

The case of
being there
for the arts

voordekunst



Name of platform

Voordekunst

Geographical focus

The Netherlands

Active since

2010

Crowdfunding model

Reward based crowdfunding

Platform website

<https://www.voordekunst.nl/>

Executive summary

Voordekunst is the biggest Dutch crowdfunding platform dedicated to arts and culture. In the past six years it raised some €12,9 million donated to 2.219 projects through 128.477 donations (numbers retrieved on 19-12-2016).

Voordekunst takes a lot of effort to guide applicants for crowdfunding projects towards a successful campaign. This has resulted in a 80% success percentage of the campaigns on their platform, which is very high compared to most crowdfunding platforms. Their knowledge on setting up campaigns has become a source of income in the form of selling counselling, workshops and masterclasses.

These features have made them attractive for partnerships. At the moment they show 18 partners on their website. Most of them are public funds and regional governments, others are private funds and there are also some companies involved.

Voordekunst has recently developed a partnership model that distinguishes four kinds of partnerships:

1. Network partner: these form channels to reach a wider audience and broaden their network. For the network partners their alliance with voordekunst provides an affiliation with crowdfunding as a part of cultural entrepreneurship and providing access to finance.
2. Matchfunding partner: these partners provide funds for crowdfunding campaigns that fit their criteria. The emphasis can be regional, talent development or reaching new target groups.
3. Knowledge partner: these partners provide knowledge, either to the artists for their development or for the development of voordekunst as an organisation;
4. Platform partners: they support voordekunst financially because they find its existence important.

Most partnerships fall into one of these categories, some have traits of more than one. In the near future voordekunst will further develop this partnership model. Important challenges are to find good knowledge partners and to keep companies as partners for a longer period of time, since their involvement seems to be small and not sustainable.

About the voordekunst crowdfunding model

Voordekunst (For the arts) started in November 2010 as a project developed by the Amsterdam Fund for the Arts. The Amsterdam Fund for the Arts is an arms length organisation of the city of Amsterdam which distributes a large part of the Amsterdam arts subsidies to artists and projects. The fund started the crowdfunding platform voordekunst as a possible additional source of income for the arts sector. The launch of voordekunst happened just before big budget cuts in the arts sector were announced by the national government, and was soon seen as one of the answers to these budget cuts where artists could present themselves and audiences could contribute to art projects, and help the cultural sector to develop more cultural entrepreneurship.

Since then voordekunst grew steadily, became an independent and national platform and is now the platform for donation/reward campaigns in the Netherlands for creative and art projects. In its business plan 2015-2018 voordekunst presents the ambition to be the connector between the arts and audience; they consider the relation between maker and audience to be pivotal. It is about the people behind the project and the person behind the donation. Financing is a means to establish that relationship, not a goal in itself.

Until now €12.967.448 has been donated to 2.219 projects through 128.477 donations (numbers retrieved on 19-12-2016). 80% of the projects on voordekunst are successfully funded. This high percentage is the consequence of screening projects and guiding project holders through the setting up of their campaign. A process which has been digitized and automated as much as possible, since an average of 75 projects can be live on the site at any time and they reached the number of 800 projects going live in 2016. If artists want more intensive counselling they have to pay a modest fee (€28,50).

Voordekunst has an all-or-nothing model, with one exception. When the funding has reached the 80% level at the end of the campaign period, the project holder has to ask all funders if they still want to maintain their donation. If so the project holder can adapt his plan to the new level of funding at 80% and continue.

Every project has to pay a starting fee of €100 ex VAT and 5% (ex VAT) on the amount of funding after reaching the goal. From the amount over 100% the platform takes 10% (ex VAT).

Partnerships and income

At the start of its existence voordekunst depended on the contributions of partners for 100% of its income. This was reduced within two years to 70% and has at the end of 2015 been reduced to 40% of its income coming from partners and subsidies. The ambition is to reduce that percentage further (they expect 35% at the end of 2016). The turnover of the organisation was €570.000 by the end of 2015. The platform employs 5 people and has usually about three or four interns.

