



Europeana Network Task Force on brokerage and business opportunities Final report

June 2016

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Using the Business Modelling Tools for Sustainability in Cultural Heritage

1. Executive Summary

This document presents the work done by the Task Force on “brokerage and business opportunities” that analysed possible scenarios for the sustainability of cultural heritage initiatives, like the Europeana aggregators.

The Task Force used Europeana Fashion as a case study, analysing its exploitation potential and drafting a full business plan. The methodology used and most of the conclusions presented in this document could be easily adapted to other aggregators and Expert Hubs and it is the main goal of this report to recommend the adoption of this methodology to all aggregators in the Europeana ecosystem.

In order to produce an effective business plan, the Task Force used the Osterwalder & Pigneur process for Business Innovation and their Business Model Canvas¹, which gave a structured approach and a methodology to follow.

This process was carried out following the business model design technique called “ideation”². The ideation roadmap started from the team composition, the analysis of the operating environment and the definition of the core values that Europeana Fashion wishes to express. During this stage the following core values were defined: **Accessibility, Openness, Shareability, Richness** and (content) **Quality**.

The ideation process then moved to the definition of possible value propositions that would drive revenue. An offer-driven business model innovation methodology has been chosen as the starting point for developing new possible business cases. This has meant making value propositions as the basis, or epicenter, for innovating the new business model, rather than from the customer, finance or resource perspectives. This approach has led to the definition of three main categories of value propositions:

- Content Brokerage
- Service Brokerage/offering
- Events organisation

Each of these categories generated different business cases that were plotted on the business model canvas and tested against their potentiality for generating revenues.

The conclusion of this evaluation was that two out of these three categories, Service Brokerage and Events organisation, held the highest chances of giving a contribution to make Europeana Fashion sustainable.

¹ “Business Model Generation”, Osterwalder & Pigneur (2010).

² See chapter 4 for more details on the methodology followed.



Content brokerage was not seen as a viable source of income due to the complexity (and high costs) of handling the content syndication for dozens of different providers, the low margins in these kind of transactions and also the relatively low demand of such services. Another main obstacle for embracing this kind of services is the potential conflict that they have with our mission to provide open and wide access to the content we aggregate.

This analysis led to the synthesis of a single value proposition that drives the Europeana Fashion business model:

We make it easy for fashion GLAMs and brands to get better value from their cultural heritage assets by opening them up and connecting to new audiences.

Starting from this value proposition, we have drafted a business model canvas, adding key activities, partners, relationships, channels, customer groups, costs and revenues.

As a final step, starting from the defined business model, we have drafted a complete business plan, including a financial analysis, market, trends and competitors' analysis, and an implementation roadmap, developed over three years (2016-2018). This plan draws the basis for a sustainable cultural initiative that the Europeana Fashion International Association will carry on in the forthcoming years.

It is important to outline that, while the selected value propositions can be turned into profitable activities, in the Europeana Fashion case, these will never cover more than the 40% of the total annual costs, leaving the coverage of the remaining 60% to membership fees and EU project funding, which still remains fundamental in the sustainability of the aggregator, but of progressively decreasing relevance during the three-years period.

Reducing the dependency from EU funding it's an important goal for every aggregator, and developing an effective business plan is a fundamental step towards this goal. We hope that the work done in this direction by the task force and summarised in the following pages will serve as a model and inspiration for all the other aggregators.

2. Aim and Scope of the Task Force

The Task Force on 'Brokerage and Business Opportunities', further on referred to as the 'Task Force' (or TF), looked at the potential means for sustaining a thematic or domain aggregator as part of the shared ecosystem of Europeana. More specifically, the Task Force was set up to investigate which revenue opportunities might exist in areas such as content and service brokerage or events organisation to help making sustainable cultural initiatives like thematic, domain or national aggregators in the Europeana ecosystem. Europeana Fashion has been taken as use case, exploring how we could engage fashion museums and brand archives to share their digital assets on Europeana, increase their visibility and find a way of paying for the service. The Task Force had to make sure that its outcomes were replicable under other contexts and by other aggregators. As final outcome, the TF should produce an actionable recommendation or set of recommendations.



