successful future is unlikely to materialise without acknowledging the need for change, desiring that change, and then making it happen.

The successful museum of the future will be more customer-oriented and, more importantly, will know who its customers are. Visitors and exhibitions don’t play any role in the financing of a museum’s fixed costs. In most cases, admission fees do not even cover an exhibition’s production and marketing costs.

Visitors are important for museums only if the governing body wishes to receive them
(Rich museums) and if the exhibition activities are a duty for the museum (publicly-owned Absolute Value museums). In these cases, museums have a contract with the customers—the more visitors the museum has, the more money they can acquire from the owners.

Poor museums need to choose whether to be in the tourism business or in the museum business. If poor museums decide to continue in the tourism business and visitors are their only customers, these museums need to sell, donate or dispose of their collections. In most cases they also need to change their name to exhibition hall, experience centre or gallery.

If museums want to continue in the museum business, they have to productise their collection, research and public services. Collection services include consultancy regarding objects that are worth storing, documenting and conserving.

When museums have defined their market and their prospective customers, online and mobile services will be the most vital tools for acquiring and retaining them. The museum of the future has three potentially powerful user interfaces for its customers: bricks and mortar, the internet and the smartphone.

**LITERATURE**


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