to be debated

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the power of partnerships

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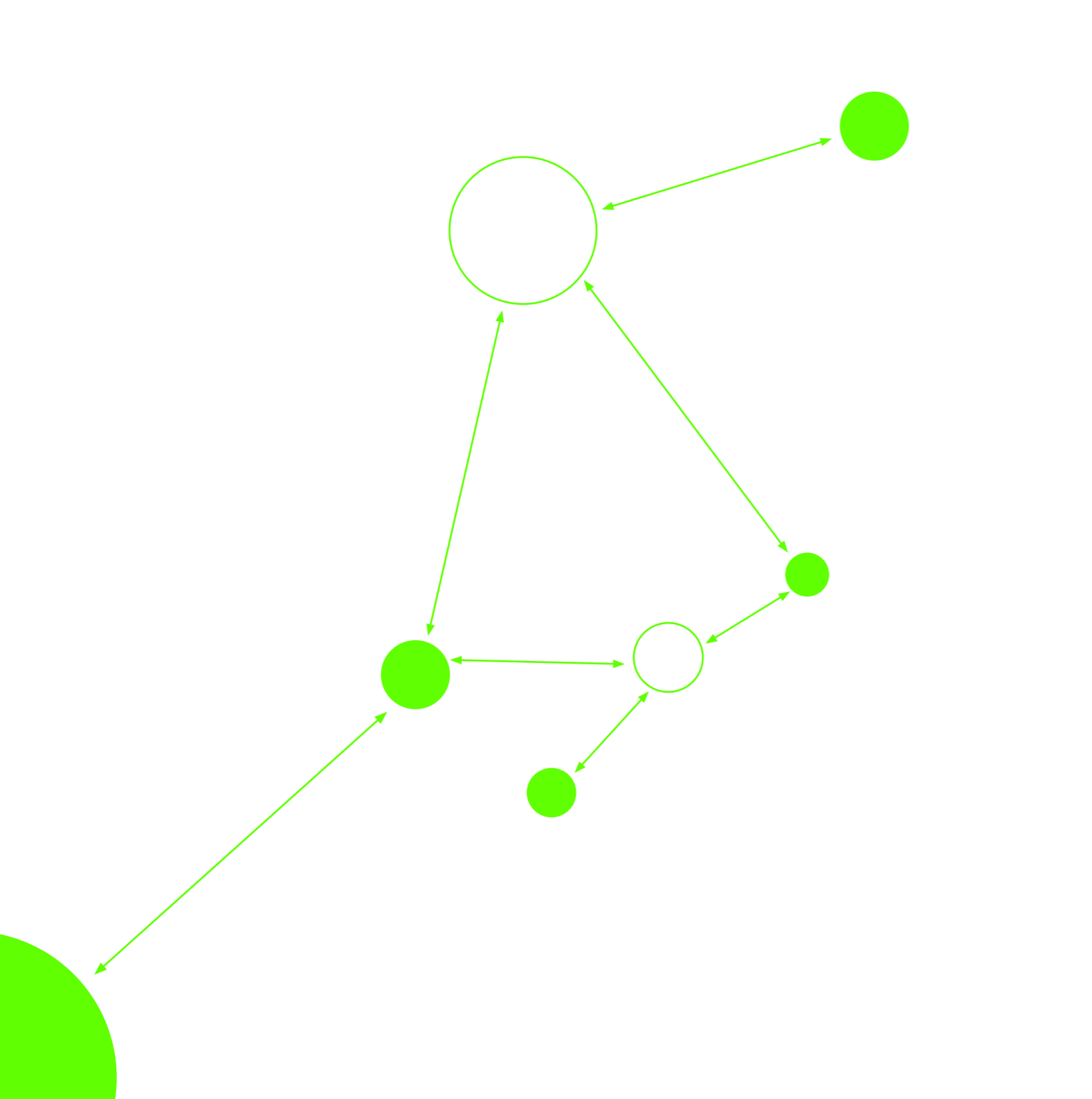Evaluation

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The first volume 'to be debated SPILLOVER' (authored by Dr Jonathan Vickery) and the second volume 'to be debated THE DIGITIZED CITY' (authored by Charles Landry) are available on the ecce website.

the power of partnerships

necessity or luxury in the cultural and creative sectors?

Marilena Vecco and Elmar D. Konrad

content

preface

Prof Dieter Gorny

Partnerships, collaborations and networks have undeniably become ubiquitous terms in science, economy, politics, culture and society.

According to the thesis put forth by the authors of the issue at hand, Marilena Vecco and Elmar D. Konrad, forms of collaborations assume an outstanding role, especially in culture and the creative industries: They form the foundations of every artistic expression and creative diversity as well as for the production of cultural and creative goods and services. They promote exchange, deliver impulse, and enable innovation.

Thus, inter-organisational collaboration makes up the largest part at the european centre for creative economy (ecce), too: Within the programme Creative.Quarters Ruhr, ecce stimulates collaboration between the different stakeholders within a city quarter, developing urban habitat through cultural impulse and economic options; the annual conference Forum Europe Ruhr provides a gathering platform for different cultural sectors as well as for the exchange between regional and international participants. In 2014, ecce initiated the European Research Partnership on Cultural and Creative

Spillovers and the "Network for Innovations and Creativity in Europe" (NICE). Additionally, ecce is a member of ENCATC, the "European Network on Cultural Management and Policy".

Regions and cities cooperate throughout Europe in many ways, they maintain partnerships and collaborate across borders; transnational relationships have long been markers for a mobile and open society, and as such, they receive specific support through cultural exchange programmes by the European Union.

Due to this, the question for the value and functioning of partnerships and collaborations bears more topical relevance than ever – not only for the single cultural and creative professional, but in relation to all of society. This is also illustrated by the first initiative report by the European Parliament on Cultural and Creative Industries in December of 2016:

„The European Parliament, [...] Stresses the need to work together and the importance of constantly sharing knowledge and best practice between Member States seeking to support and stimulate the creative industry, and pro-

mote creativity and productivity at all levels; [...] Calls on the Commission and the Member States [...] to promote [...] networks at regional, national, European and international level in order to foster interaction between micro-, small, medium and large enterprises and between non-profit organisations and commercial companies in the CCS, traditional craftsmanship, heritage organisations, tourism sector, research centres, universities, investors and policy makers; asks, moreover, for support for the development of an innovation friendly and supportive legal environment for the creation and experimentation of new business models, products and services through strategic partnerships between producers, distributors and promoters and for support for the activities of business incubators [...]"

Demands for more collaboration have increasingly led to more networks and partnerships and have become everyday matters of course in culture and the creative industries. At the same time, an increased need for communication and coordination efforts arises. Problems such as trade-offs, legal aspects, distribution of resources etc. occur. The process is often lacking the much needed questioning for added value, the reflexion on whether or not these

partnerships are reasonable as well as the efficiency of the manners in which they are designed.

Accompanying the increasing pressure calling for exchange and collaboration on the one hand and current social challenges on the other hand, questions concerning potentials as well as limits of partnerships also come into play. It is not only the content that attracts new attention, but also the formal framework is subjected to a change inherent to organisation: digitalisation allows – independently of space and time – acting more cost-efficiently and also faster and more easily. "Space, time and people" convene in new ways, now and in the future.

In 2014, the "to be debated" publication series was initiated by ecce in order to insert trends and topics which are relevant for culture and the creative industries – topics that have sparked much discussion but have not yet been scrutinised thoroughly – into the public debate and to shed a (self-)critical light on them:

Do partnerships change increasingly? How can one strengthen their attraction and make use of their potentials? And how can one prevent or manage excessive demands in the coordina-

about the authors

tion and communication sectors? What kind of resources and environments are required to do so?

The present issue, though, does not necessarily reflect the editor's point of view, as was also the case with both previous issues. "to be debated SPILLOVER" and "to be debated THE DIGITIZED CITY" released impulses in the Ruhr region and Europe. With this third issue, "to be debated THE POWER OF PARTNERSHIPS", ecce once again provides initiative for further debate in science and politics as well as for new ways in the practical fields.
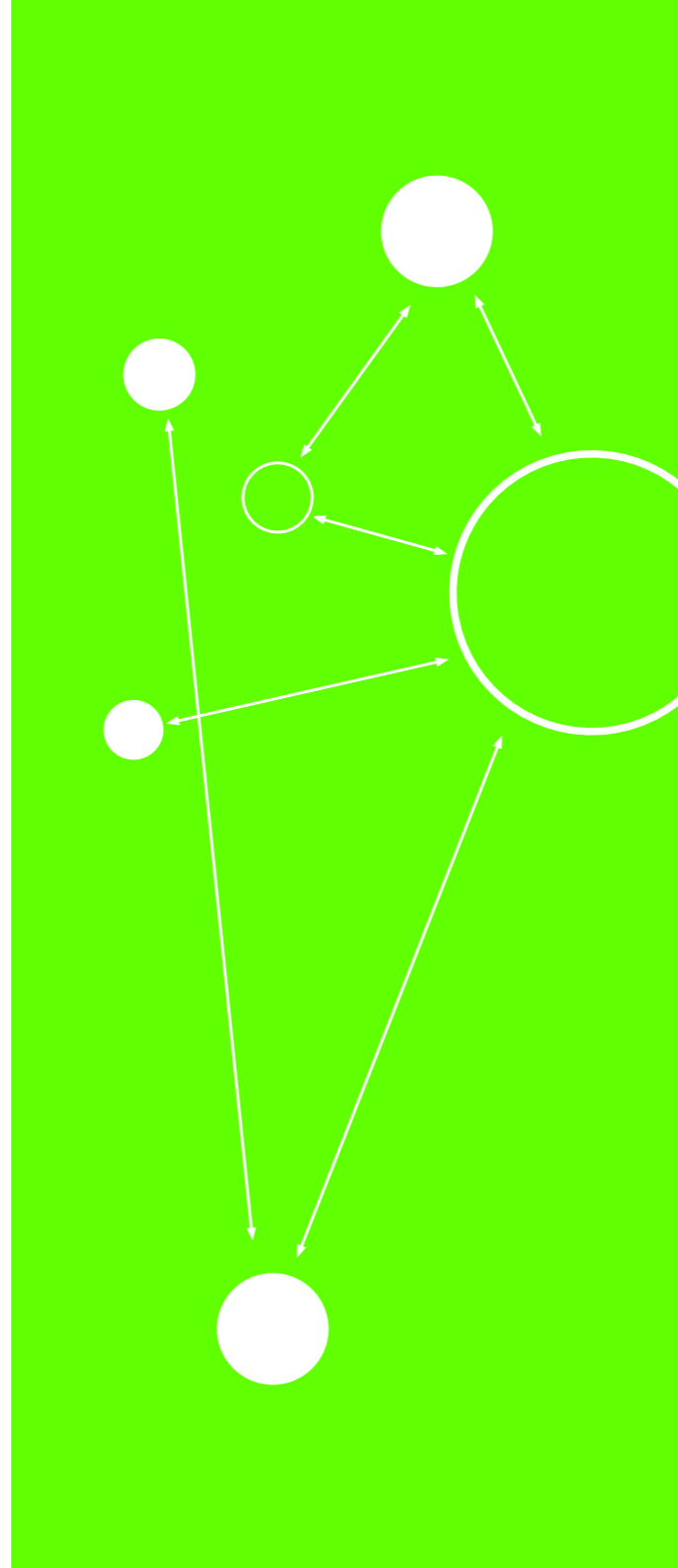
Dr. Marilena Vecco is Associate professor in Entrepreneurship at Burgundy Business School, Dijon (France). Her research focuses on cultural entrepreneurship and management with a special focus on cultural heritage (tangible and intangible) and art markets. Between 1999 and 2010 she was the head of research of the International Centre for Arts Economics (ICARE) and Research Fellow and Adjunct Professor of Cultural Economics and Art markets at the University Ca' Foscari of Venice. Marilena has over 17 years of academic and professional experience as a researcher, lecturer, and consultant. She has researched and consulted for several public and private organisations, including OECD, Centre for Entrepreneurship, SMEs and Local Development, World Bank, and the European Commission. She is the author of several books, book chapters and articles published on different journals: Journal of Cultural Heritage, Journal of Cultural Economics, Journal of Economics Behaviour and Organisations, Creativity and Innovation Management, etc.

To my best partnership achievements ever, Madeleine and Henri.

Dr. Elmar D. Konrad has been Professor in Entrepreneurship and director of the iuh – Institut für unternehmerisches Handeln (Institute for Entrepreneurship) at the University of Applied Sciences Mainz (Germany) since September 2010. From 2007 to 2010 he was the Director of the Department of Cultural Business and Creative Industries at the Technical University in Dortmund. His research focus and publication activities concern with cultural entrepreneurship and core competences in the creative industries. He initiated and led the research group cultural entrepreneurship within the FGF e.V., the community of German speaking entrepreneurship researches and entrepreneurship chairs/institutes (www.fgf-ev.de). Elmar is also editor of the Kohlhammer Book Series 'Kreativwirtschaft' (Creative Industries). Since 2017 he is also a board member of the DENKFABRIK – Gründerhochschulen, an association of 25 German universities.

To my best academic inspirations, Achim and Jörg.

A special thanks to Nicole McNeilly for her valuable suggestions and revision of the English text.

why collaborate in the cultural and creative sectors?

an introduction

Dr Marilena Vecco und Dr Elmar D. Konrad

To what extent should we work in partnerships? How can we make collaborations and partnerships work? How can we move beyond the collaboration paradox?