3. Members of the Task Force

The task force has been set-up by few core members of the Europeana Fashion aggregator, but it has also been integrated by representatives from other initiatives. The team brings together people from different backgrounds; from fashion museums and memory institutions to fashion professionals, academics, and cultural innovators. Here is the list of the task force members:

- Marco Rendina, Europeana Fashion International Association (Chair)
- Jill Cousins, Europeana Foundation
- Etienne Tordoir/Elena Vorobieva, Catwalkpictures
- Monika Hagedorn-Saupe, SPK
- Erwin Verbruggen, Netherlands Institute for Sound and Vision
- Marco Pecorari, Parsons Paris School of Art & Design
- Olivier Schulbaum, Platoniq
- Dieter Suls, MoMu - Mode Museum Antwerp

4. Methodology: Designing a Business Model through Ideation

A crucial component of the Task Force's methodology has been the book 'Business Model Generation' by Alexander Osterwalder and Yves Pigneur³. Central element in the book is the Business Model Canvas (BMC), a strategic management and lean start-up template for developing new or documenting existing business models. The canvas uses simple but robust concepts and it is versatile and effective in nature. It uses nine building blocks to describe a business model, which is defined as 'how an organization delivers and captures value'.

³ Osterwalder & Pigneur (2010).

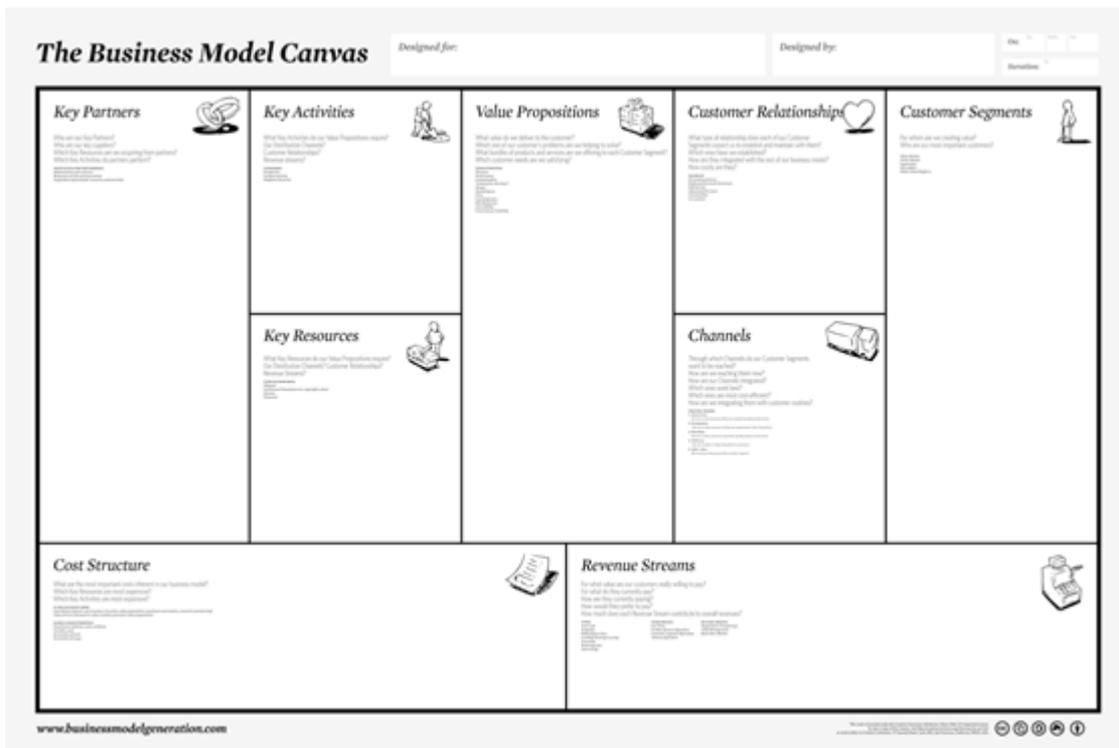


Fig. 1: The Business Model Canvas

The nine building blocks of the Business Model Canvas are:

