



# DIGITAL ROUTES

OF CULTURAL HERITAGE FOR A SUSTAINABLE FUTURE

## Module Cultural Entrepreneurs - Business Competences: Emphasys Centre



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# Consortium

The consortium consists of seven organisations – six countries, each one with its own experience and field of expertise. Their aim is to motivate people to become active citizens of their communities and to branch out into the wider context.



Coordinator -  
Poland



Poland



Germany



Cyprus



Greece



Romania



Hungary



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## **Introduction**

The DIGITALROUTES@CULTURE project (aims and objectives)

02

## **Module Description - Business Competencies**

Through this topic you will learn the foundations of the cultural heritage industry; learn about supply-chain management and how to best take appropriate decisions within; and lastly, create a business model for your enterprise.

03

## **Motivation to work in the cultural industry**

The main aim is to understand cultural identity, define the types of cultural heritage, comprehend cultural economy and sustainability to be motivated to work in the cultural industry.

04

## **Supply Chain Management**

The main aim of this topic is to analyse supply-chain management to best formulate viable and most financially effective decisions in a business.

05

## **Business Model**

The main aim is to create a business model based on Canvas and understand the elements of a business plan.

06

## **Conclusion & Module Scenario**

Conclusion & Module scenario for the Open Badges





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# Introduction



# Cultural Heritage

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*"I am not an Athenian  
or a Greek, but a  
citizen of the world",  
Socrates*

*"A concerted effort to preserve our  
heritage is a vital link to our  
cultural, educational, aesthetic,  
inspiration and economic legacies",  
Steve Berry*







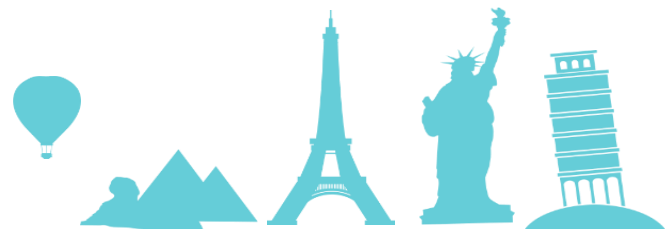
Cultural heritage is nowadays regarded as playing an important role to the overall European GDP.

According to the 2020 Eurostat culture statistics, in 2019 7.4 million of jobs, have been covered by cultural jobs in the EU. The new European Agenda for Culture of 2018 moreover strengthens the importance of supporting culture-based creativity in education and innovation as well as for employment and growth and harnesses the power of culture and cultural diversity to ensure social cohesion and wellbeing.

32% employed people in the field of culture was self-employed in 2019 (Eurostat, 2020).

“

*'A person without  
the knowledge of  
their past history,  
origin and culture  
is like a tree  
without roots'  
(Marcus Garvey)*





# Aims & Objectives



**#1**

To encourage young people to professionally engage in cultural sectors and equip them with the necessary social entrepreneurial and digital skills to be involved in new cultural related job opportunities.



**#2**

To develop an open, dynamic and interactive Web-Portal and a mobile application which will map the cultural heritage spaces using augmented reality features.



**#3**

To address the issue of youth unemployment and youth urbanization.