> '... we are swiftly moving at present from an era when business was our culture into an era when culture will be our business.' – Marshall McLuhan

These seem to be the main contemporary dilemmas faced by players in the cultural and creative sector (CCS). In the past few years and in the context of increasing public subsidy cuts (a traditional backbone of cultural funding) and privatisation in the CCS, we have seen a growth in the use of partnerships to better serve the cultural public. This growth affects not just the quantity of existing partnerships and collaborations, but it also refers to their quality and variety in terms of scale (regional, national, and international) and sectorial patterns (inter-, trans-, and cross disciplinary). This has been accompanied by changing physical and geographical boundaries (for example, an expanding 'Europe' met with Brexit). Although the results of this differ across Europe, one shared feature is the special focus on the national and international scope, scale, and effectiveness of new partnerships and collaborations.

In this context, then, we ask if and to what extent austerity has increased the number (and quality) of European partnerships? Are the partnerships established in this context of austerity different from those established in the past? Do their motivations differ? What made them work 25 years ago, what makes them work today, and how will they work in the future?

The partnership dilemma Nowadays, cultural and creative organisations and workers face the dilemma of how much they should work in partnership to fulfil their mission. This is a critical question that should shape how we accept or limit partnerships and collaborations. On the one hand, we see the overcrowding and proliferation of partnership, and on the other, political initiatives at a European level promote (or even require) partnership development and diffusion. Furthermore, it becomes harder to guarantee successful collaborations and new activity, because ever more potential collaborators are wrought into partnership agreements and face capacity and resource restrictions. The capacity challenge of the CCS works as a natural selection criterion, which in many circumstances can lead to an adaptive and proactive attitude.

Partnerships – an interchangeable term – are being formed to deliver the results that individual members can't achieve on their own. One key ingredient for the success of many such endeavours is trust – trust in individuals and in the partner organisation itself. Trust is an intangible asset fundamental to the formation of any kind of relationship and it helps ensure stability over time.

Connecting and developing relationships is an inherent part of the cultural sector because of the nature of cultural goods and services and how they are produced and consumed. These goods and services are idiosyncratic and require some elements such as a specific space, time, and people in order 'to happen'. They also consist primarily of networking, search, credence, and experience goods, which means that consumers have to spend time to search for, trust, and experience these goods and services.

Cultural organisations are creating temporary phenomena with deep roots and complex enabling knowledge transfer and exchange, which reflects both Bachmann et al.'s assumption that 'an overall ecosystem is viewed as a pattern of coordination amongst all the lives within it'[1] and Crossick's argument that 'the

[1] *Cultural Value Networks (Bachmann et al., 2012, p. 5)*

need is for a system to create spaces in which something can happen'.[2]

Networks are embedded into the cultural sector. For example, Becker described the art world as 'the network of people whose cooperative activity, organised via their joint knowledge of conventional means of doing things, produce(s) the kind of art works that the art world is noted for'[3]. He proposed a collaborative view of picture-making in the art sector that we can easily extend to the cultural and creative sectors tout court.

> **Establishing relationships and networking is one of the raison d'être within the cultural sector.**

The cultural sector as an ecosystem

Some authors have discussed the concept of culture as an ecosystem.[4] We want to emphasise that the relationship between social and cultural structures and economic behaviour is not unidirectional. The relationships that constitute a given network are endogenous and influenced by social, cultural, and economic behaviour. The symbiotic relationship between social and cultural structures on the one hand,

2　*Knowledge Transfer Without Widgets: The Challenge of the Creative Economy (Crossick, 2006, p. 17)*

3　*Art Worlds (Becker, 1982, p. xxiv)*

4　*California's Arts and Cultural Ecology (Markussen et al., 2011), The Ecology of Culture (Holden, 2015)*

5　*Balancing Act: Learning from Organizing – Practices in Cultural Industries (Lampel, Lant, and Shamsie, 2000)*

and economic behaviour on the other one, may complicate the analysis of networks and partnerships in the cultural sector as different metrics are used across these dimensions.

From an economic perspective, the production, exchange, and consumption of goods and services takes place in social settings where the nature and features of relationships and interactions affect and at the same time are affected by economic activity. Other dimensions (such as social and cultural) also influence these relationships and interactions. Therefore, we must understand that these relationships are multi-dimensional, shaped and led by different values. It is simple but important to consider the values each partner considers relevant and appropriate to achieve their mission.

> **What value do we want to realise?**

Collaborations in the cultural sector

This is particularly true in the CCS, where organisations and workers experience different tensions in their everyday activities.[5] In an unstable

and uncertain environment in which the law of 'nobody knows'[6] dominates, organisations and workers must define specific strategies to survive and thrive.

> **Sometimes, it is difficult to align the values or define a trade-off between the values of each partner and of each dimension as they can refer to different objectives and have different scales of measurement.**

Changes to cultural consumption patterns resulting from newly available technologies and social media require new approaches to methods of facilitation, production, promotion, and dissemination. Although cooperation and collaboration are far from being new concepts in the CCS, never has the need to cooperate and collaborate been so clear and so relevant. Faced with the limitations resulting from reductions in traditional subsidies, with the pressure to be more efficient and entrepreneurial comes the imperative to create new types of collaborations. Examples in this context are the institutional partnerships formed during the process of bidding for and winning the European Capital of Culture, like RUHR.2010, or project

based collaborations of cultural and creative small enterprises inside creative hotspots like Creative Quarter Nottingham.

> **Although cooperation and collaboration are far from being new concepts in the cultural sector, never before has the imperative to cooperate and collaborate been so clear and so urgent.**

Collaborations do not represent one aspect of the organisation's activities, rather they are part of a complex net of relationships and activities. Collaborations can be considered as a process. This process is characterised by a sort of continuum, which begins with traditional operation to join efforts and resources to achieve a shared goal, moves to coordination, then to collaboration and finally attain coadunation.[7]

Over the last five to ten years, the CCS has become increasingly important and grown continually above expectations. The companies and businesses founded in these economic sectors provide new jobs and thus increase the added value for the collective good of the city, the region or the entire national economy. In addition, they contribute indirectly to the crea-

6　*Creative Industries: Contracts between Art and Commerce (Caves, 2000)*

7　*Utilising Collaboration Theory to Evaluate Strategic Alliance (Gajda, 2004)*

[8] *Unlocking the Potential of Cultural and Creative Industries (European Commission, 2010), Power, D. (2011). Priority Sector Report: Creative and Cultural Industries (Powel, 2011), German Artists between Bohemian Idealism and Entrepreneurship Dynamics: Reflections on Cultural Entrepreneurship and the Need for Start-up Management (Hausmann, 2010)*

[9] *Existenzgründung in Kultur- und Medienberufen (Kräuter, 2002)*

[10] *Structural Embeddedness and the Liability of Newness Among Non Profit Organizations (Hager, Galskiewicz and Larson, 2004)*

[11] *Firm Networks: External Relationships as Sources for the Growth and Competitiveness of Entrepreneurial Firms (Lechner and Dowling, 2003)*

[12] *The Cultural Entrepreneur and the Creative Industries (Swedberg, 2006), Im Spannungsfeld zwischen künstlerischem Schaffen und Unternehmertum: Künstler als Gründer (Hausmann, 2007)*

tion of an innovative and creative environment. Apart from many soft factors, they also support the settlement of new industries as well as the acquisition and retention of innovative and well-trained personnel.[8] Besides the big public cultural institutions of a community or region, smaller organisations operating in parallel – both commercial and non-profit – play a major role. Such small or very small businesses are usually run and managed by the founders and/ or people involved in the founding process.[9]

The chief obstacles met when trying to establish a new business can be classified under 'liability of newness' and 'liability of smallness'.[10]

> **The central challenge for start-ups is to find external partners in the cultural sector to establish and maintain a long-lasting network.**

According to findings from entrepreneurship research, start-ups have to skilfully establish their networks and maintain their business relationships to strengthen their reputation, and to have access to information, financial means, and other resources.[11]

Entrepreneurship research into the early stage formation of cultural and creative businesses has mainly focused on the cultural entrepreneur, as well as artists and freelancers.[12] Only recently have discussions amongst academics and professionals on the current models of governance and management in the CCS started to suggest additional research needs. Firstly, there is a need to critically consider existing models and modes of collaborations between different players of the cultural field and its broader environment.[13] Secondly, we must rethink the process leading to different forms of cooperation, partnership, and networking amongst cultural players or with related sectors in a network or cluster perspective.[14] Thirdly, it is necessary to create balanced legal solutions, including in partnership with industry and consumer groups, which will support and meet the interests of small to medium enterprises (SMEs), micro-enterprises, creators, rights holders, and rights users.[15]

Enhance, support and diversify partnership working in the cultural and creative sectors

Furthermore, there is an explicit call to enhance, support, and diversify partnership working in the cultural sectors in multiple documents issued by various policy bodies of the European Union.[16] The main objective is to develop cross-sectorial relationships not only in the cultural field but also with other public and private actors coming from related sectors, and with citizens and local communities.

How can partnerships in the CCS be sustainable and successful? How can cultural and creative organisations overcome the partnership dilemma we introduce above?

To understand why and how relationships and networks form, evolve, interact, and become sustainable requires an investigation into their opportunities, potential, and results, with reference to the different partners involved and to their impact on the cultural, social, and economic environment.

[13] *Renewal of Territorial Governance Through Cultural Events: Case Study of the Picasso-Aix 2009 Cultural Season (Arnaud, Soldo and Keramidas, 2012)*

[14] *The Regional Development Platform and 'Related Variety': Some Evidence from Art and Food in Tuscany (Lazzeretti et al., 2010)*

[15] *Report on a Coherent EU Policy for Cultural and Creative Industries (European Parliament, 2016)*

[16] *Council Conclusions on the Contribution of Culture to the Implementation of the Europe 2020 Strategy (Council of Europe, 2011), Conclusions on Cultural Heritage as a Strategic Resource for a Sustainable Europe (Council of the European Union, 2014), Getting Cultural Heritage to Work for Europe (European Commission, 2015)*

how and why did it start?

'We live in a time when no organization can succeed on its own ... As we look around us in a new century, we realise that businesses and non-profits in today's interconnected world will neither thrive nor survive with visions confined within the walls of their own organizations. They need to look beyond the walls and find partners who can help achieve greater results and build the vital communities to meet challenges ahead'[17] – According to the Hesselbein and Whitehead, there is an ever increasing need for individuals and organizations to come together to address the most challenging issues of our time.

Formation of inter-organisational collaborations The creation of strategic inter-organisational collaborations (IOCs) has been studied from different theoretical perspectives. Some of the antecedents for the formation of inter-organisational collaborations are listed below:

> **'What makes networking work is that it sets up win-win situations in which all parties involved get to take something home. Networking is a sharing process. Until you understand that, you won't have much of a network.' – Earl G. Graves, Sr.**

[17] *The Collaborative Challenge: How Nonprofits and Businesses Succeed Through Strategic Alliances (Hesselbein and Whitehead, 2000)*

Antecedents for the formation of inter-organisational collaborations[18]

[18] *Adapted from: Strategic Alliances – A Review of the State of the Art (Keil, 2000, p. 4)*

Theory field	Antecedents of inter-organisational collaborations formation
Industrial economics	Production costs, such as economies of specialisation and experience, economies of scale, or economies of scope
Organisational economics	Governance cost determined by asset specificity, uncertainty, frequency, measurability, control, and risk aversion
Organisational perspective	Degree of differentiation between units, complementarity of units, interdependence, number of units to be coordinated, complexity of interdependent activities, asymmetry of resources controlled, and flexibility
Resource dependence views	Types of dependence, breadth of collaboration, and type of interdependence
Neo-institutional views	Legitimisation and institutional embeddedness
Organisational sociology	Social and cultural embeddedness
Social network theory	Network positions, such as centrality, structural equivalence, and network structure
Industrial marketing	Social exchange and dynamics in networks, and entrepreneurship
Negotiation analysis	Structures of games, Pareto-efficiency, fairness, and process of negotiation
Historical and evolutionary approaches	Technology, related costs, and knowledge transfer and related learning problems
Economic policy and economic law	Externalities
Population ecology	Economic effectiveness and efficiency, and legitimation
Radical and Marxist studies	Class dominance

[19] *Collaborative Advantage: Successful Partnerships Manage Their Relationship, Not Just the Deal (Kanter, 1994), Toward a Comprehensive Theory of Collaboration (Wood and Gray, 1991)*

[20] *Museum and Theatre Networks in Italy: Determinants and Typology (Bagdadli, 2003), How the Arts Can Prosper Through Strategic Collaborations (Schedd and Kotler, 1999)*

[21] *Authors' own elaboration*

One of the main objectives for starting collaborations or any kind of IOC is to reduce the uncertainty of the business environment. Scholars have identified different types of relationships that entail different levels of stakeholder involvement and have the potential to yield different advantages.[19]

> **In a market characterised by uncertainty with many competitors, or in a market in its emergent stage, organisations tend to have a high propensity to start-up collaborations.**

From a business perspective, there are multiple factors that support the long-term sustainability of IOCs: the size of the firm, age in terms of life cycle of the firm, competitive position, product/service diversity, financial resources, and network embeddedness. Young firms tend to partner to create legitimacy, to share investment costs and 'risks' (e.g. a new innovative theatre performance) and enlarge their market share.