- **Key Partners**
- **Key Activities**
- **Value Proposition**
- **Customer Relationships**
- **Customer Segments**
- **Key Resources**
- **Channels**
- **Cost Structure**
- **Revenue Streams**

How an organization ‘captures value’ can take several shapes such as cultural, economic, social, environmental, so a business model does not only apply to the ‘for profit’ realm. A business model can also be developed, not just for organizations, but also for specific projects, products or services. The business model canvas can be used in teams to develop a shared language, for better strategic conversations and as a tool to structure thinking.



The Europeana Fashion project was already quite familiar with this methodology, as the business model canvas was used as a tool for drafting the business model that was central in its Exploitation and Sustainability Plans⁴, which will be further elaborated in this document.

Osterwalder & Pigneur's methodology was not just useful for the Business Model Canvas, but also for the processes that it describes to design, innovate and implement business models. Our TF had a specific interest in the design-process, in the sense that we needed to re-work an existing business model (based exclusively on public funding) by formulating new and innovative value propositions for Europeana Fashion. This required the ability of the TF to imagine new scenarios and to challenge the status quo. Successfully innovating a business model combines creativity with a structured approach. According to the selected methodology, there are six different business model design techniques. Out of the Osterwalder & Pigneur's toolbox, the TF used the "ideation" technique, which is explained below in this quote⁵:

Mapping an existing business model is one thing, designing a new and innovative business model is another thing. What is needed is a creative process for generating a large number of business model ideas and isolating the best ones. This process is called ideation. Mastering the art of ideation is crucial when it comes to designing viable new business models.

(...)

To come up with new or better options, you must dream up a grab bag of ideas before narrowing them down to a short list of conceivable options. Thus, ideation has two main phases: idea generation, where quantity matters, and synthesis, in which ideas are discussed, combined, and narrowed down to a small number of viable options.

Even though the ideation technique can take several forms, the following steps are common to ideally execute the ideation process:

- Team composition
- Immersion
- Expanding
- Selection
- Prototyping

⁴ D4.3: Exploitation and Sustainability Plan (version 1)
<http://blog.europeanafashion.eu/download/deliverables/Deliverable%204.3%20Exploitation%20and%20Sustainability%20Plan%20-%20updated.pdf>

D4.8 Final Exploitation Plan
<http://blog.europeanafashion.eu/download/deliverables/Deliverable%204.8%20Final%20Exploitation%20and%20Sustainability%20plan.pdf>

⁵ Osterwalder & Pigneur (2010), p136.



This ideation roadmap has been used to structure also the rest of this chapter, as it quite clearly lays out the track that we followed during the Task Force activities. In total, three gatherings of the Task Force members took place and the goals and outcomes of these steps are elaborated in the following sections.

4.1. Team composition

From its inception, it was crucial to involve the right people in the Task Force. Assembling a team with a mixed background and complementary levels of expertise was a critical prerequisite to optimally explore the business opportunities for the Europeana Fashion use case. Diversity works, therefore the TF combines a mixed group of insiders and outsiders involved in the fashion heritage domain. The team brings together people from different backgrounds; from fashion museums and memory institutions to fashion professionals, academics, and cultural innovators.

At the first meeting, the TF members spent time getting a better insight in each other's perspectives. As next step (4.2 Immersion) they gained a shared understanding of the assignment of the TF, and established a common language for further exploring the Europeana Fashion use case.