Rationale for partnerships

In the course of the years voordekunst developed a number of partnerships, currently having some 18 partners presented on the website. The relationships with those partners are very diverse. Therefore voordekunst developed its own model to categorize these relationships. Voordekunst proposes now four different kinds of partnerships:

1. Network partners
2. Matchfunding partners
3. Knowledge partners
4. Platform partners

Ad 1. **Network partners** are partners that share their network with voordekunst to offer more visibility to crowdfunding as a possibility for financing in the arts and to voordekunst as the platform in the Netherlands. On the other hand voordekunst provides visibility to these partners. Examples are a regional platform for amateur art and art education or a provincial government

Ad 2. **Matchfunding partners** are partners who will provide matching funds to artists based on their criteria for funding art projects. Those criteria are different for each partner and also the amount of funding and the phase within the campaign that the funding takes place. Examples are a provincial support structure for the arts that has a budget to support projects in their province, a province that has supplied budget to support projects in their region, and a national patronage fund that wants to reach target groups within the arts that they do not reach within their work.



Ad 3. There are two kinds of **knowledge partners**. The first kind are knowledge partners that can provide extra knowledge to artists on entrepreneurship, marketing, copyrights, etc. The second kind are knowledge partners that provide knowledge to voordekunst for its development as a platform, for example on customer relation management, as voordekunst sees the relationship with the donors as one of its most important assets.

Ad 4. Platform partners are supporting voordekunst financially as a crowdfunding platform. While in the beginning of voordekunst most partners were of this kind, it is now a small category. voordekunst welcomes financial support but prefers partners with whom a reciprocal relationship can be established. Existing partnerships can fall in one or more categories. voordekunst wants to develop the model further to clarify existing and future partnerships.

Partnership model

We will describe the relationship with three partners here, each quite different. Two of them are mainly matchfunding partners (Amsterdam Fund for the Arts and Prins Bernhard Cultuurfonds), one is a network partner (Deloitte).

Model of cooperation



The first partnership is with the founding organisation of voordekunst, namely the Amsterdam Fund for the Arts. It is partly a platform partner, it pays a yearly fee to voordekunst, but it is mainly a matchfunding partner.

The fund wants to provide different financing mechanisms for art projects, because the grants they give out are only one way of financing the arts. They also provide loans up to €10.000 (The Amsterdam Culture Loan) with a low interest (in cooperation with another partner) to finance projects and small cultural firms that cannot be financed through grants but are valuable to the city.

For crowdfunding it provides a yearly budget of €50.000 to be paid to projects that fit the goals of the fund and are not getting a grant by the fund.

Voordekunst selects projects from its platform which they think fit the criteria of the Amsterdam Fund for the Arts and ask the fund to approve them. There is a maximum contribution to the crowdfunding project of €2.500.

Another criterium is that the projects funding goal is higher than €3.500, because the administrative costs are too high for each crowdfunding grant for lower amounts.

Another matchfunding tool they have used in the past is called: the doubler. During one week they would double all private contributions to a selection of crowdfunding projects based in Amsterdam. In 2015 this became so successful that it took a too large part of their budget and they stopped using the doubler.

Deloitte.

The main goal of voordekunst is establishing relationships between artists and their audience. With their business partner Deloitte, the accounting firm, they developed another form of audience building.

Deloitte organises many events through the year for (future) clients and stakeholders. It took some convincing of the partners of Deloitte to take the decision to enrich these events with art. The goal was to achieve a different storytelling and branding of Deloitte. The main result was that events became much more lively and surprising, the atmosphere was more relaxed which makes it easier to entertain guests and have better and more personal conversations, which in turn could lead to new business for Deloitte.

Voordekunst selected artists from their platform to perform on these events. There were musicians (classical, jazz and pop), theatre performances or even installations by visual artists. These artists were also given the opportunity to pitch their work before the audience and thus ask for attention for their project or work. Sometimes that produced more work for the artists, commissioned by members of the audience. Once a CEO donated €5.000 to a band for recording a CD.

Deloitte and voordekunst closed a cooperation agreement where Deloitte would pay the artists. There was no fee for voordekunst. This agreement lasted for two years. Unfortunately this kind of cooperation depended very much on the person from Deloitte that initiated the cooperation. He has now left Deloitte and the cooperation is lacking momentum at the moment. It is hard to bring in creativity into a firm when it is not their core business.



This fund exists for 75 years and supports culture, nature and science through grants, bursaries, commissions and prizes. In 2015 it supported 3.500 projects and spent €33 million. A large part comes from lottery funds, another part from fundraising. It has 20.000 donors and some 400 Personal Funds (private funds which are managed by the PBCF). It has a regional structure working with volunteers who decide on 75% of the small grants. The national office is in charge of the other, larger, grants.