Previous literature on cultural organisations had identified two macro-areas for potential cooperation: the artistic and the administrative area.[20] The variety of motives and drivers to enter into an IOC are enacted at three distinc-

Groups of motives and drivers for IOC formation[21]
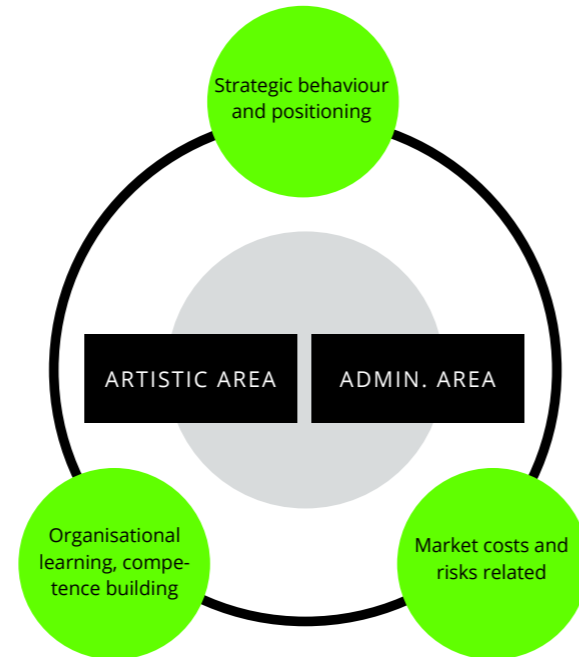
tive levels – strategic behaviour and positioning, organisational learning and competence building, and market costs and related risks – and may be applied to both these areas.

> **IOCs help organisations to achieve what they are not able to achieve on their own.**

Successful IOCs are supposed to create or 'add' value to the partnership as a whole, the partners individually, and their customers.[22] Different kinds of value can be created according the mission of the partners involved. In the CCS, although financial sustainability is addressed just like in other economic sectors, the primary objective is (usually) to create cultural

Cultural values and social values

and social values.[23] A different way to look at the creation of value in an IOC is to consider collaboration as a means to reduce competitors' added value.[24]

Motives of inter-organisational collaborations in the cultural sector The most frequent motivation for entering an IOC, referring to economic and organisational efficiency, is cost saving (access to common resources, sharing of market penetration efforts, cost sharing, and economies of scale). Specifically, cost savings concern production and transaction costs. In this vein, we have to mention that another key motivation to start an IOC is represented by the availability of complementary resources. The partner organisations decide to join efforts and resources to achieve something that was not possible individually. In this sense, according to resource-based theories of

strategic management, the development of a collaboration may be considered as a natural response to selection pressure from the external environment. Conversely, organisations decide to enter into IOCs to capitalise on their assets and to grow and generate added value for their business.

The learning organisational arguments for developing IOCs can be seen throughout all levels of an organisation: technology, skills, and competences. IOCs can be considered as a good means to transfer tacit knowledge and contribute to improving knowledge management practices. This is particularly true in the case of organisations characterised by high levels of innovation and creativity, like cultural ones. Moreover, and perhaps most importantly, collaborations can be assumed as effective structures in which to develop new knowledge based on the interactions between two or more partners.

Collaborations as means to exchange existing and create new knowledge

Finally, strategic behaviour and positioning can be an effective way to reduce competitive uncertainty and pressure in a specific environment. Partners may decide to join as a result of processes of isomorphism.[25] A sort of natural selection or mutual assistance based on organi-

[22] *Alliance Advantage: The Art of Creating Value Through Partnering (Doz and Hamel, 1998)*

[23] *The Value of Culture (Klamer, 1996)*

[24] *Collaborative Advantage of Strategic Alliances: Value Creation in the Value Net (Teng, 2003)*

[25] *The Iron Cage Revised: Institutional Isomorphism and Collective Rationality (Di Maggio and Powell, 1991)*

[26] *Determinants of Inter-organizational Relationships: Integration and Future Directions (Olivier,1990)*

[27] *Utilizing Collaboration Theory to Evaluate Strategic Alliances (Gajda, 2004)*

[28] *Authors' own elaboration*

sational conditions such as similarly in different forms (base values, product, governance, market power, and geographic proximity, reciprocity or the pre-existence of social relation)[26] facilitates cooperative relations among cultural organisations. At the same time, this can be a good way to reinforce the reputation of the organisations and strengthen their legitimacy.

Within the cultural sector, the concept of collaboration can be categorised according to different criteria. The table below summarises the levels of synergy, the main forms of IOCs,

The IOCs cube [28]
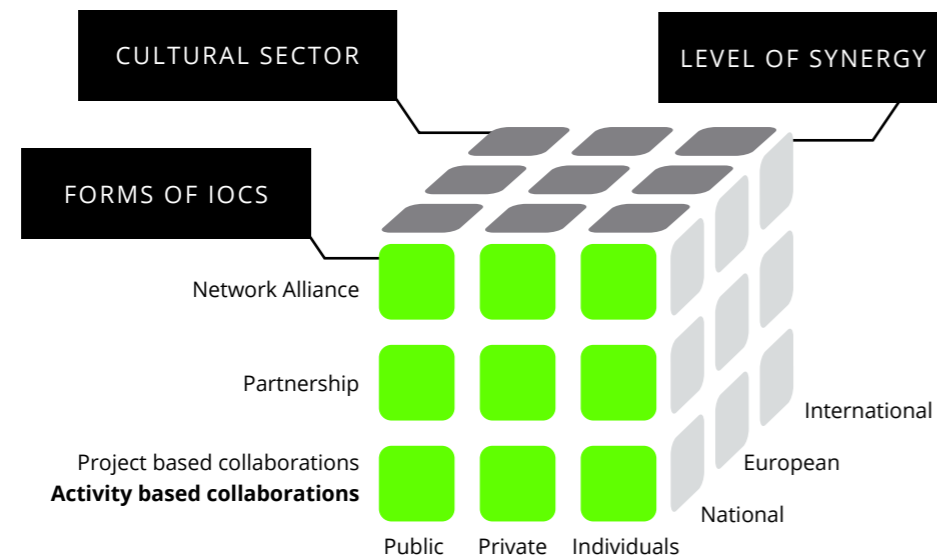
and the actors that may be involved in the CCS. If we want to deploy the continuum of the development collaboration[27] in a tridimensional space, we can use two other dimensions, namely level of synergies and the typology of players involved.

From a theoretical perspective, the continuum of collaboration is applied to different forms of IOCs: networks, alliances, partnerships, and project- and activity-based collaborations. These forms of IOCs refer to the different levels of engagement, formal structure, and scope that collaborations can have in the CCS (see

Different level of synergies

CULTURAL SECTOR
LEVEL OF SYNERGY
FORMS OF IOCS
Network Alliance
Partnership
Project based collaborations
Activity based collaborations
International
European
National
Public Private Individuals

values and de-values of partnering). We can identify difference active entities in the public cultural sector, in the private cultural business sector (including profit and non-profit organisations), and individuals (creative workers, artists, etc.). They are acting and interacting in the same ecosystem so we must systematically look at them and at the CCS.

IOCs can be made between organisations and persons from the public, commercial, or non-profit sectors. A systemic perspective is necessary if a partnership has to be created between an organisation(s) in public cultural sector or between a new venture and established company in the creative industries, or in a mixed cross-sector form.[29] The public sector acts to

meet the needs, general welfare, and interests of its constituents by supporting other sectors and by setting policy and legal parameters.[30] The private or corporate sector includes corporations, financial institutions, or businesses whose primary goal is to maximize economic returns. The private sector creates employment opportunities and also provides resources and know-how, but profits are distributed to owners or stakeholders.[31] The public cultural sector is supported by taxation rather than through voluntary market exchange[32] and exhibits different levels of publicness.[33] The motives, strategies, and formal tools are therefore, in each collaborative context, very different – and sometimes not compatible.[34] Several words such as alliances, networks,

[29] *Cross-Sector Partnerships to Address Social Issues: Challenges to Theory and Practice (Selsky and Parker, 2005)*

[30] *Factors That Inhibit Partnering for social Start-Up Enterprises (Maase and Bossink, 2010)*

[31] *Strategic Collaboration Between Non-Profits and Businesses (Austin, 2000)*

[32] *Toward an Understanding of Types of Public-Private Cooperation (Schaeffer and Loveridge, 2002)*

[33] *The 'Publicness Puzzle' in Organisation Theory: A Test of Alternative Explanations of Differences between Public and Private Organisations (Bozeman and Bretschneider, 1994)*

[34] *Entrepreneurial Firms in Search Established Partners: Review and Recommendations (Das and He, 2006)*

Section conclusion:

Economic motives of IOCs

Knowledge and technology development and transfer, costs and risk reduction (research, production, distribution, economies of scale), low-cost sourcing, market power (market penetration, national and international expansion, maintaining position in an existing market), learning organisational process in the economic sphere, development of new activities which can generate new income

Artistic/cultural motives of IOCs:

Production diversification, test of new innovative techniques and methods, diversification and outreach of new public segments, involvement of different stakeholders, gain of cultural legitimisation and reputation, higher visibility on the communication channels of the partners involved, generating increased stakeholders trust, awareness raising of the cultural sector values

what kind of inter-organisational collaborations do we know about?

[35] Complications: On Collaboration, Agency and Contemporary Art (Lind, 2009)

partnerships, etc. are utilised synonymously and interchangeably. If only for the purposes of clarity in this publication, we want to clarify this concept and reduce its ambiguity. The literature offers us some guidance.

> 'The twenty-first century will require a re-affirmation and re-definition of our alliances and international organisations.' – Chuck Hagel

The concept of IOC may include a range from the informal (artist groups to friend circles) to the formal (partnerships and associations) and include terms such as co-operation, interaction, alliance, participation, and collective action. The lines between the terms are blurred, and they are often used synonymously despite entailing different connotations.[35] A feature of research in IOCs is the wide variety of disciplines, research paradigms, theoretical perspectives, and sectorial foci from which this topic is analysed.

There is no commonly accepted definition of IOCs and those circulating in the literature are vast. The basic terminology is subject to multiple interpretations and there seems to be limited agreement over the usage of the various terms described above.[36] IOCs however, share the feature that they are developed to lead organisations towards advantageous outcomes of many types, fuelled by a variety of motivations.

The proliferation of terms used to describe IOCs can be perceived as a fragmentation of the literature. Oliver comments: 'we no longer know what we know about the formation of inter-organisational relationships.'[37] Scholars investigating the field have approached IOCs from different perspectives, among others viewing it as strategic, economic, business, or organisational phenomenon.[38]

Collaboration as a process

In order to include the widest possible approaches while at the same time making a distinction from other collective constellations, we decide to adopt the following definition developed by Darnell et al.:

'Inter-organisational collaboration is the process of forming a relationship between two or more organisations to pursue a common goal, with the aim of combining resources in a way that brings about change that the organisations could not have accomplished separately'.[39]

Through an organisational lens, this definition conceptualises IOC as a process of change-oriented horizontal relationships between two or more parties, who previously worked separately. The overall objective is to combine diverse resources to pursue common goals and achieve additional mutual benefits, and to create an entity (formal or informal) leading to greater organisational impact on the external dimension than could be achieved by working separately.[40] In her pioneering article, Kanter proposed a framework to understand the development of collaborative organisations to which partnerships belong.[41] She described several types of arrangements among firms as part of a continuum from weak and distant to strong and close. Likewise, Gajda frames relationships across what she refers to as 'a continuum of integration'.[42]

The starting point of this continuum is represented by 'cooperation', characterised by a low level of formal integration in which independent groups share information that supports each other's organisational outcomes. Next, we have coordination, which implies that independent parties align activities

[36] Theorizing Collaboration Practice (Huxham, 2003)

[37] Determinants of Inter-organizational Relationships: Integration and Future Directions (Oliver, 1990, p. 241)

[38] Inter-Organisational Collaboration and the Dynamics of Institutional Fields (Phillips et al., 2000), Toward a Comprehensive Theory of Collaboration (Wood and Gray, 1991)

[39] Testing Effects of Community Collaboration on Rates of Low Infant Birthweight at the County Level (Darnell et al., 2013)

[40] Collaborating: Finding Common Ground for Multiparty Problems (Gray, 1989), The Art of Managing Relationships in Inter-organisational Collaboration (Pitsis et al., 2004), Strategic Bridging: The Collaboration Between Environmentalists and Business in the Marketing of Green Products (Westley and Vredenbrug, 1991)

[41] Collaborative Advantage: Successful Partnerships Manage Their Relationship, Not Just the Deal (Kanter, 1994)

[42] Utilizing Collaboration Theory to Evaluate Strategic Alliances (Gajda, 2004)

43 Ivi, p. 69

44 Introducing Colla-
borative Advantage:
Achieving Inter-Orga-
nisational Effective-
ness Through Meta-
Strategy (Huxham and
McDonald, 1992)

45 Toward a Compre-
hensive Theory of
Collaboration (Wood
and Gray, 1991)

46 Managing to Collabo-
rate: The Theory and
Practice of Colla-
borative Advantage
(Huxham and Vangen,
2005), The Art of Ma-
naging Relationships
in Interorganizational
Collaboration (Pitsis,
et al., 2004)

47 Testing Effects of Com-
munity Collaboration
on Rates of Low Infant
Birthweight at the
County Level (Darnell
et al., 2013)

48 Strategic Alliances
and Models of Col-
laboration (Todeva
and Knoke, 2005)

or services to support mutually beneficial and compatible goals. Then we have collaboration, in which the entities renounce aspects of independence to achieve a shared goal. They implement integrated strategies and pursue collective purposes. Lastly, in the medium-long term (this is not the case for temporary partnerships based on a specific project or activity), the continuum attains coadunation: 'the complete relinquishing of autonomy of at least one of the partnering organisations in an effort to strengthen a surviving organisation'[43]. Coadunation implies that partners adopt unified and combined structures. These four steps of the continuum are characterised by an increasing level of formal integration. However, according to the temporal nature and objective of the partnership, not all steps of this continuum may be achieved. This continuum process is characterised, adopting Huxham and McDonald's concept[44,] by the creation of synergies among organisations toward the achievement of common goals, which can be considered as an added value of collaborating.

This process can be approached and segmented differently depending on the issues addressed. Our framework is built on the notions proposed by Wood and Gray.[45] We can identify three constituent elements: the structure of

the relationship through which collaboration occurs, the motivation that drives stakeholders to collaborate, including the participant's objectives and factors affecting the relationship, and finally, the outcome of the collaboration.