4.2. Immersion

Key question at this stage is the following: 'Which elements must we study before generating business model ideas?'. Immersion can take many shapes, from a theoretical (desk) research to more practical group exercises. Most important is that the design team plunges into relevant knowledge, facts, opinions, etc. In our case the immersion phase consisted in 2 steps:

4.2.1. Delving into the Sustainability Plan of Europeana Fashion

A relevant corpus of information on the Europeana Fashion business case and more specifically on its business model was written down in a Europeana Fashion project deliverable, 'D4.8: Final Exploitation and Sustainability Plan'. This plan was the second and final version of the Sustainability Plan made at the end of the Europeana Fashion project (February 2015). It addressed the issues of designing a business model for Europeana Fashion after the 3-year funding period, as thematic aggregator.

This Sustainability Plan was shared before the TF kick-off meeting, as a general introduction. During the kick-off meeting itself, the outlines of the plan were presented again and, as a warm up, the Business Model Canvas developed originally for the Europeana Fashion International Association (presented below), was thoroughly discussed by the TF.



Key Partners Europeana Foundation EFIA Members	Key Activities Harmonize & Enrich Ingest (NEW) content Communicate Train & Support Partner relations Curation/Editing	Value Proposition Expert hub providing services to Fashion museums and Archives A Portal with critical mass, offering free access to (curated) fashion content Europeana Fashion Brand	Customer Relationships Self-service Communities Co-creation	Customer Segments General Users Institutional user (Archives/Museums) Researchers / Scholars Creative Industries Fashionistas
	Key Resources Digital content Infrastructure (Aggregator, Repository, portal) Thesaurus Network People able to carry out Key Activities		Channels Europeana Fashion Portal Europeana Lab; Wikipedia/Wikimedia Social Media Dissemination activities	
Cost structure Technical infrastructure Personnel Costs Event organization Travel Costs		Revenue streams EU funding Membership Fees Consulting Income generated via events Information brokerage Other funding programmes		

As a general observation it was noted that the Europeana Fashion aggregator was a typical example of a multi-sided platform, which meant that the business model had to achieve multiple fits with customer segments (CPs/partners, End-users), so it needed multiple value propositions. This specific BMC was quite blurry in that aspect and needed to be further clarified in a later phase.



4.2.2. Defining the core values of Europeana Fashion

Since the core values of Europeana Fashion are like the DNA that defines the initiative, it was important to make these elements explicit and tangible. Developing a business model had to be in line with the defined common values on which Europeana Fashion is going to be built. Furthermore, making explicit these core values helped the TF and to develop a shared language and a common vision of the initiatives.

As an exercise, the TF compiled the following list of general values during the kick-off meeting:

- Strive for universal accessibility
- Open by default
- Share knowledge in the fashion community
- Non-profit organization/Public good
- Fuel for creativity
- Deliver quality
- Engage our partners network
- Delight the eye as well as the mind
- Focus on the user and re-user
- Engage the beginners and attract the experts

This list has been then synthesized and better formalised in the following set of core values for Europeana Fashion:

- Accessibility
- Openness
- Shareability
- Quality (of our content)
- Mutuality

4.2.3. Expanding : Generating Value Propositions⁶

Ideas for innovating a business model can come from anywhere, nevertheless Osterwalder & Pigneur distinguish 4 epicenters for business model innovation (resource-driven, offer-driven, customer-driven and finance-driven)⁷. Each of these epicenters can serve as the starting point

⁶ For the generation of value propositions we suggest to consider the Value Proposition Design methodology, <https://strategyzer.com/vpd>

⁷ Osterwalder & Pigneur (2010), p138.



for a major business model change, and each of them can have a powerful impact on the other eight building blocks. The TF used the offer-driven model as a starting point for the innovation process. In this approach innovation is driven by the creation of new value propositions, and assessing the impact of these proposals on the other building blocks of the business model canvas.