**#4**

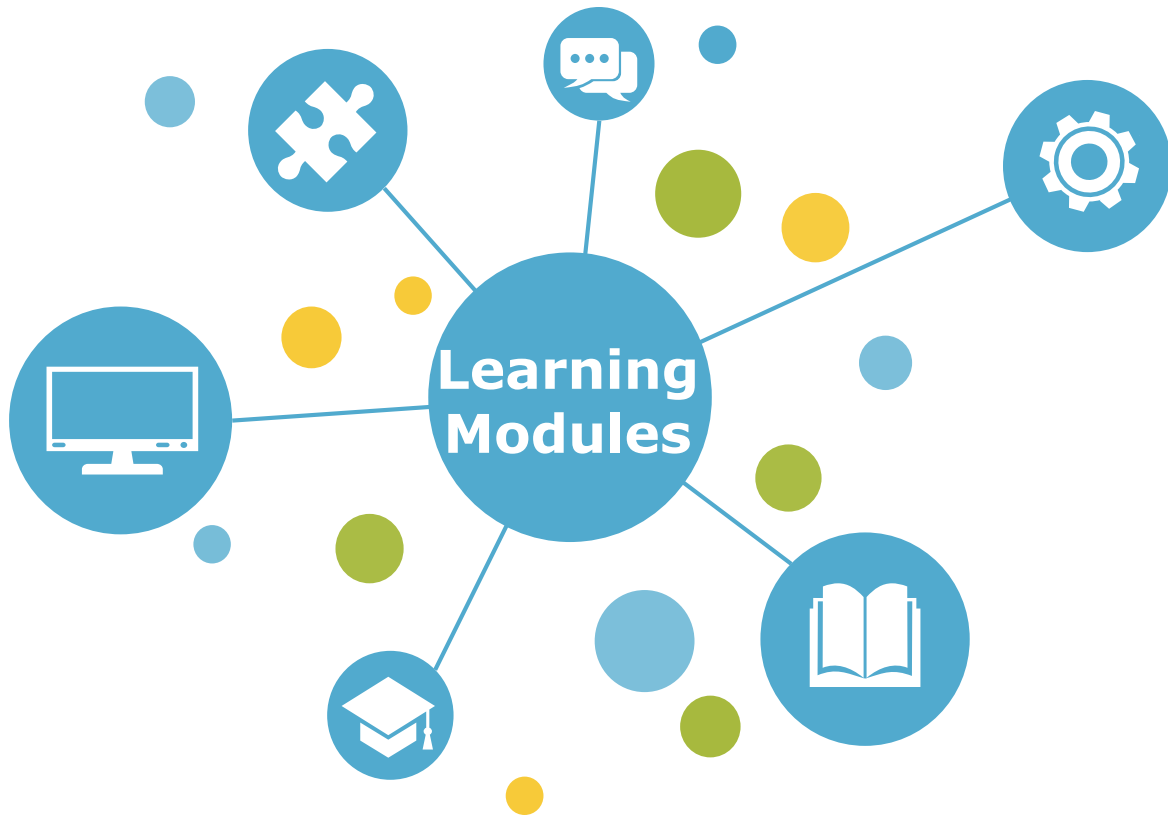
To support culture-based creativity in education and innovation, and for jobs and growth.





# DIGITALROUTES@CULTURE

## Learning Modules



### Module 1

Introduction - Meet the Cultural Entrepreneur

### Module 2

Entrepreneurs in Cultural Tourism

### Module 3

Cultural Entrepreneurs - Business Competencies

### Module 4

Cultural Entrepreneurs - Communication & Marketing Competencies

### Module 5

Cultural Entrepreneurs - Digital Competencies

### Module 6

Cultural Entrepreneurs - Creative Competencies

### Module 7

Cultural Entrepreneur - Working with Local Communities





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# Module Description



The **Module 3: Cultural Entrepreneurs – Business Competencies** aims to provide an understanding on how a business within the cultural heritage industry operates to motivate participants to create an enterprise of their choice. The Module explains: **the types of the cultural heritage; cultural sectors; cultural economy and sustainability; advantages** in working in the cultural sectors and **creating a cultural motivation**.



The main objective is for participants to acquire adequate knowledge on the **financial aspects of a cultural enterprise**. This will be achieved through learning about **Supply Chain Management and Business Model**. Participants will be able to create a business model canvas and choose the best business model for their enterprise.