Focusing specifically on the cultural sector, a sector characterised by complexity and uncertainty, collaboration should not be considered a rational and linear process.[46]

> **> Collaborating is neither a rational nor a linear process.**

The population of terms emerging from here is comprehensive, and the selection of defining features and terms used for the various types inconsistent.[47] Three forms of IOC – alliances, partnerships, and networks – seek to constitute mutual benefits through collaboration rather than through competition by employing distinct structures and methods.[48] However, the term 'alliance' has to be separated from more common terminologies, networks and partnerships.

The differentiation above relates to the legal frame of each form, and thus reflects only one common approach to each form among

Networks, partnerships and alliances

existing classifications. Networks are composed of links between a number of organisations through a set of social, professional, and exchange relationships[49], and are designed for enduring, long-term collaboration rather than the realisation of a specific project or activity.[50]

Actors in a partnership, on the other hand, agree on an ownership agreement, in which assets contributed and acquired pass into the property belonging to the partnership.[51]

Different from partnerships, members of an alliance remain autonomous. Autonomy is crucial in understanding alliances because stakeholders maintain their independent decision-making capacity throughout the collaboration.[52] In an alliance as an IOC, parties remain legally independent entities after formation while benefits and bureaucratic control are usually shared, and both parties commit to continuous contributions to a strategic area.
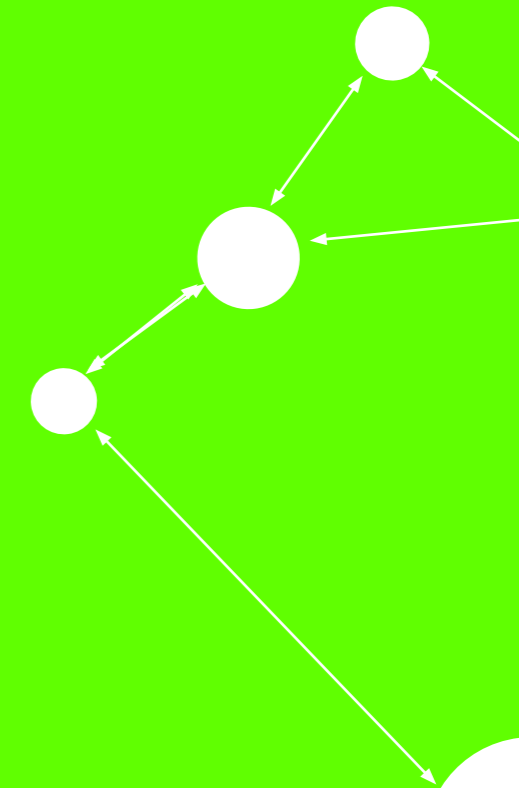
49 Economic Action and
Social Structure: The
Problem of Embed-
dedness (Granovetter,
2005)

50 Strategic Networks
(Gulati, Nohria and
Zaheer, 2000)

51 Handbook of Strategic
Alliances (Shenkar and
Reuer, 2006)

52 Toward a Compre-
hensive Theory of
Collaboration (Wood
and Gray, 1991)

> **> The uniformly used frame of alliance does not exist. Common classification schemes have related distinguishing elements to activity domain, legal form, organisational design or relationship characteristics.**

The phases of the collaboration process[53]

Level of integration/ Form	Motive	Strategies and tasks	Leadership and decision-making	Interpersonal and communication
Networking	· Create a web of communication · Identify and create a base of support · Explore interests	· Loose or no structure · Flexible, roles not defined	· Non-hierarchical · Flexible · Minimal or no group decision-making	· Very little possibility of interpersonal conflict · Communication among all members infrequent or absent
Cooperating	· Work together to ensure tasks are done · Leverage or raise money · Identify mutual need, but maintain separate identities	· Member links are advisory · Minimal structure · Some strategies and tasks identified	· Non-hierarchical, decisions tend to be low stakes · Facilitative leaders, usually voluntary · Several people form 'go-to' hub	· Some degree of personal commitment and investment · Minimal interpersonal conflict · Communication among members clear, but may be informal
Partnering	· Share resources to address common issues · Organisations remain autonomous but support something new · To reach mutual goals together	· Strategies and tasks are developed and maintained · Central body of people · Central body of people have specific tasks	· Autonomous leadership · Alliance members share equally in the decision-making · Decision-making mechanisms are in place	· Some interpersonal conflict possible · Communication system and formal information channels developed · Evidence of problem solving and productivity

Level of integration/ Form	Motive	Strategies and tasks	Leadership and decision-making	Interpersonal and communication
Merging	· Merge resources to create or support something new · Extract money from existing systems/members · Commitment for a long period to achieve short and long-term outcomes	· Formal structure to support strategies and tasks is apparent · Specific and complex strategies and tasks identified · Committees and sub-committees frequently formed	· Strong, visible leadership · Sharing and delegation of roles and responsibilities · Leadership capitalises upon diversity and organisational strengths	· High degree of commitment and investment · Possibility of interpersonal conflict high · Communication is clear, frequent and prioritized · Good degree of problem solving and productivity
Unifying	· Unification or acquisition to form single structure · Relinquishment of autonomy to support surviving organisation	· Highly formal, legally complex · Permanent re-organisation of strategies and tasks	· Central typically hierarchical leadership · Leadership capitalises upon diversity and organisational strengths	· Possibility of interpersonal conflict very high · Communication is clear, frequent, prioritised, formal, and informal

Section conclusion:

Inter-organisational collaborations are processes of forming a relationship between two or more organisations to pursue common goals and achieve mutual benefits by combining diverse resources, and to create an entity of a wider internal and external organisational impact rather than could be achieved when working separately.

values and de-va- lues of partnering

The objective of each partnership is to achieve something that could not be attained by any of the organisations acting alone. Moreover, this 'something' should result in an output that is more than the simple sum of the efforts and assets of each organisation involved in the partnership/collaboration. The partners decide to establish a partnership as they recognise some advantages (values).

[54] Peter Drucker on the Profession of Management (Drucker, 1998, p. 11)

[55] Introducing Collaborative Advantage: Achieving Inter-Organisational Effectiveness Through Meta-Strategy (Huxham and Mac-Donald, 1992, p. 51)

> In the extant literature on IOC, a lot of attention has been paid to competitive and comparative advantage, which are related to the use and maximisation of capital and labour, while less attention has been paid to the collaborative advantage, which is related to knowledge-based activities.

The role of knowledge as competitive advantage Nowadays, knowledge and knowledge-centred practices become more relevant as they can make the difference in terms of organisational performance: 'To remain competitive – maybe even to survive – businesses will have to convert themselves into organizations of knowledgeable specialists'[54].

> Nowadays, knowledge is becoming the most important asset for an organisation.

Collaborative advantage is different from competitive advantage, and can be understood as 'managing the balance between the pitfalls that may occur through an organization acting individually and those which may occur through the very act of collaboration'[55].

Advantages of partnering[56]

[56] Authors' own elaboration

COMPETITIVE ADVANTAGE

COMPARATIVE ADVANTAGE

COLLABORATIVE ADVANTAGE
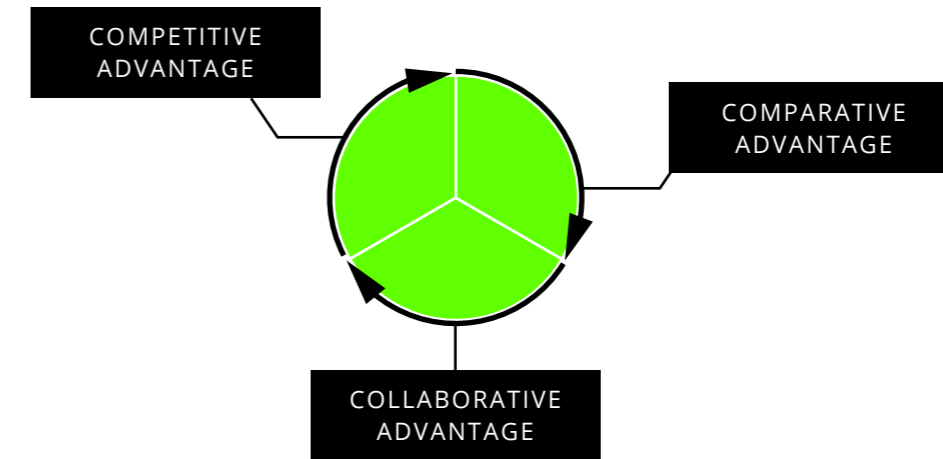
Each phase of the partnership process life cycle is characterised by a series of trade-offs, which are fundamental as they influence the form, content, and performance of the partnership. We speculate that these trade-offs can be considered as metrics to outline the shifting of resources away from capital and labour towards knowledge-based economic activities. They are relevant as they have to be taken into account to strategically decide whether, with whom, and to what extent to partner.

Specifically, in the CCS, collaborative advantage (as transfer and exchange of knowledge, and creation of new knowledge) is fundamental. This is the raison d'être of cultural organisations. Through partnerships, cultural organisations and other cultural players can develop new ideas, new projects to investigate new cultural trends and patterns, to question the audience, and to create awareness on topical themes.

The trade-offs of partnering[57]

TRADE-OFFS
OF
PARTNERING

- Diversity vs Continuity
- Motivation vs Control
- Competition vs Cooperation
- Change vs Continuity
- Exploration vs Exploitation
- Localisation vs Globalisation
- Homogenity vs Heterogenity

Trade-offs of partnering

> **> There is no perfect formula to a successful partnership.**

As we can see, there are multiple and varied trade-offs of partnering and in themselves, these refer to different dimensions of the organisation which may change over time and according to the business environmental condi-tions. All these trade-offs imply advantages (values) and disad-vantages (de-values) for the partners according to their mission, goals, and the partnership purpose. They should be accurately revised to get a good balance. This implies that there is no perfect formula for a successful partnership. Rather, it depends on the exogenous features of the environment, on the one hand, and on the endogenous features of the organisation and its mission and vision, on the other.

So far, we assumed that the tale of partnering is a positive one, but in reality, in the cultural sector and in all other sectors, we can quote numerous examples of partnership failures. Partnership can as easily be a tale of disadvan-tage for the parties involved. It can happen that when the expected advantages are not concre-tised and achieved, the collaborative advantage sought by the partners turns into collaborative inertia.[58]

Collaborative inertia Collaborative inertia means that IOCs do not move forward, leading to frustration. In this context, the rate of output is slow, and even successful outcomes involve organisational stress and a worsening of the partners' relationships. We can say that to col-laborate is 'the hardest part of the job'. If syn-ergy is lacking among partners, however, it may still be possible to achieve the stated shared objectives. Nonetheless, the question remains about the quality of the outcome and the incen-tive to continue to work together and develop new IOCs. The expectations set at the very beginning of the partnership have to be met to the greatest possible extent. This collaborative energy can inspire. It represents a stimulus to continue and to expand, and to consolidate the trust of the collaboration. Absence of or limited trust will lead to failure of an IOC.

Collaborative energy as a source of inspiration for the partnership

According to Hux-ham and Vangen, there are different areas recognised as causing anxiety and reward. If not managed well, this can lead to collaborative inertia. They identify seven factors that cause collaborative inertia:[59]

- Difficulties in negotiating joint purpose be-cause of the diversity of organisational and individual aims which those involved bring to the relationship,
- Difficulties in communicating because of differences in professional (and sometimes natural) languages and organisational cultures,
- Difficulties in developing joint operating models given that stakeholders are likely to operate quite different internal procedures from the other,
- Difficulties in managing the perceived power imbalances between stakeholders and the associated problem of building trust,
- Difficulties in managing the accountability of the venture to each of the stakeholder organisations and to the other constituen-cies while...
- Maintaining a sufficient degree of autono-my to allow the work to proceed, and
- Difficulties with the sheer logistics of work-ing with others who are based in physically remote locations.

Section conclusion:

Inter-organisational collaborations can be characterised by different values and de-values simultaneously or in different moments of the IOC's cycle of life. Therefore, monitoring the progress of an IOC is fundamental to assure smooth and sustainable development, which may lead to the development of new IOCs, as a consequence of the network effect.

how can we organise it?

[60] *Strategic Restructuring: Findings from a Study of Integration and Alliances Among Non-Profit Social Service and Cultural Organizations in the United States (Kohm, La Piana, and Gowdy, 2000)*

[61] *Entrepreneurial Firms in Search Established Partners: Review and Recommendations (Das and He, 2006)*

[62] *Collaborative Advantage: Successful Partnerships Manage Their Relationships, Not Just the Deal (Kanter, 1994)*

[63] *Determinants of Organisational Creativity: A Literature Review (Andriopoulos, 2001; Roffe, 1999)*

[64] *An Interactive Model New Venture Creation (Greenberger and Sexton, 1988)*

[65] *The Creative Entrepreneur: A Study of the Entrepreneur's Creative Processes (Beattie, 1999)*

People live and act in networks and collaborations. They are inspired to start the process of collaboration, building up to a partnership structure and process. The present chapter describes the 'how' of partnering by focusing on the initiation and creation process in the cultural sector.