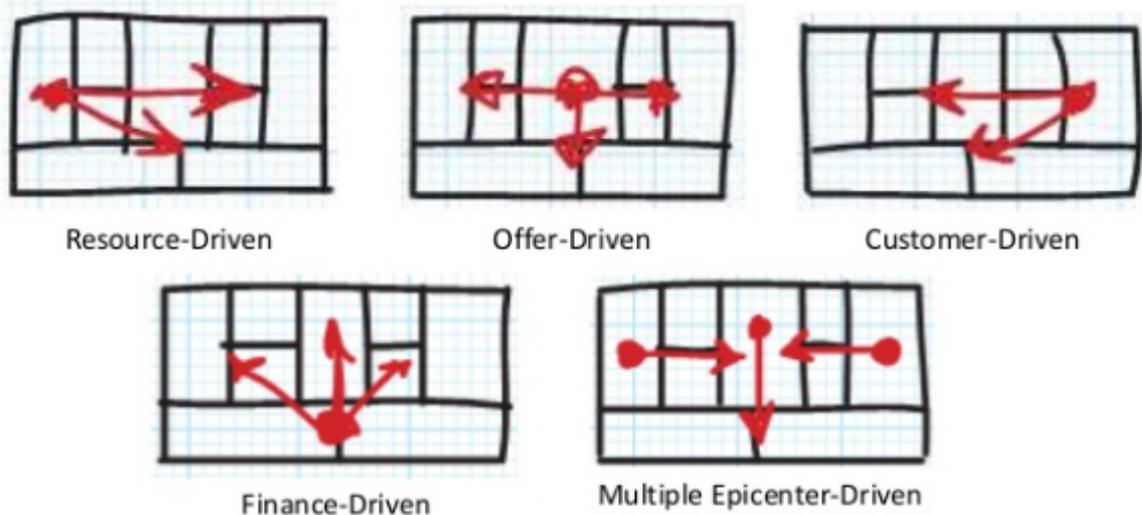


Fig. 2: The five epicenters for business model innovations

The TF used the following definition for a value proposition:

*The Value Proposition building block describes the bundle of product and services that create value for a specific customer segment. (...) What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? Which customer needs are we satisfying?*⁸

Or in other words: 'Why would people be interested in the product or service?'. During its kick-off meeting, the TF conceived many new and different value propositions. These 'new/more specific' value propositions, were organized in three main categories:

- Content Brokerage
- Service Brokerage/offering
- Events

For each category, more specific value propositions were generated during a brainstorm session. The focus during this 'expansion phase' was on the formulation of a large quantity of value proposals (offer-driven approach) with a potential to generate income for Europeana Fashion. These propositions were formulated intuitively, nothing was over-analysed. A

⁸ Osterwalder & Pigneur (2010), p22-23.



thorough selection of the most relevant and viable ideas was reserved for the next step (cf. 4.2.4: Synthesis).

The following value propositions were defined:

- Value proposition 1: **Content brokerage**
 - o Provision of user data (e.g. access and usage statistics) to 3rd party (companies/publishers/advertisers/Fashion brands).
 - o Provision of fashion digital content for publisher/companies/educational institutions
 - o Merchandizing (open licensed) content on behalf of the archives towards the end user
 - o Selling travelling (digital) exhibitions

- Value proposition 2: **To provide/broker services**
 - o Consultancy/training
 - Information architecture
 - Rights clearance/licensing (best practices)
 - Social media use
 - Use of standards (e.g. metadata and digital formats)
 - Multilingualism
 - Semantic enrichment
 - Creative exploitation/re-use
 - Showcasing content online (best practices)
 - Digital preservation
 - o Content ingestion/storage/enrichment services
 - o Crowdfunding/Co-creation
 - o Curation of content for 3rd parties
 - o IPR clearance for 3rd parties
 - o Digital preservation services

- Value proposition 3: **To organize events**
 - o Conference for professionals



- o Conference for general public
- o Workshops
- o Collection days/Edit-a-thons
- o Virtual catwalks, 3-D fitting room, etc. => innovative events
- o Awards (e.g. Best of Fashion Schools)

4.2.4. Synthesis: Selection of Value Propositions

After expanding the range of potential business cases in a brainstorm session, the TF started the process to reduce the ideas to a core set. To narrow down the list, three smaller working groups, which were formed based on the expertise and background of the TF members, analysed and selected the different value propositions, based on their potential to generate revenues.