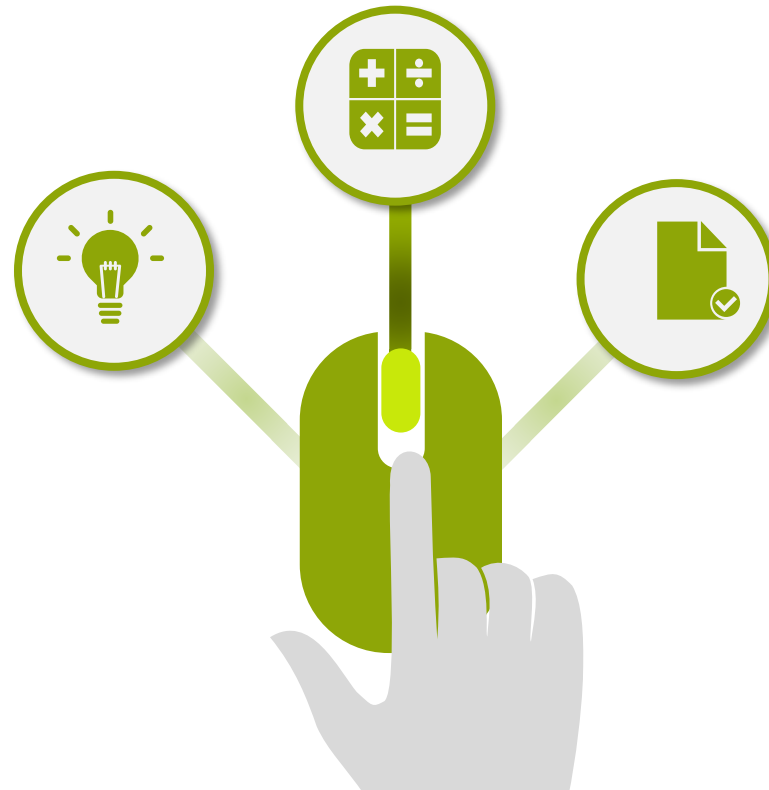
# Module 3 - Topics

## Topic 2

Supply Chain Management

## Topic 1

Motivation to work in the cultural industry



## Topic 3

Business Model



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# **Topic 1 - Motivation to work in the cultural industry**



# What is Cultural Heritage?

It includes the **sites, things and practices a society regards as old, important and worthy of conservation.**

It consists of cultures, customs, beliefs, rites, rituals, ceremonies, indigenous knowledge, social customs and traditions, arts, crafts, music, political and ideological beliefs that influence culture and behavior, history, practices concerning the natural environment, religious and scientific traditions, language, sports, food and drink, calendars, traditional clothing, cybercultures in the digital world, and emerging new cultures which will become the heritage of the future.





## Types Of Cultural Heritage

### **Tangible- Movable**

#### **Easily stored, objects**

- Paintings,  
sculptures,  
coins,  
manuscripts,  
machines,  
clothing,  
artwork

### **Tangible- Immovable**

#### **Items connected to the ground**

- Monuments,  
archaeological  
sites, historical  
buildings,  
museums, etc.

### **Intangible**

#### **Can be recorded but cannot be touched** or stored

- Oral traditions,  
language,  
performing  
arts, rituals,  
festivals,  
science,  
cuisine, dance,  
literature,  
music

### **Natural**

Natural sites  
**seen as  
cultural  
landscapes**,  
physical,  
biological or  
geological  
formations

### **Digital**

Resources  
**created in  
digital form**  
or have been  
digitalized as a  
way to  
preserve them  
(e.g. texts,  
images,  
software  
videos,  
records)

**Underwater**  
shipwrecks,  
underwater  
ruins, cities

*and*

Heritage in the  
event of  
**Armed  
conflict**





## Cultural Heritage Businesses

Organisations working to supply products or services in relevance to the understanding, protection and promotion of objects, sites, monuments, and different forms of tangible and intangible cultural heritage.

- NGOS
- Social Enterprises
- Small and Medium Enterprises in Tourism or Creative Sectors
- State or intergovernmental organisations





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# Cultural Heritage Across Europe (Examples)