The main goal of the fund is to promote and develop all kinds of patronage. In their view crowdfunding is another way of patronage. They made an agreement with voordekunst in the summer of 2016 to support voordekunst for one year with a fee, with the possibility of prolonging the agreement for another year. They want to experiment with crowdfunding and reach forms of culture, such as starting groups in pop music that they do not reach on their own. They pay a fee to voordekunst and they support matchfunding.

The matchfunding: voordekunst presents a selection of projects from different art disciplines they think will fit the goals of the PBCF.

First PBCF checks if these projects are not already being funded. Then this selection is discussed by the group of grant advisors and the final selection is approved. PBCF provides a fixed grant of €750 per project which is given when the crowdfunding campaign reaches the 75% goal.

Another process runs through one region, where the volunteers select projects from their region to be supported. This process is still under development since the volunteers need more time to select projects and getting used to crowdfunding as a way of patronage, since they have no experience with crowdfunding so far.

Partnerships in the future

Of the 18 partners presented on the website of voordekunst seven are matchfunding partners. Three are private funds (including PBCF) and four are regional governments or funds funded by regional governments.

Voordekunst has a different process for each of the matchfunding partners, because they all have different criteria, different amounts of matchfunding and different phases within the crowdfunding campaigns that they contribute. This consumes a considerable amount of time of two of the account managers of voordekunst.

Another form of partnership is done by BKKC (a culture support structure funded by the province of Brabant), which functions as a regional entry point to voordekunst (and other platforms). Artists approach BKKC before their project goes live and if they meet the criteria they will get guidance by BKKC on their crowdfunding campaign. These projects receive matchfunding up to 30% of the goal (with a maximum of €30.000), which will only be paid if 70% of the goal is reached. Artists can choose their own crowdfunding platform and apply for matchfunding, but most of the projects go live on voordekunst.

According to the director of voordekunst they are moving in the direction of clearer relationships with their partners and looking for new partners. Especially the knowledge partnerships are hard to develop. They have partnered first with the ING-bank, hoping that ING employees would counsel artists in their entrepreneurship. That was hard to organize and when their contact person left the partnership also broke down. Subsequently, voordekunst set up a partnership with ABNAMRO, another big bank, where they intended to do the same. However, the bank has recently decided to end the partnership because of budget cuts and layoffs, before the knowledge partnership could really become mature. Within the partnership with Deloitte there are also knowledge aspects, for the organisation, for example on handling big data and on tax issues.

And also within the partnership with Prins Bernhard Cultuur Fonds knowledge issues are part of the partnership, for example on customer relationship management and legal issues.

Voordekunst is now looking for smaller and regional organisations to develop knowledge partnerships to guide and counsel artists on entrepreneurship.

The voordekunst partnership model can be used very well to clarify the relationships with partners. Some partners will fit well into one kind of partnership, other partners might fulfil more than one role in the partnership. But it seems recommendable to clarify the kind of partnerships that crowdfunding platforms develop.



Impact of voordekunst's matchfunding partnerships

Impact on the uptake of crowdfunding

It is hard to estimate the effect of matchfunding on voordekunst on the amount of crowdfunding. In the annual report on 2014 two examples of matchfunding are mentioned. The first is from the Amsterdam Fund for the Arts which spent €48.483 on 61 projects which in total raised €332.689. So the matchfunding accounted for 15% of the total. The second is the private fund VSB which contributed €33.803 to 33 projects which raised €130.075. The matchfunding of the VSB-fund accounted for 26% of the total raised.

Until spring 2016 matchfunding partners have contributed around €350.000 to projects which resulted in around €1,5 million in project funding. This is a considerable amount, keeping in mind that the vast majority of projects do not receive matchfunding but reach their goal on their own. Voordekunst also states that the success rate of matchfunding is some 10% higher than for other projects.

Impact on the project holders

The effect of the matchfunding on individual project holders is of course quite different, since the amount can be between 10 to 30% of the total. These are quite important chunks of funding when campaigning is hard to reach their goal. The matchfunding also functions as a stamp of approval or as a statement on the quality of their project if a fund or government backs them. It can give a boost to their campaign and attract other backers, especially since these matchfunding grants often come at two-thirds or three-quarters of the campaign and help to realize more buzz and publicity around the project.