After the kick-off, each group had to analyse one of the three categories of value propositions and select the most viable and profitable ones and prepare a business case around them. These business cases were described making use of the Business Model Canvas. The working groups used an online tool to draft the business canvases, namely the 'Canvanizer' (www.canvanizer.com), which proved to be a handy and flexible tool. In the different BMCs the impact of the new value propositions on the other eight building blocks of the business model of Europeana Fashion was also assessed. These business cases were 'napkin sketches', intended to outline and pitch a rough idea, without going too much into details. The resulting business model canvases were presented during the second TF meeting, after which a plenary vetting process by the TF was initiated, which resulted in an updated general business model canvas.

Regarding the first value proposition 'Content Brokerage', the TF members concluded that it was unlikely that –especially in the fashion domain- we would be able to generate money selling/brokering material that the aggregator does not own and that usually has complex IPR issues attached to it. It was possible to envision a business case around this activity, but it was very unlikely that this could be profitable, considering the small margins and the fact that most of public institutions (museums, libraries and archives) had difficulties in supporting and embracing such a business case and anyway creative industries/publishers usually preferred to contact directly the content providers. Another main obstacle for embracing this kind of services is the potential conflict that they have with our mission to provide open and wide access to the content we aggregate.

Regarding the 'Service Brokerage/offering' proposition, it was expanded in the following business cases:

- Offering consulting/training services
- Offering content ingestion/storage/enrichment services
- Offering curation/promotion of fashion content for third parties



- Offering of co-creation/crowdfunding services for third parties (this could fit also in the training services case)

The business case “Clearing IPR for third-parties content” was discarded, since the aggregators usually do not have the specific legal knowledge, which -by the way- varies from country to country, making very complex to perform this kind of activity on an international scale.

Regarding the last value proposition ‘Events Organization’, a business case was presented which included the organization of events, like conferences, awards, and workshops.

These selected value propositions were further investigated in the following ‘prototyping’ step.

4.2.5. Prototyping: Creating Business Cases using the Business Model Canvas

According to Osterwalder & Pigneur, prototypes represent:

...potential future business models: as tools that serve the purpose of discussion, inquiry, or proof of concept. A business prototype can take the form of a simple sketch, a fully thought-through concept described with the business model canvas, or a spreadsheet that simulates the financial workings of a new business⁹.

The TF initiated the prototyping process starting from the business cases (napkin sketches) developed in the previous phase. These napkin sketches outlined an idea and mainly focused on the key elements of the BMC (including revenue streams).

The different business cases presented in the chapter above were represented using the business model canvas. Five BMC were produced:

- Offering consulting/training services:
<https://canvanizer.com/canvas/JqRP-LPj3rc>
- Offering content ingestion/storage/enrichment services:
<https://canvanizer.com/canvas/Aa9xsuVdaVM>
- Offering curation/promotion of fashion content for third parties:
<https://canvanizer.com/canvas/b2F1IbX6LvQ>
- Offering of co-creation/crowdfunding services for third parties (this could fit also in the training services case):
<https://canvanizer.com/canvas/9YMJ5tQV4e4>
- Events organisation (conferences, workshops, awards):
<https://canvanizer.com/canvas/lf2HZSu0Bu8>

⁹ Osterwalder & Pigneur (2010), p162.



Right after, the TF moved on to make a more elaborate global canvas. In this elaborated canvas, the TF explored what it would take to put these five business cases into practice.