## Cyprus

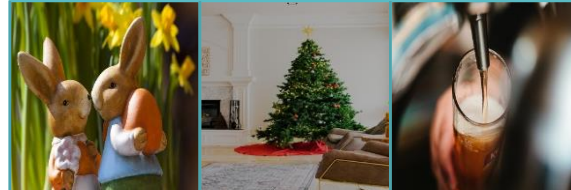


Cyprus Sweets

Carob Products

Basketry

## Germany



Easter Bunny

Christmas Tree

Beer

## Greece



Tourism

Winery

Art

## Hungary



Castles Cultural Centres

Thermal Spas

Carving

## Poland



Cultural Centres

Theatre

Paintings

## Romania



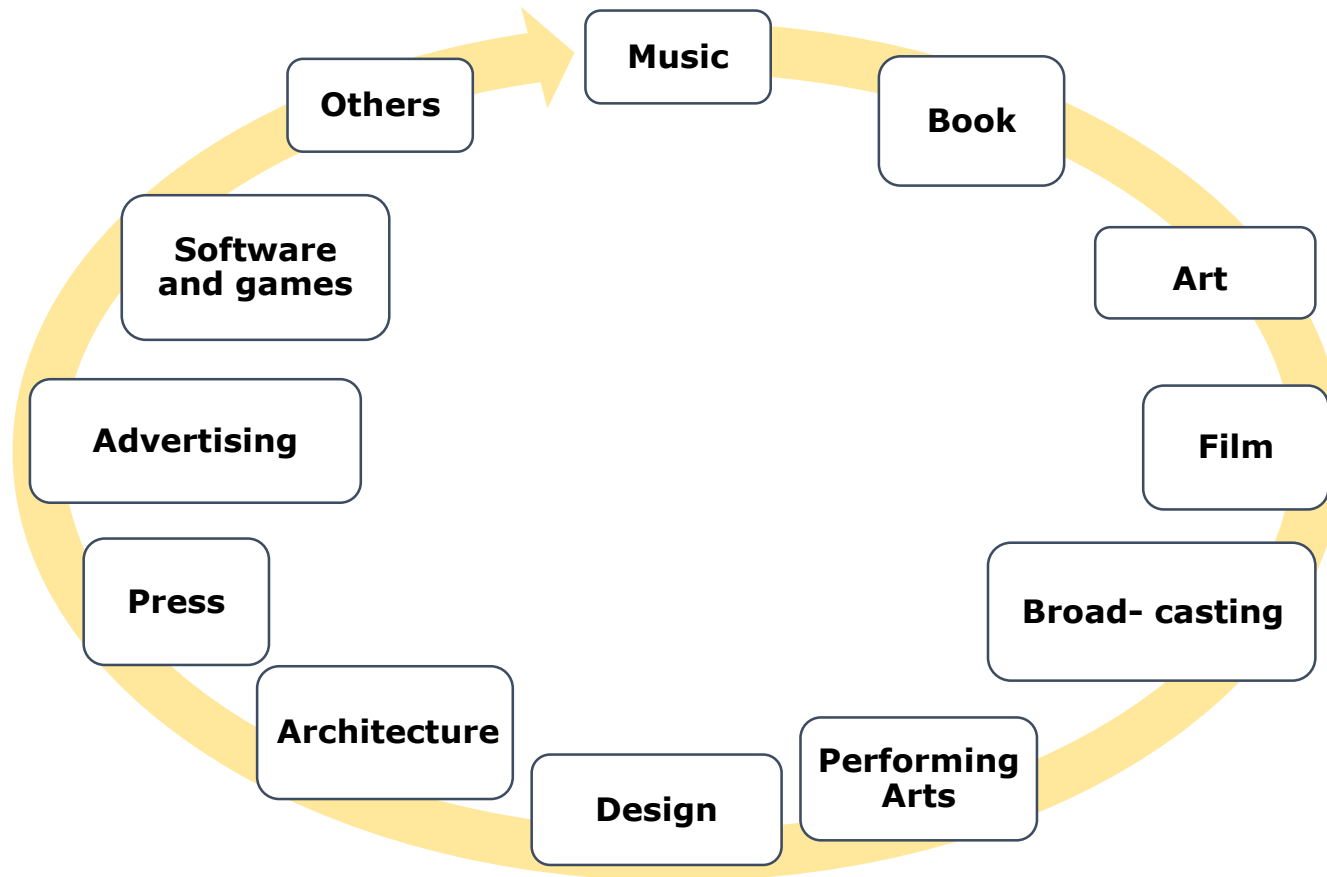
Educational Initiatives

Hiking Tourism

CCI Sectors



## Submarkets Of The Cultural And Creative Industries





## Value Of Cultural Heritage

In 2018, the 'travel and tourism' industry in the EU contributed 3.9% to its total GDP, accounted for 5.1% of the total employment rate (11.9 million jobs) (European Parliament, 2020).

In 2020, there were 7.2 million people in cultural employment while the industry keeps growing.



03 Across the EU, 1.2 million young people (aged 15 to 29 years) were working in the field of culture in 2020. 1 in 4 people working in the field of culture were artists or writers (EC, 2020).