Impact on the backers

In 2015 there were 40.107 backers of whom 56% donated for the first time. For the first time backers the primary motive (60%) to donate was knowing the artist, for backers who donated more than once the primary motive (59%) was the content of the project. There are no data available of the impact of matchfunding on the backers.

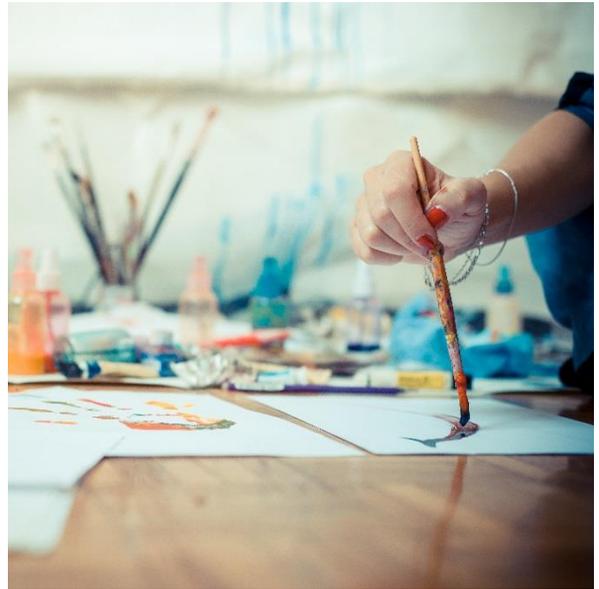
Impact on the partners

The partners have very different motives for their partnerships. For most of the public partners (either regional governments, public funds or support structures) the main motive is supporting cultural entrepreneurship and promoting access to finance. For them it is important they can show they are affiliated with a new form of financing. And with relatively small amounts of money they support artists to achieve larger amounts of funding who can also show through their backers that they have public support.

For private funds the motive is often to reach target groups they do not reach themselves. We saw that for the Prins Bernhard Cultuurfonds, but this also applies for the VSB-fund which supports New Makers (talent development) through crowdfunding, which are artists who cannot apply for funding directly with the VSB-fund because they just graduated from art education.

For network partners the impact is that they are associated with crowdfunding and they can refer artists to voordekunst for project funding if a project proposal does not fit their own criteria.

The motive and impact for knowledge partners is less clear. If they are companies the partnership can be part of their corporate social responsibility policy or of their branding.