As a first step, the separate napkin sketches were integrated in one business model canvas that more thoroughly examined the dependencies of all the building blocks. This BMC was created, again using the canvanizer and sent to the TF members in preparation of the final TF meeting. The main agenda point for this meeting was the analysis, discussion and validation of the Europeana Fashion BMC. The result of these efforts was summarised in the following canvas:

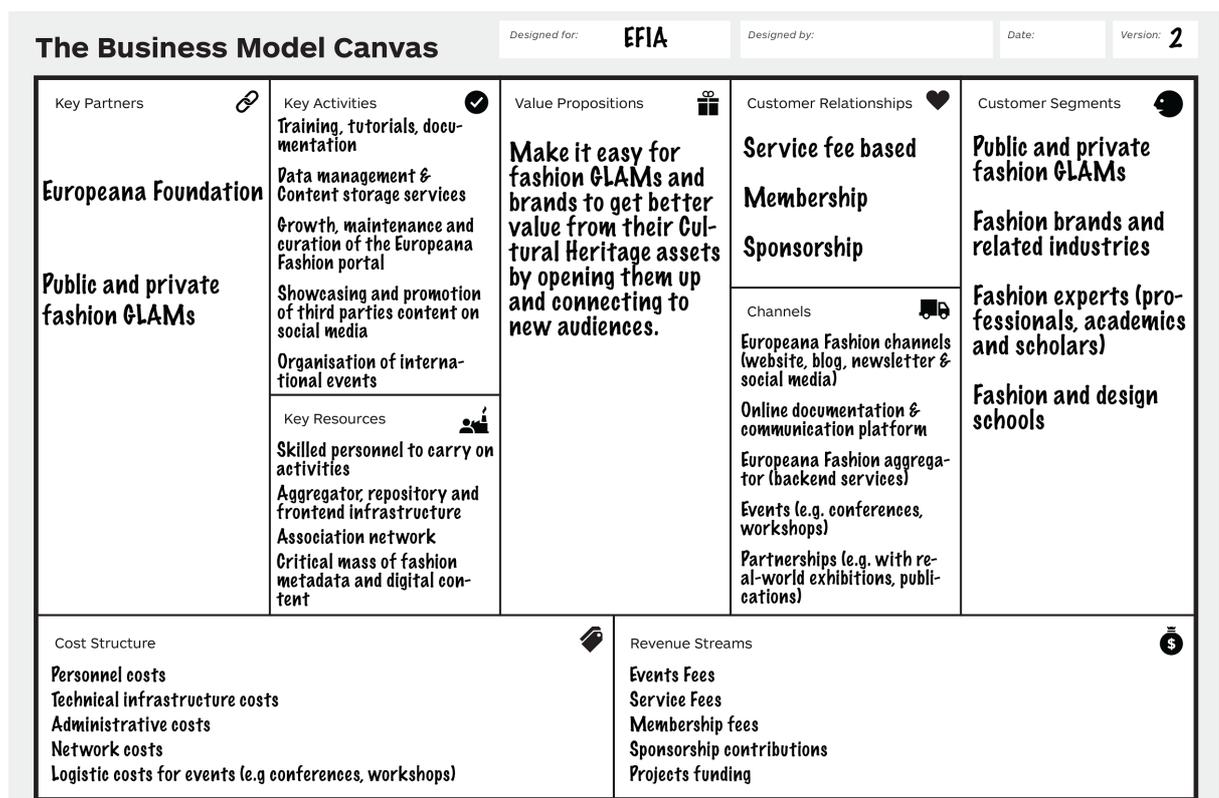


Fig. 3: Europeana Fashion business model canvas

The BMC is also available online at <https://canvanizer.com/canvas/LPff9ukr18E>, and it's visible also in the Annex I, at the end of this document.