01 Cultural heritage gives people a connection to certain social values, beliefs, religions and customs and the opportunity to work in creative areas of their interest.



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## Why To Create A Business In Cultural Sectors?



### **Diversity**

Cultural employment is a growing field with diverse opportunities ranging from cultural occupations to creative ones.



### **Independency**

One-third of cultural workforce was self-employed by the end of 2018 across the EU. Being self-employed provides a sense of autonomy and independency.



### **Working full-time**

Many artists or cultural employees often work part-time. Starting their own enterprise in cultural sectors gives the opportunity to work full-time in a field of their interest.



### **Trade Flows**

Between 2012 and 2017, the export value of cultural goods rose in 22 of the member states. Cyprus and Poland had the highest average growth rates.



### **Cultural Participation**

30% of people in the EU take part in artistic activities on a regular basis which highlights a great interest and consumption in the sectors.



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## **Topic 2 – Supply Chain Management**





## Supply-Chain Management – Why is it important?

- ✓ Decrease the supply costs in a business e.g. reduce operating costs
- ✓ Assess problems within supply chain procedures and make appropriate decisions
- ✓ Value costs spent and prioritise needs
- ✓ Improve customer services
- ✓ Improve financial position
- ✓ Find the right suppliers and build strong relationships with them
- ✓ Design effective business models



Plan

Make

Return



Source

Deliver

Examine  
and Decide!





## Understanding Value Chain by Porter 1985

**SUPPORT  
ACTIVITIES**

Procurement or Purchasing

Human Resource Management

Technology Development

Infrastructure

INBOUND  
LOGISTICS

OPERATIONS

OUTBOUND  
LOGISTICS

MARKETING  
& SALES

SERVICE

**PRIMARY ACTIVITIES**



**VALUE CHAIN  
PRIMARY ACTIVITIES**

	<b>INBOUND LOGISTICS</b>	<b>OUTBOUND LOGISTICS</b>
<b>Description</b>	Management and processing of storing, delivering and managing inbound and returned items	Management, selling and transporting the finalized items to the end-consumers
<b>Examples of Costs</b>	Transportation Costs of inbound items, Quality of Production, Waste handling, Product Testing, Savings of Items	Delivery and Distribution Costs, Warehousing, Inventory (picking, packing and storing)

Supplier



**Inbound**



Enterprise



**Outbound**



Customer





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**VALUE CHAIN  
PRIMARY ACTIVITIES**

	<b>OPERATIONS</b>	<b>MARKETING &amp; SALES</b>	<b>SERVICE</b>
<b>Description</b>	Management of all operation procedures	Strategies to promote the brand	Management of customer services' practices to avoid reputational risks
<b>Examples of Costs</b>	Retailing Costs, Raw Materials-supply costs - Sourcing, Financing, Pricing of items, invoicing, handling disputes, payment	Advertising, promotion activities, quoting, channel selection, pricing	Maintenance of services provided to the customers- installation, repair, training, products' adjustment



**VALUE CHAIN  
SECONDARY ACTIVITIES**

	<b>PROCUREMENT</b>	<b>HR MANAGEMENT</b>	<b>Technology Development</b>	<b>INFRASTRUCTURE</b>
<b>Description</b>	Management of Resources and purchasing ability	Strategies to improve the performance of employees to create satisfaction among customers	Technology which integrates the operation procedures to manage Data and Information of clientele and operations	Management of assets required to run the enterprise. These assets consume the main available capital. Decisions affect the supply chain's costs and service results.
<b>Examples of Costs</b>	<b>Direct Costs-</b> Manufacturing or supplying goods <b>Indirect-Costs</b> Office Material, Marketing material, Advertising, Consulting Services etc.	Recruitment Training Rewarding Motivation	Software System Maintenance IT Security Tools	<b>Physical</b> – Buildings, equipment  <b>Informational-</b> Distribution and Transportation Network, IT systems



## Discuss

Giannis from Cyprus wants to establish a cultural SME and sell traditional handicraft. It will be located in Pafos but he will also create an online shop to sell and export his products to other European countries. As a primary step, he wants to find a supplier/manufacturer of the raw materials he needs, a distributor and plan the transportation procedures.