Impact on cultural funding

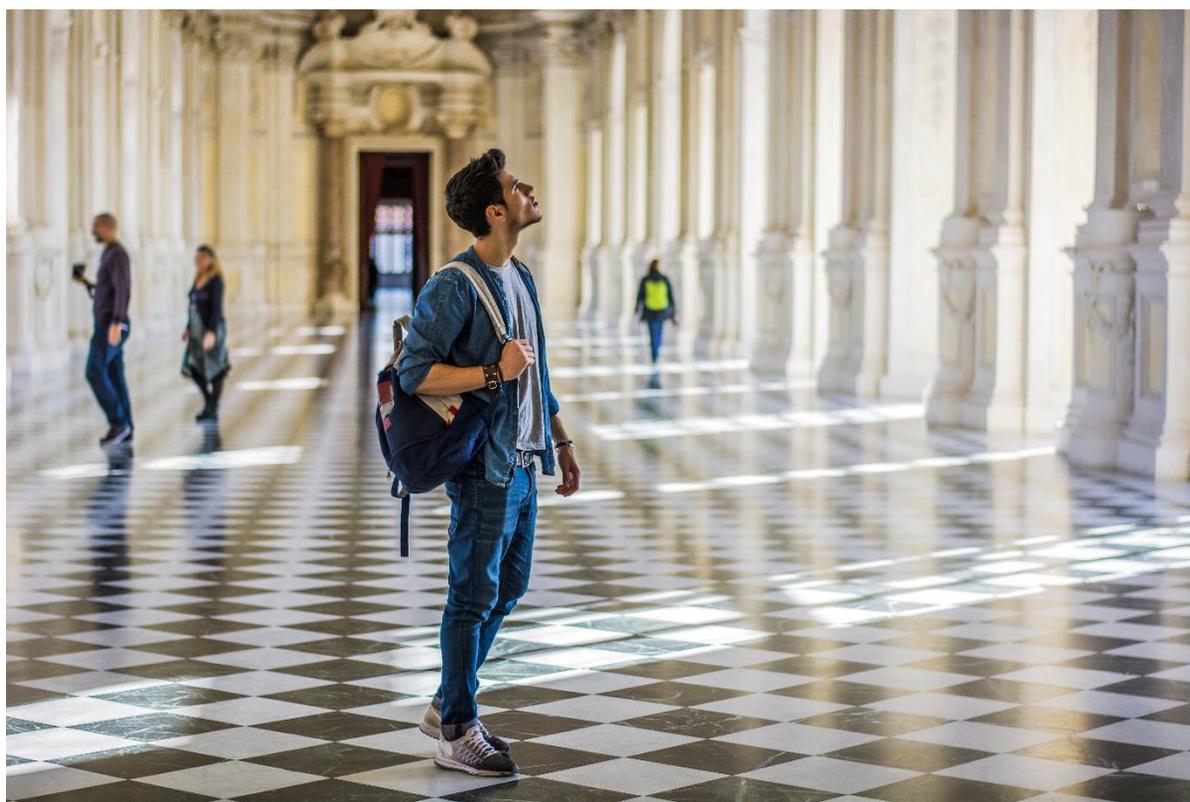
The impact on cultural funding is small on the one hand, but big on the other. Related to the overall amount of public financing of all forms of culture in the Netherlands (national, regional, local) and including cultural education, libraries etc., which is estimated at some €2.7 billion in 2015, it is a very small number. It is important to remember that this is a reduction of more than 20% compared to 2012 (Cultuur in Beeld 2016, OCW). But related to the number of projects that have been realized in six years (2.200) and the number of artists which were supported (2.100) the impact is huge, because most of these projects would otherwise not have been produced. Especially because a lot of these projects would have been too small to receive grants from public funds and are done by young artists. The impact is also big because almost 130.000 people donated to the arts in six years and are a considerable audience for the arts who have a direct impact on cultural funding through their donations.

Critical success factors of the platform and partnership model

Platform model

Voordekunst has become a strong brand concerning crowdfunding in the cultural sector in the Netherlands through its consistent approach as a link between art and audience. It screens all the applicants, 70% of the applicants make it to the platform, and they are guided through all the steps of setting up a campaign. Voordekunst also provides tips and guidance during the campaigns on their site. This has led to a 80% success percentage of projects which go live, which is higher than most platforms.

The knowledge they acquired over time can now be sold to other interested parties. Voordekunst organizes consultations, workshops and masterclasses all over the country for artists who want to test their idea. Selling their knowledge on crowdfunding campaigning is becoming a growing part of their business model. Voordekunst has also turned its knowledge into explicit and visible knowledge on their platform to minimise the number of questions by the artists. This makes it possible to accommodate a growing number of applications and projects without growing in staff.



This platform model makes them attractive for public and private partners who want to be associated with crowdfunding for different motives: among which networking and matchfunding are the most important ones.

Diverse partnerships

While voordekunst needed partners in the beginning to survive, they are now expanding the reciprocal nature of their partnerships and the majority of their income is from the platform. They involved public and private funds and governments from the beginning, first mostly as network partners to be able to reach more artists and audiences through the channels of the partners. Now many of them are matchfunding partners which has a multiplier effect for the budget these partners invest in crowdfunding. Voordekunst also looks for regional diversity. To spread themselves to all the regions, they have a partner in almost every region of the Netherlands. They have also involved companies from the beginning, but these are hard to keep involved for a longer period of time.

Duration of the partnerships and sustainability

Some of the partnerships have been stable for a number of years, some have ended after the first few years. Voordekunst has been eager to develop new partnerships and to further develop its partnership model. The current model of four kinds of partnerships will probably need some more years to be fully developed and implemented, but offers enough possibilities to establish partnerships with clearer roles for both sides of the partnership. To find the right knowledge partners, both for the artists and for the organizational development, turns out not to be easy.

Involving companies for a longer time remains a challenge. The involvement seems to be dependent on the initiator within the company. When this person leaves, the cooperation often comes to a halt. When culture is not a part of the core business it remains a too small aspect for the company to keep involved for a longer period. Also it might play a role that voordekunst is a small organization compared to the big companies they have been partnering with and are not of big interest for them.



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Values of
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