The degree of partnership intensity ranges from loose collaboration to more formal administrative consolidation and joint programming, to complete integration through mergers or joint ventures.[60] Although the motives, the strategies, and the formal tools are in every sector very different and sometimes perhaps not compatible[61], we must keep in mind that each organisational partnership and collaboration is initiated and created by individuals.[62]

In analysing the cultural entrepreneur's creative thinking processes[63] from pre-idea stage through to the creation of the opportunity, it is recognised that there are a number of key events, strategic windows, stages, and phases that the partnership concept has to pass through. It is important to have a prepared open mind-set for the discovery process of opportunities and to understand how to turn the idea into opportunity (e.g. formal partnership). Greenberger and Sexton propose a model in which personal characteristics (including personality) interact with interpretations of salient events in the environment to influence decisions concerning new enterprise creation.[64]

The process of creation in its most simplistic is the transformation of an idea into an opportunity and the opportunity into a creation.[65] A number of stages are usually involved in the process (although there are times when some of these stages are short-circuited). In the beginning, most of the stages are influenced from within the network and potential partnership actors. They are fashioned from the experiences resulting from the actor's life path and from the social, economic and environmental backcloth[66] and cultural and creative micro-social inputs. These act as a primeval 'creative' soup, which surrounds the creative actors, cultural entrepreneurs, or decision makers, up to the time when they find network partners and make the decision to create a partnership.[67]

The process of creation, which can be described as the learning phase, requires a driving force as well as an energy source.[68] The driving force comes from the actors' intrinsic entrepreneurial motivation, dedication, commitment, and self-efficacy in their ability and in what they are doing.[69] People change through their micro-social background. This change depends at what point in the development of personal ties and interaction between people or in an informal network, the individual makes the decision to enter into the complex cross-linked creative world, as to what this action means to him or her or a social group.[70] Social pressures and circumstances change throughout one's life and environment and these are influential in terms of one's behaviour and freedom of movement.[71]

According to Beattie, there is a need to cultivate a prepared mind-set, which is a pre-requirement to the discovery of new opportunities.[72] It impinges into the individual's thought processes and provides the beginning of the discovery phase of the creative process. A prepared mind-set ensures that the seeds of ideas have at least the chance of germinating.

The pre-phase or recognition point of the partnership-building process can be considered as an entrepreneurial opportunity transformation.[73] The storage of sensory stimuli associated with thought processes is frequently subject to abstraction and modification as a function of an individual's rich and complex web of previously structured knowledge. Internal representations of reality have some similarities with the external reality in light of previous experience with events and processes. Entrepreneurship research has described this point as a triggering stage.[74] At this step, the prepared mind-set has many helpers such as insight, intuition, and perception. It uses the cognitive tools of scenarios, schemes, visualisation, rehearsal, and others to harness and focus the energy levels necessary to drive the process forward to the next phase from weak ties to building up a concrete form of collaboration.[75]

[66] *Ibidem*

[67] *The Entrepreneurship Paradigm (Bygrave, 1989)*

[68] *Collaboration Among Rural Nonprofit Organizations (Snavely and Tracy, 2000)*

[69] *How to Make Public Networks Really Work: A Qualitative Comparative Analysis (Christofoli and Markowic, 2016)*

[70] *Competition for Competence and Inter-Partner Learning Within International Strategic Alliances (Hamel, 1991)*

[71] *Toward a Conception of the Adult Life Course (Levinson, 1980)*

[72] *The Creative Entrepreneur: A Study of the Entrepreneur's Creative Processes (Beattie, 1999)*
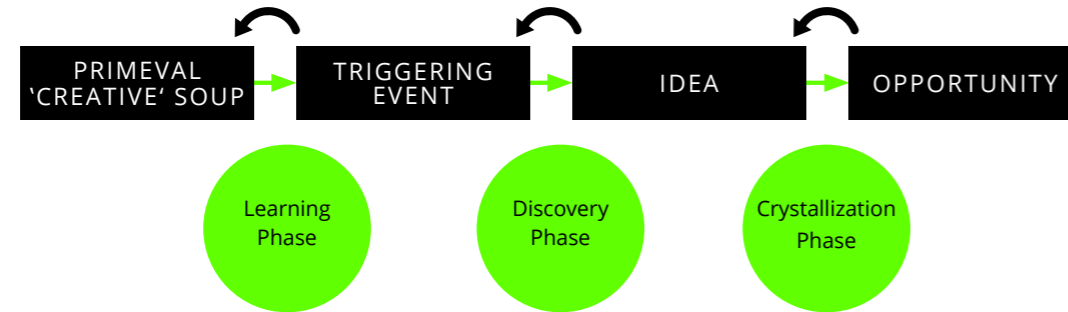
[73] *The Entrepreneurial Mind (Timmons, 1989)*

[74] *The Creative Entrepreneur: A Study of the Entrepreneur's Creative Processes (Beattie, 1999)*

[75] *The Impact of Social Structure on Economic Outcome (Granovetter, 2005)*

[76] *Authors' own elaboration inspired by Beattie, 1999*

Network actors' process in the creation of a partnership[76]

PRIMEVAL 'CREATIVE' SOUP → TRIGGERING EVENT → IDEA → OPPORTUNITY

Learning Phase   Discovery Phase   Crystallization Phase

Implementing a partnership After these more creative and informal phases, the managerial implementation phase starts. To implement a partnership is like managing a new project. Each of the various implementation phases has activities. This process starts with an initiative from an individual, group, or organisation.

1 Initiation – The initiation is linked to an individual who inspires or who makes a decision. The fate of the initiative may profit or suffer from the motives, abilities, and social position of the initiating subject of the partnership. The initiator has to articulate their idea and address it in a suitable way to the right co-collaborators. At this stage, it is necessary to identify new

opportunities and overcome barriers for the planned partnership. An initiation process concludes if an authorised person or group in an organisation decides to allocate resources for a problem-solving process, after which the next stage can start.

2 Problem definition – The definition of the problem is fundamental to the structure of the planned partnership. This stage relies on different steps, aiming to:

· identify the network or partnership system, which is responsible for the delivery of the problem or planned project;
· create a hierarchy and prioritise problems;
· identify the dynamics that led to the prob-

lem and their relationship and impact on other problems;
· structure the problem into sub-problems;
· explore resource restrictions of each partner;
· detect potential time limitations; and finally,
· construct flexibility and reversibility scenarios of the partnership solutions.

This means that all potential partners have to agree and decompose the partnership constructs into parts, or according to functions or objects, to recognise all interdependencies and interfaces. Different views on the problem can lead to divergence, which has to be acknowledged by those who act as leaders in the partnership. The direction, extent, unexpectedness, urgency, and assumed persistence of the perceived divergence in defining an approaching the problem may influence the degree to which the problem definition changes.

3 Goal formation set up – In the process of goal formation for the planned partnership, each potential partner has to think about the fulfilment of certain goals inside the partnership, which will not have a negative impact on the fulfilment of another partner's goal.[77] The goals may be shared by all partners but sometimes this goals sharing could be just partial.

Big conflicts may remain if the fulfilment of one goal leads to the likelihood of the non-fulfilment of another partnership member's goal.

4 Creation of alternatives – Sometimes, after goal formation, the planned cooperation or partnership is not realisable because of financial, personal, or technological shortages. It is necessary to brainstorm and assess alternatives. Alternatives could enable new actions or activities within the collaborative partnership to ensure the fulfilment of shared goals. An option could be to add or reduce partners to make the partnership more effective.

5 Communication – In all IOCs, communication plays a fundamental role. It is the glue for a transparent and close relationship that supports the constructive exchange of ideas, needs, and concepts. Trust and fairness is the centre of communication and information exchange inside networks and competitive partnerships.[78] Poor communication results in misunderstanding and the absence of trust and commitment in the partnership.[79]

6 Process organisation – Trust is good, control is better. How can collaboration be controlled? In a partnership, is control more important than trust? No! A functioning system

[77] *Goal Achievement, Relationship Building, and Incrementalism: The Challenges of University-Community Partnerships (Wiewel and Lieber, 1998)*

[78] *A Theory of Fairness, Competition, and Cooperation (Fehr and Schmidt, 1999)*

[79] *Fairness and Retaliation: The Economics of Reciprocity (Fehr and Gächter, 2000)*

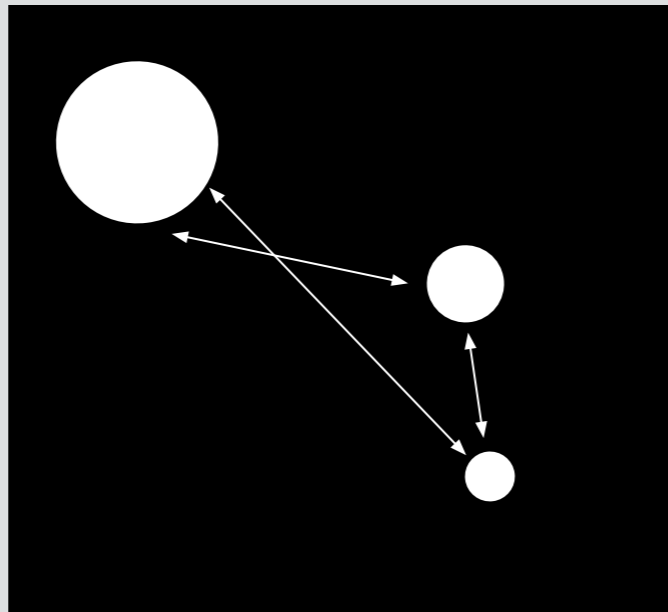80 *Making Strategic Alliances Succeed: The Importance of Trust (Ellis,1996)*

81 *Transportation: Policy-Level Partnerships and Project-based Partnerships (Dunn, 2000)*

of control is important to make the process more efficient and effective. Effectiveness and efficiency have a strong impact on trust and commitment.[80] Control activities include all network and collaborating activities (planning, allocation, time, and resources management). Control in a partnership also contrasts the high uncertainty and potential complexity of implementing new projects. Therefore, it is helpful to adjust assigned responsibilities and resources for go/kill-decision, postpone/accelerate-decision, and pass/recycle-decision. For effective partnership control, the partnership implementation process must be broken down into a predetermined set of discrete and identifiable stages. Each stage should consist of a set of prescribed, cross-functional, and parallel activities for all partnership members.

7 Assessment of success – Once the partnership has been implemented, there is the need to establish a comprehensive, and reliable performance measurement system.[81] All partnership members (and perhaps even wider stakeholders) have to think about what success looks like for the partnership. Areas could be on a micro-level (e.g. only for a single project), on a semi-micro-level (e.g. only for the partnership family) and on a macro-level (summing up of several projects). Success criteria can focus on the partnership team performance (effectiveness and efficiency – a more objective perspective) but also on the potential for future collaboration and satisfaction of partnership members (a more subjective view).

Section conclusion:

The life cycle of inter-organisational collaborations in the cultural and creative sectors should be monitored continuously, as each phase is fundamental to achieve its success as a whole.

who is leading?

One of the most important strategic tasks of any IOC is the management of the interface between the demands of the partnership's different stakeholders in relation to its strategic goals.[82] Although stakeholder management literature has developed many concepts, there is no specific approach regarding the practical implications of collaborative partnerships.

> **> In partnerships, it is important to know how collaborative organisations can manage their stakeholders to meet their strategic goals, and how to develop stakeholder management.**

The variety of stakeholders The challenge of a wide variety of stakeholder interests is especially pertinent in the complex and compounded CCS.[83] This has been noted as 'bewilderingly complex for managers'.[84] In this context, it could be helpful to use a power-interest grid to include a broad definition of stakeholders, whilst still yielding manageable numbers.[85]

Initially, the lead partnership managers should place the identified stakeholders on such a grid but without considering their location in relation to the two axes of power or interest too strictly.[86] Once participants have stopped generating contributions, they should began the process of positioning their stakeholders more precisely against the two axes in relation to their draft strategies.[87] To manage the complexity of thinking in both these dimensions, and about many stakeholders, partnership members should position each stakeholder against one dimension at a time. Participants initially tend to focus on positioning those they believed had the most power to impact the intended strategic direction at the high-power end of the horizontal power axis, followed by those with the least power at the left end. Getting these two groups positioned gives initial anchor points against which the others could be placed on the axis by considering their relative power rather than using the notion of an absolute scale.[88]

The four grid quadrants refer to four categories of stakeholder. Stakeholders in the upper two categories are those with most stake in the

82 *Strategic Management of Stakeholders: Theory and Practice (Ackermann and Eden, 2011)*

83 *How Tght Are the Ties That Bind Stakeholder Groups? (Wolfe and Putler, 2002)*

84 *Toward a Theory of Stakeholder Identification and Alience: Defining the Principle of Who and What Really Counts (Mitchell et al., 1997, p. 857)*

85 *A Stakeholder Approach to Strategic Management (Freeman and McVea, 2001)*

86 *Making Strategy: The Journey of Strategic Management (Eden and Ackermann, 1998)*

87 *The Stakeholder/ Collaborator Strategy Workshop - The Northern Ireland Case (Eden, 1996)*

88 *Identifying Who Matters: Mapping Key Players in Multiple Environments (Cummings and Doh, 2000)*