### **The steps that Giannis should take to best find a supplier and distributor to effectively monitor the supply chain:**

1. Decide on the operation strategy (manufacturer or use a supplier)
2. Find the best procurement/best price of the supplier/manufacturer
3. Schedule production activities, testing, packing, release and align with regulations
4. Decide the steps to take including processing customer inquiries, select distribution strategies and transportation options
5. Manage all returns, monitor performance and costs and manage inventory of returns







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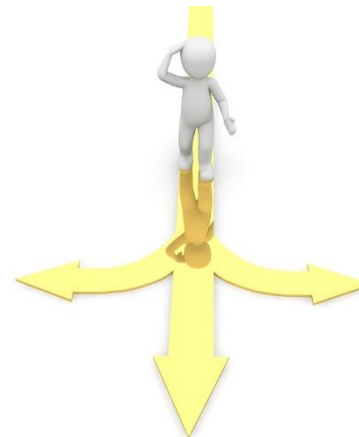
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## **Topic 3 – Business Model**



## Why Business Models Are Important?

- ✓ They depict how the organisation creates, delivers and captures value
- ✓ They identify the products and services an enterprise plans to sell
- ✓ They help to examine the target market
- ✓ They identify any anticipated costs and financing sources needed
- ✓ They help the entrepreneur to formulate the next steps into creating his/her business and build a business plan





<b>Business Model</b>	<b>Business Model Description</b>	<b>Business Type</b>
<b>1</b> Crowdsourcing	Funded by several sponsors – mass participation and direct involvement by sponsors	Particularly applied in cinema, music sectors, museums and cultural heritage sectors
<b>2</b> P2P- Peer to Peer Models	It is linked in P2P networks in which computers are directly linked to each other and no server support is needed. Otherwise called 'peer review' where one or more people from the field of research reviews the final product.	Widely applied in print media/publishing sectors, cultural sector with educational entities such as museums, archives and libraries.
<b>3</b> On-Demand	When products are produced only on demand to fill actual orders	Particularly used in publishing sector, Music sector, Fine arts
<b>4</b> Innovation labs	Labs are spaces for creative practices that support innovation processes.	Particularly applied in music e.g. concerts, design/fashion, games/software development, architecture sectors

