# Financial Management and Fund Raising for Artistic and Cultural Enterprises

## Prof. Pierluigi Benigno; Prof. Andrea Petrucci

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The overall course objective is to examine, from a theoretical and applications perspective, the main issues involved in corporate financial management, with specific reference to firms in the entertainment business, museums, and event/exhibition management companies. The course looks at both how financial resources are used, as well as how they are sourced. The course is subdivided into two inter-related modules.

Relatively to Module I, at the end of the course, students will acquire a deep knowledge of the fundamental aspects of economic and financial management of cultural organisations, as well as of the methodological assumptions and the essential profiles of the applicative technical procedures of the most widely used tools specialised in analysing the situation of a company in every aspect (at preparatory level). At the same time, students will be able to apply this knowledge to the observation of cultural organisations from a patrimonial, economic, and financial point of view; they will also know how to properly discuss with other operators of this sector about subjects of economic and financial management.

At the end of Module II, students will be able to understand the complex concept of funding, as well as the economic and financial sustainability of cultural insitutions, especially Non Profit ones. In this module a multi-disciplinary approach will be adopted with regard to a plurality of legal, economic, fiscal and administrative aspects, as well as towards other subjects, such as strategic marketing, integrated communication, relationships with stakeholders, funding calls, cultural membership and non-synallagmatic fundraising.

***COURSE CONTENT***

Module I: *Professor Pierluigi Benigno*

Module II focuses on the issues of finance and financial analysis, and tackles the following themes:

1. Financial management, the function of the financial area, the concept of income and costs, earnings equilibrium and financial equilibrium in running businesses.

2. Tools for controlling earnings equilibrium and financial equilibrium:

– annual financial statements for theatre companies, museums, and event management companies;

– financial analysis of the financial statements.

3. The processes behind the formation of earnings and the related financial dynamics:

– control of earnings;

– control of financial position:

 \* the structure of sources and uses of financing:

 \* changes in the structure of sources and uses for the effect of operations;

 \* the financial structure and the related leverage effect on the profitability of capital;

 \* financial trends (cash-flow statement).

Module II*: Prof. Andrea Petrucci*

1. Cultural organisations

 Definition

 Legal aspects

 Structure, objectives and strategy

 Economic management

 Management and financial resources

2. Marketing elements

 Cultural product, consumption and marketing

 Strategic marketing

 Marketing plan

3. Fundraising

Definition

Cultural fundraising

The relationships with public financial backers

The relationships with private financial backers

4. Non-synallagmatic fundraising

Investors, needs and the role of fundraiser

The pursuit of competitive advantage

The fundraising campaign

***COURSE CONTENT***

The course deals with the complex topic of the financing and the economic and financial sustainability of cultural institutions. By adopting a multidisciplinary approach, it also tackles legal and economic aspects, strategic marketing, integrated communication, relationships with stakeholders, tenders for financing, cultural membership and non-bilateral fund raising.

***READING LIST***

Module I

 The course structure doesn’t allow to identify a list of textbooks covering the plurality of subjects discussed in class. During the course, appropriate research material will be made available and students will be given bibliographical references for any further details.

Module II

 *Compulsory text*

Lecture notes

 *Suggested readings*

Kotler-Andreasen, *Strategic Marketing for NonProfit Organizations*.

Colbert, *Marketing delle arti e della cultura*.

***TEACHING METHOD***

The two modules are organised in frontal lectures aimed at providing students with valid interpretative instruments from a theoretical point of view; these instruments will be exposed with continuous references to concrete use cases.

***ASSESSMENT METHOD AND CRITERIA***

The student's final grade will be based on equal weighing of the results of tests that the students will take on the various course modules.

Two written exams are planned: one on Modules I and one on Module II. In both cases the exam will include two open-ended questions on the topics explained during the course. The assessment will take into account the completeness and the accuracy of the answers and the mark, expressed in thirtieths, will have to be greater than 17. The final assessment will result from the simple average of the two marks.

***NOTES AND PREREQUISITES***

Given the structure and characteristics of all two modules, students will need to attend class regularly, participate in class discussion and complete assignments. For this reason, it is highly recommended to plan study activities accordingly, so that continuity (in terms of attendance) and commitment are guaranteed.

A previous knowledge of business economics and of the essential profiles for the redaction of financial statements for companies are prerequisites for attending the course.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.