**Right positioning of stakeholders**

89 Strategic Manage-ment of Stakehol-ders: Theory and Practice (Ackermann and Eden, 2011)

partnership, but with varying degrees of power. Those to the right hand side enjoy more power to affect the partnership or a participating or-ganisation's strategies but may or may not be concerned with its activities. So called players[89] are those interested stakeholders who have a high degree of power to support – or to sabo-tage – the partnership's or a member organi-

sation's strategies. Subjects, while interested, have less influence. Potential stakeholders who have not (yet) displayed much interest in the partnership's organisation can be found in the two lower categories. Context setters may have a high degree of power over the future of the partnership in terms of influencing the future context within which its strategies will need to operate.
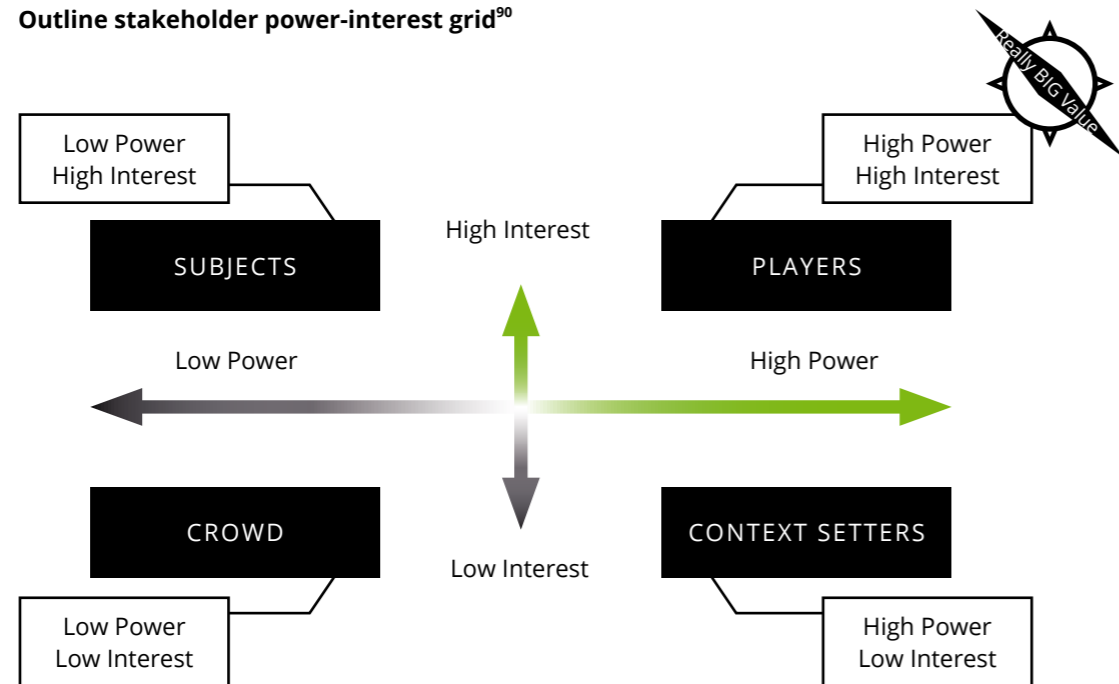
The structural form of networks

Besides these considerations (identification of the partnership stakeholders, their goals, inter-ests, and power) the initiators and partnership leaders have to manage and organise the most effective and efficient form of a collaborating network. This could be a primus inter pares or a situation where all partnership members have approximately the same ownership power. We can identify three basic network governance models:[91]

·   Shared or participant governance.
·   Lead organisation governance.
·   Network administrative organisation governance.

Each of these models differ in terms of struc-ture. They also vary in terms of types of actors involved, boundaries of the network, and pres-ence or absence of different types of links.

works or partnerships simply lack the function-ality to produce certain types of outcomes. This does not imply that certain collaborative struc-tures are inherently dysfunctional but, rather, that they should be designed and organised in ways that are best suited to achieving specific types of outcomes, tailored to their stakeholders.

This is the simplest form of a network partnership. Collabo-rative networks have a shared governance form consisting of multiple organisations that work collectively as a more informal network but with no distinct governance entity.[93] Governance relies com-pletely on and is informally split amongst the network participants or partnership members, who take all decisions and manage network activities. There is no formal administrative entity. That said, when there are more than a handful of partners, some administrative and coordination activities may be organised and performed by a subset of the full network. The strength of this model is the inclusion and involvement of all network participants, and its flexibility and responsiveness to network par-ticipant needs. Its weakness is its relative inef-ficiency. It is a model that seems best suited to small, geographically concentrated networks, where full and active face-to-face participation by network participants is possible.
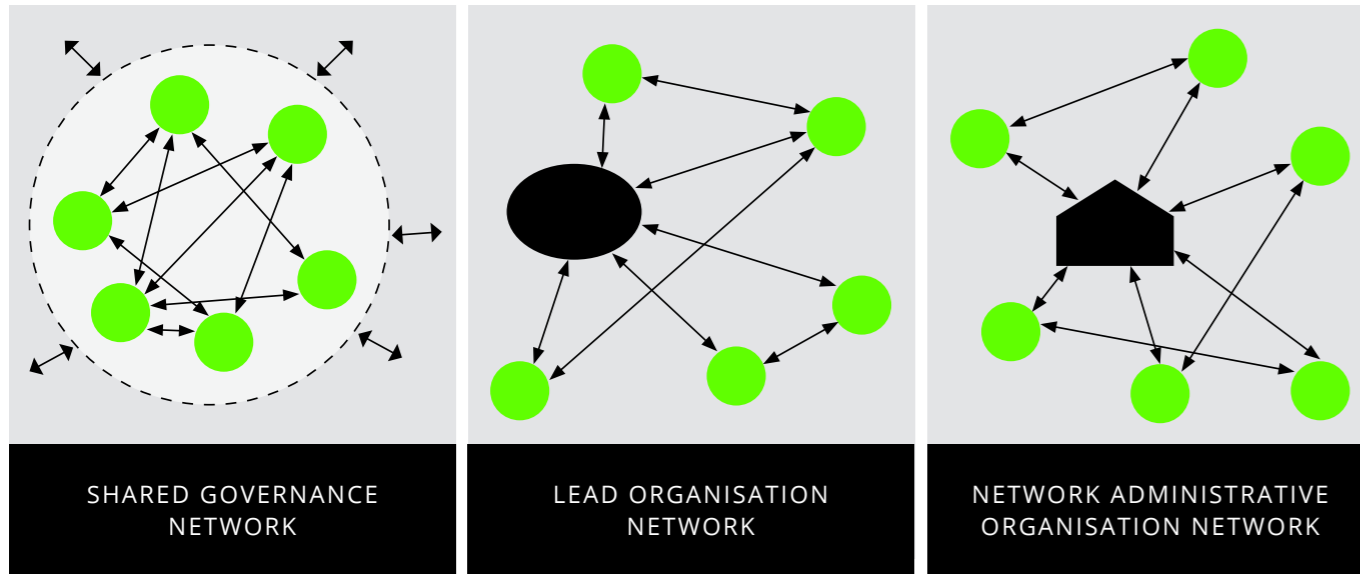
91 Towards an Exoge-nous Theory of Public Network Performance (Kenis and Provan, 2009)

92 The Social Organiza-tion of Conspiracy: Illegal Networks in the Heavy Electrical Equip-ment Industry (Baker and Faulkner, 1993),

Shared governance partnership model

Do Networks Really Work? A Framework for Evaluating Public Sector Organizational Networks (Provan and Milward, 2001), A Bird's-Eye View: Using Social Network Analysis to Improve Knowledge Creation and Sharing (Cross et al., 2002), Brokerage and Closure. An Introduction to Social Capital (Burt, 2005)

93 Informal Networks: The Company Behind the Chart (Krackhardt and Hanson, 1993)

90 Authors' own ela-boration developed from Ackermann and Eden, 2011, p. 183

Outline stakeholder power-interest grid[90]

> **> What are the consequences of the network's structural form for its potential achievements?**

It has been demonstrated that the structural form of a network has consequences for the potential network achievement.[92] Many net-

Forms of network or partnership governance[94]

SHARED GOVERNANCE
NETWORK

LEAD ORGANISATION
NETWORK

NETWORK ADMINISTRATIVE
ORGANISATION NETWORK

[94] Authors' own ela-
boration based on
Kenis and Provan,
2009, p. 447.

Lead organisation governance is common in vertical relationships in the CCS, for example, between buyers and suppliers or between funders and recipient organisations. It can also occur in horizontal multilateral cooperative networks, most often when one organisation has sufficient resources and legitimacy to play a lead role. This is a model that frequently occurs when partners share

Lead organisation partnership model

at least some common purpose (as well as maintaining individual goals). They may interact and work with one another but all activities and key-decisions are coordinated through and by one of the partnership members acting as a lead organisation. This party provides ad-ministration for the network and/or facilitates the activities of member organisations in their efforts to achieve network goals.

The functionality of this model relies on the lead agency's efficiency and legitimacy. Because of the capacity to take on the main responsibili-ties of running and coordinating partnership ac-tivities, most of the complexity and messiness inherent in a self-governed model can be avoid-ed. The importance of the lead organisation to outside parties, such as funders or powerful stakeholders, typically provides significant legit-imacy to partnership members. The weakness of this form is that the lead organisation may have its own agenda and can cause resentment and resistance by dominating other partnership participants and by steering decision-making. In addition, because the lead organisation takes on many of the activities of partnership govern-ance, network members can lose interest in shared network-level goals and focus instead on their own self-interest, undermining the viability of the network. While this model may result from a bottom-up process of network building, it may also result from government mandate, when major funding is provided to a single organisation to manage the network.

Network administrative model

There is an alterna-tive to the inef-ficiency of shared governance or the problems of dominance and resistance of the

previous model. This is the network adminis-trative organisation governance model. In this model, a separate administrative entity is set up specifically to manage and coordinate the partnership and its related activities.

Like the second model, it plays a key role in coordinating and sustaining the network. It may be a government entity or, more likely, a non-profit, which is typically the case even when the network members are for-profit or-ganisations.[95] There will be interaction among network participants and groups, but activities and key-decisions are coordinated through and by a separate independent entity. The strengths of this form are its sustainability and legitimacy, especially to outsiders and stake-holders and, to a lesser extent, its efficiency. Its weaknesses are the limited involvement of partnership participants in the governance and decision-making processes and the feeling that such processes are overly bureaucratic.

[95] Legitimacy Building
in the Evolution of
Small-Firm Networks:
A Comparative
Study of Success
and Demise (Human
and Provan, 2000)

Section conclusion:

Different dynamics support network creation. Once created, the success of this network relies on the balance of power and interests gener-ated by stakeholders.

creating the conditions for successful partnership working

99 *Collaborative Advantage: Successful Partnerships Manage Their Relationship, Not Just the Deal (Kanter, 1994)*

100 *Networking Literature About Determinants of Network Effectiveness (Turrini et al., 2009)*

101 *Determinants of Inter-organizational Relationships: Integration and Future Directions (Oliver, 1990)*

102 *Market, Hierarchies and Networks (Thompson et al., 1991)*

103 *Restricted Access in Networks and Models of Power (Marsden, 1983), Being in the Right Place: A Structural Analysis of Individual Influence in an Organization (Brass, 1984)*

104 *A Preliminary Theory of Interorganizational Network Effectiveness (Provan and Milward, 2001)*

105 *The Effects of Partner and Relationships Characteristics on Alliance Outcomes (Saxton, 1997)*

106 *The Networking Company: Antecedents for Coping With Relationships and Networks Effectively (Ritter, 1999)*

form, storm, norm, and perform

96 *Development Sequence in Small Groups (Tuckman, 1965)*

97 *Stages of Small Group Development Revisited (Tuckman and Jensen, 1977)*

98 *Strategic Alliances Among Health and Human Services Organizations: From Affiliations to Consolidation (Bailey and Koney, 2000)*

The literature on organisational change has represented the development of a strategic alliance in multiple ways. Firstly, as a process in which parties 'form, storm, norm, and perform' as collaborative entities.[96] This four step model, known as the Tuckman's model, has been extended by adding a fifth step, 'adjourn'.[97] A third iteration of this development process has been recently provided by Bailey and Koney: 'assemble, order, perform, and transform'.[98] This development process reflects the collaborative advantage frame proposed by Kanter.[99]

Each of these different stages has relevance by referring to a specific position in the collaboration's life cycle. Moreover, each stage is characterised by easily distinguishable and idiomatic activities. Rather than agree on the right or wrong conceptualisations of partnership development, we should focus on how the stages in each refer to the internal and environmental life of the collaborative process to have implications for its development.

Network effectiveness According to Turrini et al.[100], the research on networks has mainly focused on network formation. Other topics

> **> The establishment of a collaboration is generally considered as the most critical stage as the decision to start will imply and affect its medium and short term future.**

include profit and non-profit or public sector[101], network governance[102], and power and influence in networks.[103] Conversely, little attention has been paid to the issue of network effectiveness and its determinants.

In inter-organisational network studies, it could be argued that this lack of interest is justified because outcomes are usually only attributed to the activities of individual organisations, not the collective partnership.[104] Under these circumstances, any improvements in a participating organisation's performance or operational effectiveness may be viewed as an indicator of overall network success.[105] However, the same argument does not hold for networks constituted for the provision of public services by policy

makers/ government, since the outcomes that are of interest are the client's well-being and satisfaction of needs. These outcomes do not only depend on the performance of a single organisation's delivery of services, but on the delivery of an array of different and complementary services provided by the organisations in the network. These organisations may maintain centralised external control over the networked organisations by directly arranging services. This has a positive impact on overall effectiveness: devolution and fragmentation of network control and funding to one or more local agencies can lead to a reduction in network effectiveness. Finally, contextual stability of the system (whatever its source) is important for the network's outcomes only when certain network related factors are present.

Normally, a simple ongoing exchange between organisations is not sufficient for, nor can this define, a formal partnership or network. The organisations involved need to synchronise their activities[106] and coordinate the establishment of formal roles, rules and procedures, and conflict resolution mechanisms.[107]

Synchronisation of partnership activities

Drawing on a subdivision of managerial tasks widely used in general organisational management literature[108], four different cross-relational tasks can be easily identified:

[107] *Relationship Marketing Teams: Improving the Utilization of Customer Relationship Potentials Through a High Team Design Quality (Helfert and Vith, 1999)*

[108] *Are the Classical Management Functions Useful in Describing Managerial Work? (Carroll and Gillen, 1987)*

[109] *Relationship Marketing Teams: Improving the Utilization of Customer Relationship Potentials Through a High Team Design Quality (Helfert and Vith, 1999)*

·   How each party will contribute towards the shared partnership plans must be clearly assigned.
·   Resource allocation to partners relating to activity needs to be discussed and agreed.
·   Effective communication methods must be agreed between all internal partners.
·   Adaptation issues need to be addressed, i.e., the degree to which the lead organisation or partnership is able and willing to meet an individual partner's needs. It is necessary to evaluate this from a network perspective because adaptation to one partner's requirements may mean not being able to adapt to other partners' (potential) requirements. This is more relevant when several relationships compete for the same resources within an organisation.