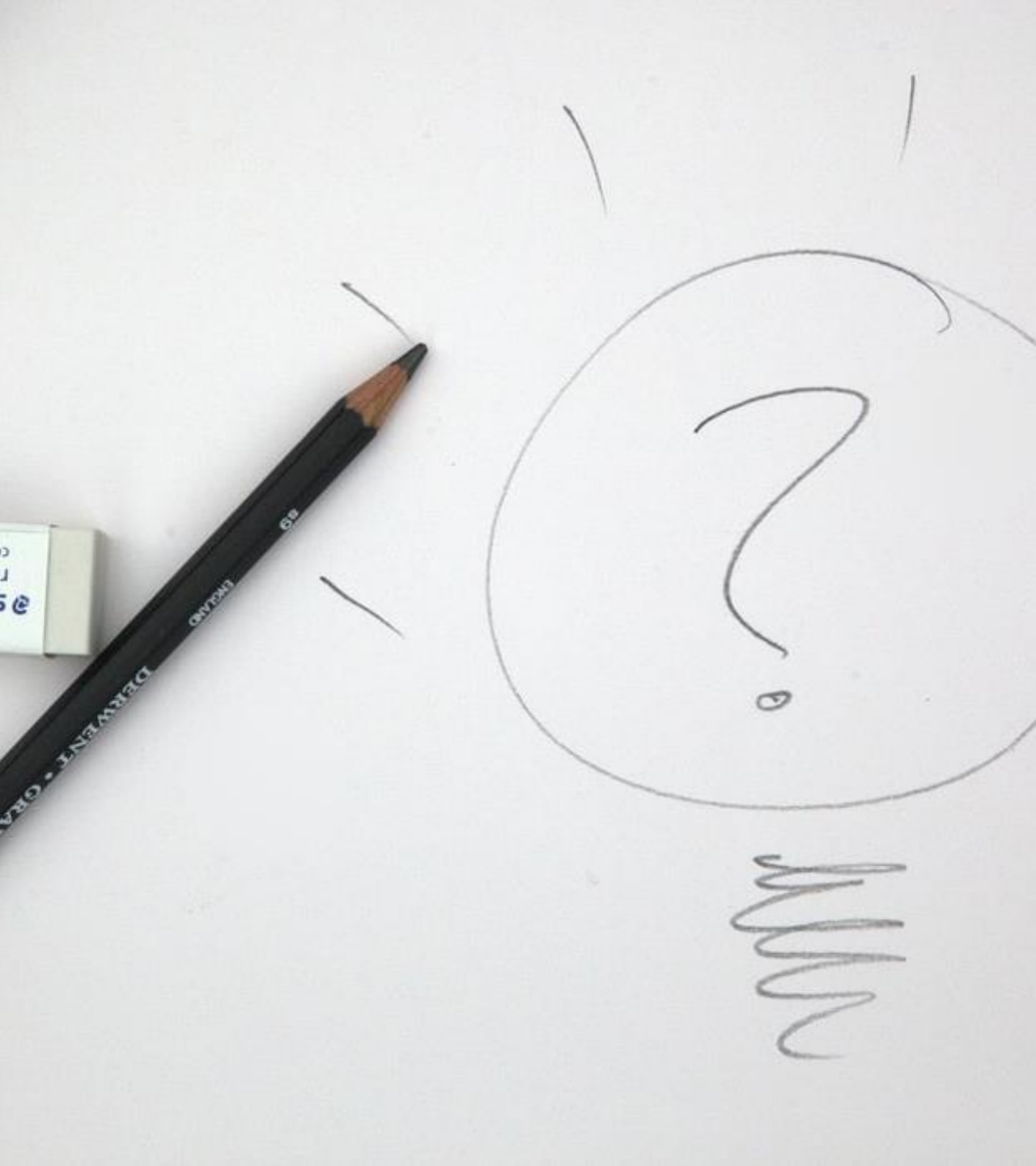


	<b>Business Model</b>	<b>Business Model Description</b>	<b>Business Type</b>
<b>5</b>	Gamification	Relatively new model- stimulate a behavior (a user's actions, ideas, interests and interactions) entertainingly	Particularly used in print media, fine arts, museums, performing arts, music and cultural heritage sector.
<b>6</b>	Market Intermediary	Market or sell clients' products/services	Distribute the product/service e.g. agencies
<b>7</b>	Employment	Provide job opportunities/training to clients	Employ or train people to promote social inclusion
<b>8</b>	Fee-for-Service	Customers buy a service for a social benefit	Customers pay a fee to acquire services e.g. educational, facilities etc.
<b>9</b>	Service Subsidization	Sell products or services and use the revenues to fund social programmes	An organisation sells its products and services through a secondary enterprise
<b>10</b>	Organizational Support	Fund social programs by selling products or services through a parent organization	An organisation creates a separate for-profit subsidiary. Revenues are funneled to the parent organisation.



## Business Model Canvas

<p><b>Key Partners</b></p> <p>Persons who will own the enterprise and associates</p>	<p><b>Key Activities</b></p> <p>Main products/services</p>	<p><b>Value Proposition</b></p> <p>Values/Achievements to be created with the establishment of the enterprise</p>	<p><b>Customer Relationships</b></p> <p>The ways support will be offered to customers</p>	<p><b>Customer Segments</b></p> <p>Target groups and end-users</p>
<p><b>Cost Structure</b></p> <p>The costs that are needed to create and maintain the enterprise</p>	<p><b>Key Resources</b></p> <p>Places where the products/services will be sold</p>		<p><b>Channels</b></p> <p>The promotional methods to be used to reach the audience</p>	
			<p><b>Revenue Streams</b></p> <p>Direct revenues gained and how profits will be accommodated</p>	



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## **STEPS TO CREATE A BUSINESS MODEL**

1. THINK & DECIDE WHICH BUSINESS MODEL SHOULD BE USED FOR THE ENTERPRISE/ORGANISATION
2. CREATE A BUSINESS MODEL CANVAS  
Use [www.strategyzer.com](http://www.strategyzer.com)