These technical steps are important to understand partners' technical needs, requirements, and capabilities to create the hard frame of the collaboration. Economic skills are required and are of particular interest in collaborative inno-

vation, as the division of rewards and intellectual copyrights allocation can be a source of some conflict among partners. This also indicates the importance of access to legal knowledge. This is necessary when establishing contractual agreement but is also critical in collaborative innovation developments, where it is hard to define future outcomes and their potential exploitability from the beginning.

> **> Knowledge about the other actors in a partnership is as important a resource as intellectual capital.**

Knowledge about the other actors in the collaboration is as important a resource as intellectual capital. This knowledge includes information about the partners' operations, their personnel and resources, and their network. This is important to understand their behaviour and the potential direction and development of the network. In addition, experiential knowledge resulting from interactions with external partners is crucial. Such knowledge can be used to anticipate and evaluate critical situations and to select appropriate action.[109] In the journey of an IOC implementation there are invariably obstacles to overcome.

These obstacles are formed of constraints that affect the everyday-life of cultural entrepreneurs, creative business founders, or CEO's of arts institutions.[110] Innovation-researchers refer to these obstacles as 'not-knowing', 'not-being-able', 'not-wanting', and 'not-being-allowed'. It is to be assumed that successful partnership or network creators concerning cultural and creative oriented companies, projects, or other organisations possess the characteristics of expert-, power-, process- and relationship-promoters.[111] What scholarly literature describes as 'sources of power', 'contribution for achievement', and 'exchange barriers' of the different promoter roles can in our opinion be transferred to the role of the entrepreneur. The respective promoters base the function of their roles on specific sources of authority, which consist of competences, positions, talents, and qualifications. With the support of these sources of power, the promoter is able to activate means and contributions to achieve the original purpose, helping to overcome hurdles and barriers. During the implementation and collaboration process, one player can incorporate more than one promoter-role.

Like an entrepreneurial management process, an examination of investments in human and social capital is relevant for the networking

success of partnership and collaboration initiators.[112]

The experience a network actor gains in the CCS, in (self-) employment and management, and through education can have a positive influence on the development of a network, the network's benefits, and its probability of survival. Edelman, Brush and Manolova examined the effect of organisational and relationship resources on the network strategy development of young and (still) small organisations.[113] The results lead to the conclusion that the development of human capital is vital to both a successful network and collaboration strategy. Often, especially in the very small and project orientated CCS, these advantages represent the most important chance of survival when competing against large, established enterprises.

Understandably, the development and assignment of human capital – or, as the case may be, the competences of the network initiator – is temporal.[114] Monitored over a long period of time, network implementation processes show that there are different phases that require different actions and resources. The assignment of planning and process competences is particularly effective when it is carried out

[110] *Implementing Public Innovations in Network Settings (O'Toole, 1997)*

[111] *An Examination of Relationship-Specific Factors Influencing Supplier Involvement in Customer New Product Development (Walter, 2003)*

[112] *The Roots of Entrepreneurship and Labor Demand: Individual Ability and Low Risk Aversion (Van Praag and Cramer, 2001)*

[113] *The Impact of Human and Organizational Resources on Small Firm Strategy (Edelman, Brush and Manolova, 2001)*

[114] *What Firm Founders Do: A Longitudinal Study of the Start-Up Process (Delmar and Shane, 2002)*

[115] *What Do Entrepreneurs Really Learn From Experience? (Read et al., 2003)*

[116] *Relationship Promoters: Driving Forces for Successful Customer Relationships (Walter, 1999)*

at an early point of time within the implementation process. Network activities should be prioritised further into the partnership once relations have already been established in the market.

Four aspects of entrepreneurial and networking – experiences, behaviour, and social-competencies and management-oriented abilities –

fall under this book authors' interpretation of the term human capital. Read et al. refer to the relevance of specific human capital for the success of enterprises and innovative network projects in the CCS.[115] Their main focus is on entrepreneurial experiences, which enhance effect-oriented patterns of thought and thereby influence the development collaborative and innovative enterprises. It can be said, then, that human capital influences the development of a network-based partnership, especially with regard to its duration and

> **Human capital influences the development of a network-based partnership.**

chances of success, benefits, and outputs, as well as the identification of project and business opportunities.

The success of inter-organisational collaboration In addition to human capital, further central factors of success can be identified in the realm of the network specialist's competences and resources of human capital (social competence, network knowledge, and portfolio of relationships). These factors are tied to intensive planning and preparation activities – particularly with regard to the exchange of information with internal and external partners, searching for additional partners, bringing together internal and external partners, and coordinating inter-organisational processes of exchange as well as the activation and use of social contacts. All of these aspects are taken into account in the relationship-promoter model.[116]

Several ingredients can support an IOC's success and realise a win-win situation for all partners involved. First, we can identify the attributes of a successful partnership: commitment, coordination, interdependence, and effective governance. Then we see the features related to positive communications: effective communication, information sharing, participation, and

knowledge sharing routines. Finally, there are assets and capability alignment.

These ingredients can be differently framed in the 'Eight I's that create successful We's'.[117]

- **Individual excellence –** partners should be effective and have something of value to contribute to the relationship. Their motives for entering into the relationship can be different but a win-win situation should be achievable.
- **Importance –** all partners should recognise the relevance of the collaboration and want to make it work. It should be integrated into their respective organisational medium and long-term goals.
- **Interdependence –** the partners need each other. They can have complementary skills, assets and competences. Only by joining together can they make the collaboration objectives tangible.
- **Investment –** all partners invest value in the relationship. They show tangible signs of commitment in terms of resources and time allocation.

- **Information –** communication and knowledge sharing among the partners is effective as it is aiming at reducing information asymmetry and mitigating conflicts.
- **Integration –** the partners develop linkages and shared ways to work together smoothly.
- **Institutionalisation –** partners decide to give themselves a formal status with clear assignment of responsibilities, tasks, and decision making processes.
- **Integrity –** partners share the same code of ethics and integrity. They do not abuse the information they get, nor do they undermine each other.

[117] *Collaborative Advantage: Successful Partnerships Manage Their Relationship, Not Just the Deal (Kanter, 1994, p. 100)*

Section conclusion:

The most important thing is to find the right 'mix' of the 'I's' that can enhance inter-organisational collaborations and guarantee their sustainability in the medium- and long-term. These 'I's' are: individual excellence, importance, interdependence, investment, information, integration, institutionalisation, and integrity.

how do we measure the success of collaborations?

Many different measurements can be used to assess a partnership's success.[118] Firstly, an objective measurement system using hard facts, such as sales volume attributed to activity.[119] Secondly, affective measurement, concerning satisfaction with the partnership and the perception of how objectives have been achieved.

In the CCS, there is also a third measurement based on reputation – the 'island position'.[120] This is neither completely objective or subjective. According to Mohr and Spekman, partnerships are a more intimate form of business relationship and as a result, successful partnerships should contain certain characteristics.

The factors upon which success is predicated include attributes of the partnership, communication behaviour, and conflict resolution techniques.

The most important attributes for successful partnerships include commitment, coordination, interdependence, and trust. When these attributes exist, it is very likely that the partnering organisations are committed to working towards a beneficial relationship. Quality of communication (as the accuracy, timeliness, and credibility of the information shared), information sharing (as the extent to which critical information is exchanged), and participation (as communication behaviour) are also success factors in partnerships. Lastly, the types of conflict resolution techniques found in partnerships include joint problem solving, persuasion, smoothing, domination, harsh words, and arbitration as possible techniques.[121]

Objective and subjective collaboration assessments

Model of the attributes determining partnership success[122]
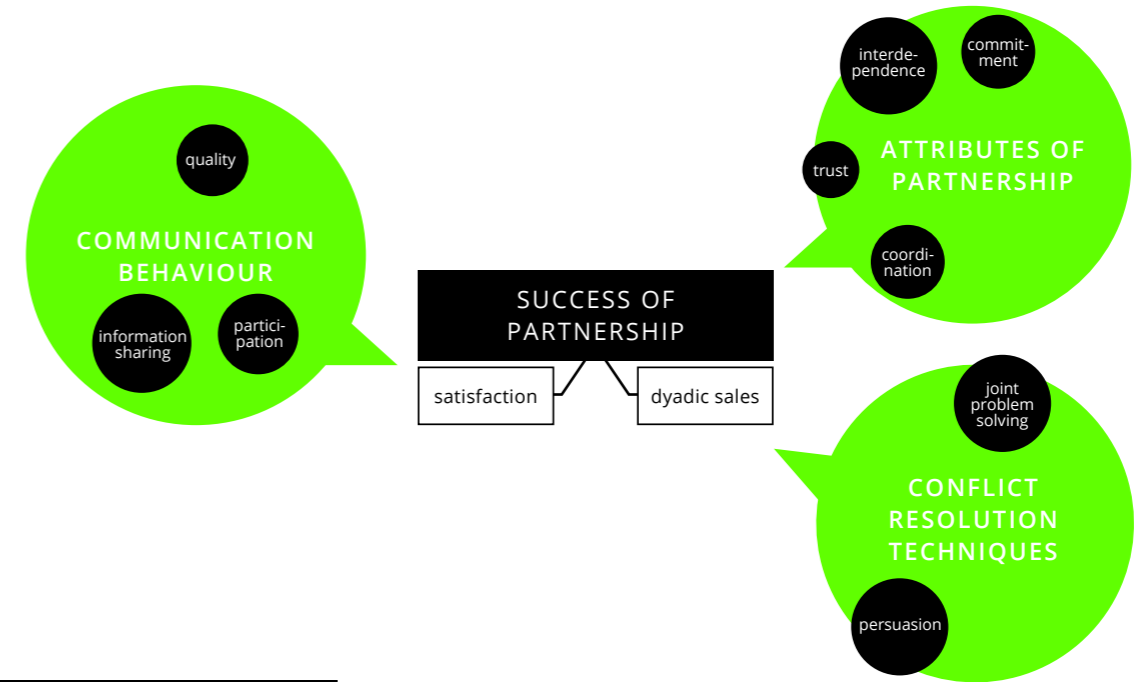
> **The most successful partnerships rely primarily on constructive resolution techniques and network competencies.**

The most successful partnerships rely primarily on constructive conflict resolution techniques and network competencies such as joint problem solving and persuasion. Walter shows very clearly and explicitly that relationship promoters are powerful predictors of relationship effectiveness.[123] Relationship promoters are those who identify appropriate

[124] *The Importance of Power in Partnership Relationships (McDonald, 1999)*

[125] *Relationship Promoters: Driving Forces for Successful Customer Relationships (Walter, 1999)*

partners of different organisations, bring them together, and facilitate the dialogue and exchange processes between them. Relationship promoters support interactive learning processes and solve inter-organisational conflicts in partnerships. Furthermore, they fulfil an important social task, contributing to overcoming existing distances between the partner firms, as well as developing an understanding for the situation and objectives of the respective partner.[124]

Relationship promoters as influencers of partnerships

The literature also suggests that relationship promoters are especially important for the success of inter-organisational customer-supplier relationships, and that customer- and innovation-orientation strengthens the positive commitment of key partners. If there is one person acting as relationship promoter in one partnership organisation, partnership success outputs are expected to be higher. And, if a relationship promoter is active in each organisation, the success output is even higher.[125]

> How can we measure and evaluate the collaborating partnerships success of such cultural businesses?

Objectively measurable indicators, which are not dependent on the issue to be measured and that have the advantage of easy collectability and comparability, can be used. However, when assessing the data for successful creative and cultural start-ups and implementing new partnerships, it is difficult to determine which figures are relevant and what exactly the criteria for success would or should be.

> With regard to the cultural businesses, a success measurement based on purely management-driven indicators (like turnover, growth, and annual rate of return), is neither desirable nor does it make sense.

One option is to consider the 'establishment' in the local economic environment and community as an indicator. This reveals a level of attainment and consolidation of a market position. In the cultural sector, the establishment of a business partnership, i.e. how a business or firm is publicly perceived in terms of its reputation or image, is of major importance. As cultural businesses do not produce classic

services and products like commercial enterprises, being well-established locally and having a good reputation in the cultural scene seem to be important indicators.[126]

The influence and effects of network specialists in the context of business and project development are discussed in innovation management research.[127] In this role, either founders or leading personnel of a cultural business bridge the gap between their own organisation and external partners by initiating and maintaining co-operations and long-term exchange processes.[128]

Dynamics of networks

In the establishment of a cultural business, the most important contribution by the networking specialist is the development of contacts, networks, and partnerships with as well as between different shareholders and stakeholders such as representatives from cultural politics, the media, and other important opinion leaders.[129] Maintaining and expanding relations within a cultural network will foster strategic co-operations and interactions with partners, open up efficient resources, and thus contribute to growth and longterm survival.[130] Debenedetti shows that resources like public

subsidies, funding, sponsorship, or an increase in publicity – due to a large number of media reactions – have a direct effect on the degree of establishment of a cultural partnership.[131] Due to the complexity and structural interconnectedness of the CCS, cultural and creative organisations face many uncertainties with regard to their chances of establishment and development.[132]

Therefore, they must have a strong influence upon the surrounding cultural environment. A weak or non-existent promotion of cultural affairs constrains the establishment and development of cultural businesses in two different ways.

First, as some cultural-economic surveys reveal, in case of a lack of public funding, private enterprises are usually not supported because most financial means available are allocated to public institutions. Secondly, the insufficient self-promotion of an institution's cultural activity results in support being directed towards a small number of institutions, which in turn narrows the range of cultural activities offered. Hence, a diverse cultural life with a wide array of activities and organisations is not fostered.

[126] *Projektmanagement für Kulturmanager (Klein, 2005)*

[127] *Effective Learning within Entrepreneurial Networks – The Role of External Coordination and Internal Communication (Dickel et al., 2009), Zusammenarbeit zwischen organisatorischen Gruppen: Ein Literaturüberblick über die Intergroup Relations-, Schnittstellen- und Boundary Spanning-Forschung (Weinkauf et al., 2005)*

[128] *The Impact of Network Capabilities and Entrepreneurial Orientation on University Spin-Off Performance (Walter et al., 2006)*

[129] *Friends Schemes in Arts Marketing: Developing Relationships in British Provincial Theatres (Bussel and Forbes, 2006)*

[130] *Consumer Perception of Private versus Public Sponsorship of Arts (Colbert et al., 2005)*

[131] *The Role of Media Critics in the Cultural Industries (Debenedetti, 2006)*

[132] *Cultural Entrepreneurship – The Impact of Social Networking on Success (Konrad, 2013)*

133 *Market Orientation: Antecedents and Consequences (Jaworski and Kohli, 1993)*

134 *Competition and the Non-Profit Arts (Seaman, 2004)*

Intensity of competition is another influential factor regarding the environment for cultural enterprises. According to Jaworski and Kohli, this refers to the degree to which competitors in a certain cultural practice attempt to gain competitive advantages by means of differentiation.[133]

It is a challenge to establish a cultural organisation or creative enterprise in a context with a high degree of competition. As any region or community has a limited clientele, cultural businesses have to effectively target their products, services, and activities. The more cultural institutions, businesses, and organisations there are in a cultural community, the higher the degree of competition. While the supply of cultural products, services and events increases, the demand – because of some budget constraints and socio-demographic variables – may remain the same.

In the context of significant competition, several players compete for the limited – public as well as private – resources. To increase the chance of gaining access to these resources, contacts and relations to cultural commissioners and media representatives have to be established and carefully maintained by the networking specialist.[134] We can conclude that the stronger the competition, the more intense the pressure and reliance on networking to gain a lead over competitors. The necessity of intense networking rises in proportion with competition. As a result of intense networking, the entrepreneur's personal portfolio of relationships can improve, compared to his/her competitors. This in turn can have a positive influence on activating resources and access to financial means. Hence, the networking specialist plays a strategic role in the establishment and sustainability of a cultural enterprise.

> The stronger the competition, the more intense the pressure and reliance on networking.

Section conclusion:

Partnership success depends on endogenous and exogenous variables that can continuously change, therefore there is no perfect formula for success.

what happens now?

Working in partnership is a key activity of the cultural sector aimed at developing advantages that could not be achieved independently. IOCs, however, are more than simple instrumental means for achieving shared, collective goals directly benefiting the parties and their customers.

Partnership as an asset to capitalise from

They also represent each partner's organisation social, cultural, and intellectual capital, providing access to various assets controlled by other network members. They provide opportunities for partners to be able to utilise external resources such as knowledge, skills, and competences. Theoretical analysis and empirical investigations of IOCs over the past two decades show an increasing diffusion of these inter-organisational phenomena. Each form of IOC implies the concept of 'rightness' relating to success: the right person, at the right moment, with the right idea, with

> Each form of IOC implies the concept of 'rightness' to succeed: the right person, at the right moment, with the right idea, with the right resources and capitals, with the right network, with the right collaborators, and in the right environment. The glue of the 'rightness tale' is represented by trust. Trust as intangible capital can strengthen any form of IOC.

the right resources, with the right network and collaborators, and in the right environment. The glue of the 'rightness tale' is represented by trust. Trust as intangible capital can strengthen any form of IOC.

> How much trust is needed for partner-ship? And how to build trust?

As we learned, IOC is a joint venture that requires making choices and taking decisions about the shared purpose, scope, investments, benefits, and risks. Reliance on the other parties is fundamental to make these choices and decisions meaningful and sustainable. In this context, trust as collaboration is a continuum. The level or intensity of trust required in a partnership is directly proportional to some qualitative and quantitative variables:

·   the scope of the shared relationship;
·   the expectations of the parties involved;
·   the parties involvements as roles and
    tasks; and,
·   the risks as defined either by the uncer-
    tainty of the outcome or the level of conse-
    quences.

For some performance IOCs, very little trust is needed and what already exists is more than enough to support the relationship. Moreover, we can differentiate according to the nature of the organisations by whether they are public institutions or private organisations, for profit or non-profit, and referring to their phase in

their life cycle. Young organisations, for ex-ample, can suffer from a lack of legitimation and as a result it is likely to be more difficult to establish partnerships and collaborations.

Conversely, a great deal is needed and very little exists. It is important to understand how this 'trust equation' works as we need to adjust and develop strategies to match the level of trust built to the level of trust needed. An imbalance of trust can lead to fatal mistakes and compromise an IOC. Defining the right level/intensity of trust relies on the trade-offs that organisations decide to accept both to reduce the scope and scale of risks. This becomes more complicated when the goal is to build smart, cross-sectorial, and cross-institutional networks. Different levels of trust and interaction are required for different kinds of partners and partnerships. Trust building strategies rely on behaviour and relationship. No formula can support us in this simple but extremely difficult activity.

Trust equation

Building trust strategies can vary according to our experience, background, and culture. In Steward-

4Rs of trust building for partnership

The trust building process[135]
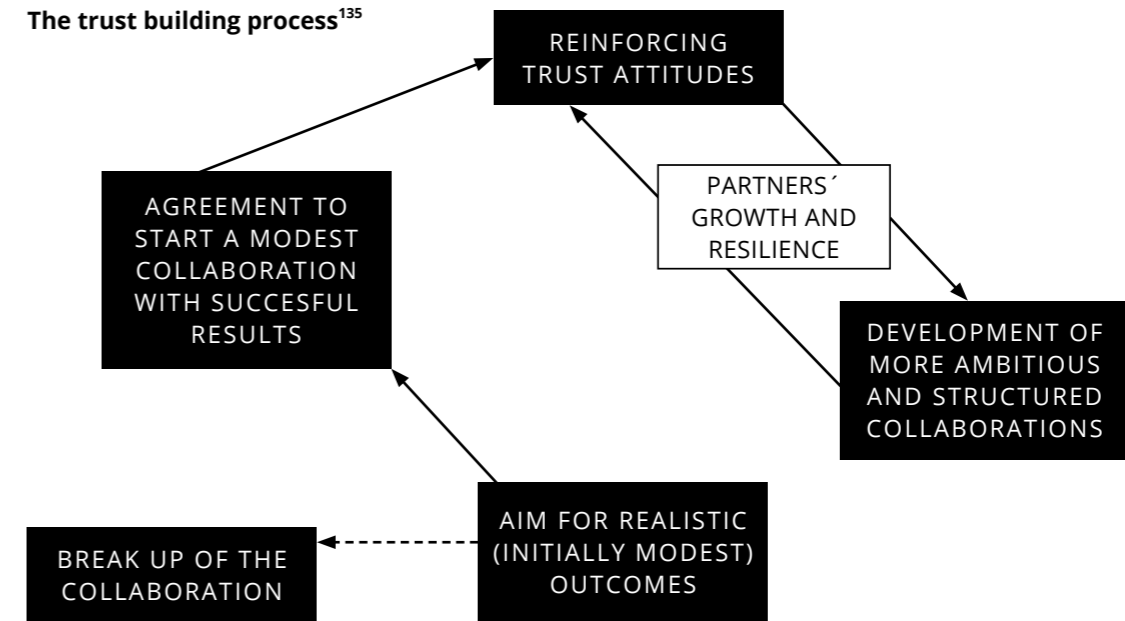
ship: Choosing Service Over Self Interest, Block discusses trust building differently.[136] Accord-ing to this author, the '4 Rs' of trust building in partnerships work best in the following, non-traditional, order:

·   Relationship building to create the founda-
    tion of understanding each other as people;
·   Results definition to find common purpose;
·   Resource definition to identify what and
    how much those involved are willing to
    commit to the purpose; and,
·   Requirements definition of what it will take

to produce the results in the form of an action plan and commitments.

The traditional logic of IOCs is therefore disrupted by divergent thinking. This process (reinforcing trust attitudes) needs to be reiter-ated to be really effective to sustain partners' growth and resilience. Over time, it will be a question of intensity (quality) and not frequen-cy (quantity) of these processes of relation-ships, results, resources and requirements.

Building trust is an iterative process, reinforcing itself in each reiteration. Only going through this iterative dynamic process, which becomes an incremental circular process, we can establish solid trust in a partnership. Partnerships are not static; the players, the collaborative context, and the surrounding environment, are dynamic. They keep going on and changing all the time, which requires a commensurate commitment of organisational effort to adjust to these different changes. Moreover, trust has a different role to play when partnerships are created for purpose or funded for a purpose. In the latter case, trust is the glue, which makes dreams a reality in the CCS.

Many challenges and many open questions remain. Shall we partner even if we face trust and loyalty problems? How can we overcome the partnership dilemma we outlined in the introduction? How can we manage the different trade-offs of partnering? By beginning to discuss these, we are becoming ever more aware of the value of partnerships in creating innovation and resilience in the CCS and, by extension, making our world a better place.

Section conclusion:

The cultural and creative sectors are characterised by a very complex structure in which networking, partnering, and co-working are essential elements for success. Each form of inter-organisational collaboration implies the concept of 'rightness' to succeed: the right person, at the right moment, with the right idea,

with the right resources, with the right network and collaborators, and in the right environment. This requires tangible and intangible resources, energies, and effort to succeed. The good news is that you can plan, manage, and monitor it.
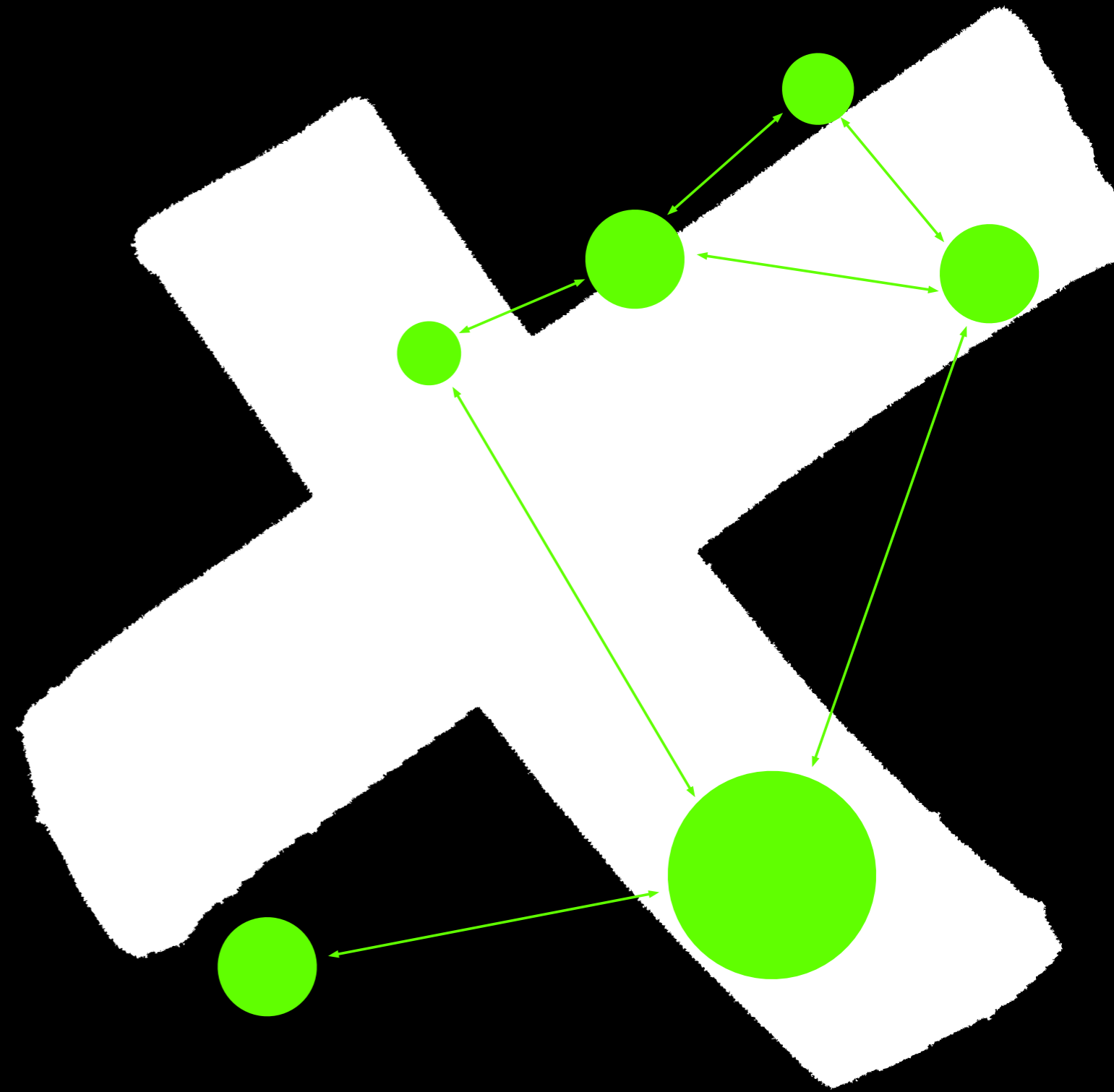
literature

Please note that this is a bridged version of the literature used in the text at hand. You can find the complete literature on our website: *www.e-c-c-e.de/en/publications-downloads*

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