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# Conclusion





## 1. Motivation to work in the cultural industry

- a. Types of Cultural Heritage e.g. tangible (movable, immovable), intangible, natural, digital, underwater, armed conflict
- b. Initiatives in the Cultural Sectors (types of businesses and examples in each country, Submarkets of the cultural and creative industries)
- c. Value of Cultural Heritage

## 2. Financial and economic literacy

- a. Importance of Supply Chain Management
- b. Decision-making process in Supply Chain Management
- c. Understanding Value Chain as developed by Porter (Primary and Support Activities)

## 3. Business Model

- a. Role of Business Models
- b. Types of Business Models in the cultural sectors
- c. Creating a Business Model Canva [strategyzer.com](https://www.strategyzer.com)

Categories: key partners, key activities, value proposition, customer relationships, customer segments, key resources, channels, cost structure, revenue streams)



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# Glossary



<b>TERM</b>	<b>DEFINITION</b>
Tangible Heritage	Assets divided into movable (pieces that we can touch and store) and immovable heritage (buildings, monuments, sites).
Intangible Heritage	Cultural Heritage that can neither be touched nor stored and refer to traditions, cuisine, performing arts etc.
Digital Heritage	Cultural heritage that is preserved through digital forms such as videos, texts, literature etc.
Supply Chain	A network between an enterprise and its suppliers to produce and distribute a specific product to the final buyer.
Value Chain	A business model that describes the full range of activities needed to create a product or a service.
Primary Activities	In Porters' value chain the primary activities are the inbound logistics, operations, outbound logistics, marketing and sales and service and support the secondary activities.



<b>TERM</b>	<b>DEFINITION</b>
Support Activities	The support activities are the secondary activities in value chain that are all related to the primary activities.
Procurement	What the organisation does to get its resources, finding vendors or negotiating best practices
HR Management	How well a company recruits, trains, motivates and rewards its employees
Technology	Activities related to processing and managing information
Infrastructure	Operation Procedures such as accounting, legal, admin, management
Inbound logistics	Processes of receiving, storing, distributing



<b>TERM</b>	<b>DEFINITION</b>
Operations	Activities that change resources into consumed material
Outbound logistics	How you deliver products to the clients
Marketing and Sales	How to motivate clients to purchase
Services-	Activities related to after-sales service e.g. maintenance
Business Model	A company/organisation's plan for making a profit. It identifies the target market and expenses.
Business model canvas	A business design tool which helps into identifying the customers of the company, the channels to approach them, the company's main activities, the costs and ways to achieve revenues.



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# Module Scenario



## **CYPRIMUM- SCENARIO**

Anna is 27 years old from Cyprus and is making traditional jewellery. She wants to create her company shop named 'Cyprium' to sell traditional costumes and crafts. She wants to open the shop in a tourist and populated area in the old city of Nicosia and create an online shop to deliver products locally. However, due to financial limitations, she decides to create a website to display her work and sell the products via other local companies until the company profits.

One of the primary things she does is find a supplier for costumes and order items to store in-house. Once she orders and stores them, Anna prices the items. The company will distribute the items such as jewellery and clothes to different local agencies. In the beginning, she hands out 100 items for free to dance schools, touristic shops and entertainment channels for advertising and promotion purposes.

The main consumers to attract are people and companies in the creative sectors, tourists and individuals interested in dance, craft and tradition. To receive feedback upon delivery of the items to the end customer, Anna decides that through the Cyprium website, she will create an area where customers can express their opinion on the Cyprium products and Social Media accounts to respond to any enquiries. She will moreover create a phone number for the company. In this way, Anna will be able to interact with customers and build customer relationships.



## ASSESSMENT QUESTIONS

- 1. Are the products of *Cyprium* shop considered tangible or intangible cultural Heritage?**
- 2. In refer to the Value Chain by Porter, in what value chain activities storing supplies belongs to?**
  - a. Inbound Logistics
  - b. Services
  - c. Operations
- 3. In refer to the Value Chain by Porter, in what value chain activities pricing items belongs to?**
  - a. Marketing & Sales
  - b. Procurement
  - c. Operations
- 4. What is the business model of the Cyprium Company?**
  - a. Fee-for-Service
  - b. Market intermediary**
  - c. On-Demand
- 5. How Anna decides to support Customer Relationships?**



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