For readability reasons, the BMC is also represented as text in the following section:

- **Key Partners**
 - Public and private fashion GLAMs
 - Europeana Foundation
- **Key Activities**
 - Training sessions



- Documentation/tutorials
- Data management (metadata aggregation, enrichment and publication services)
- Content Storage Services
- Ingestion Support/helpdesk
- Growth, maintenance and curation of the Europeana Fashion website
- Showcase and promotion of third parties content on social media
- Organisation of international conferences/events (edit-a-thons, etc.)
- **Value Proposition**

Make it easy for fashion GLAMs and brands to get better value from their Cultural Heritage assets by opening them up and connecting to new audiences.
- **Customer Relationships**
 - Fee based
 - Membership
 - Sponsorship
- **Customer Segments**
 - Public and private fashion GLAMs
 - Fashion brands and related industries
 - Fashion experts: (professionals, academics and scholars)
 - Fashion and design schools
- **Key Resources**
 - Skilled personnel to carry on activities
 - Aggregator, digital repository and frontend infrastructure
 - Association network
 - Critical mass of fashion metadata and digital content
- **Channels**
 - Europeana Fashion channels (website, blog, newsletter and social media)
 - Online documentation & communication platform (Basecamp, Europeana Pro)
 - Europeana Fashion aggregator (backend services)
 - Regular events (e.g. conferences, workshops)
 - Partnerships (e.g. with real-world exhibitions, publications)
- **Cost Structure**
 - Personnel costs
 - Logistic costs for events (e.g conferences, workshops)
 - Technical infrastructure costs
 - Administrative costs
 - Network costs



- Dissemination and training material costs
- **Revenue Streams**
 - Events Fees
 - Sponsorship contributions
 - Service Fees
 - Membership fees
 - EU funding

The business model represented by this business model canvas has been evolved to become a complete business plan, as described in the next chapter.

5. Europeana Fashion: from Business Model to Business Plan

The purpose of a business plan is to describe and communicate a project and how it can be implemented in the real world. The work done by designing and thinking through the business model for Europeana Fashion forms the basis for writing an effective and consistent business plan. To organise this chapter, the TF followed the structure proposed by Osterwalder & Pigneur.

5.1. The Team

In this paragraph we will describe the organisation and the team that will build and execute the business model we propose.

5.1.1. The organisation

The Europeana Fashion International Association is a non-profit organisation established under the Italian law in August 2014 in the framework of the Europeana Fashion project (a EU co-funded project that ran from 2012-2015). The Association brings together and engages fashion institutions (both GLAMs - Galleries, Libraries, Archives and Museums - and creative industries) in the valorisation and exploitation of fashion heritage online. One of the main objectives of the Association is to keep alive and enrich the Europeana Fashion portal, through which almost 800.000 fashion objects can be accessed, shared and promoted online and that brings together the digital collections from almost 35 public and private archives and museums, coming from 12 European countries.

The Europeana Fashion International Association is supported by the following members' typologies:

- Charter Members 100€/year (founding members)
- Supporting Members 500€/year (institutional members)
- Ordinary Members 50€/year (individual members)



Currently EFIA has 26 members, with 20 supporting members and 6 ordinary/charters members.

5.1.2. The staff

Building further on the track record of the European Fashion project (2012-2015), the Europeana Fashion International Association has assembled a team of skilled and motivated people, coming from different backgrounds and able to follow efficiently the different aspect of the initiative, having at its core a management team that is experienced and knowledgeable, and that is well-connected both with the fashion domain and the Europeana and GLAMs ecosystem.

All team members work on a freelance basis, which allows the Association to efficiently re-assess its work force in relation to available resources.

5.1.3. Why we are a winning team/organisation?

- The Europeana Fashion International Association is a legal entity with a solid basis of 26 supporting members, including the major fashion GLAMs in Europe
- We have a group of engaged and active members/partners
- We have a strong partnership with the Europeana Foundation
- We are active in a domain in between culture and creative industry and we have an interesting mix of both for-profit and non-profit partners in our association
- We give access to an amazing critical mass of high quality fashion content
- We have a flexible and skilled staff, coming from different backgrounds (fashion studies, media and communication, heritage, events organisation, management and IT)

5.2. The Business Model

This section showcases the main aspects of the Europeana Fashion Business Model. Starting point is of course the Business Model Canvas, developed in the earlier chapters of this report.

The Business Model of the Europeana Fashion International Association was captured by the following Business Model Canvas:

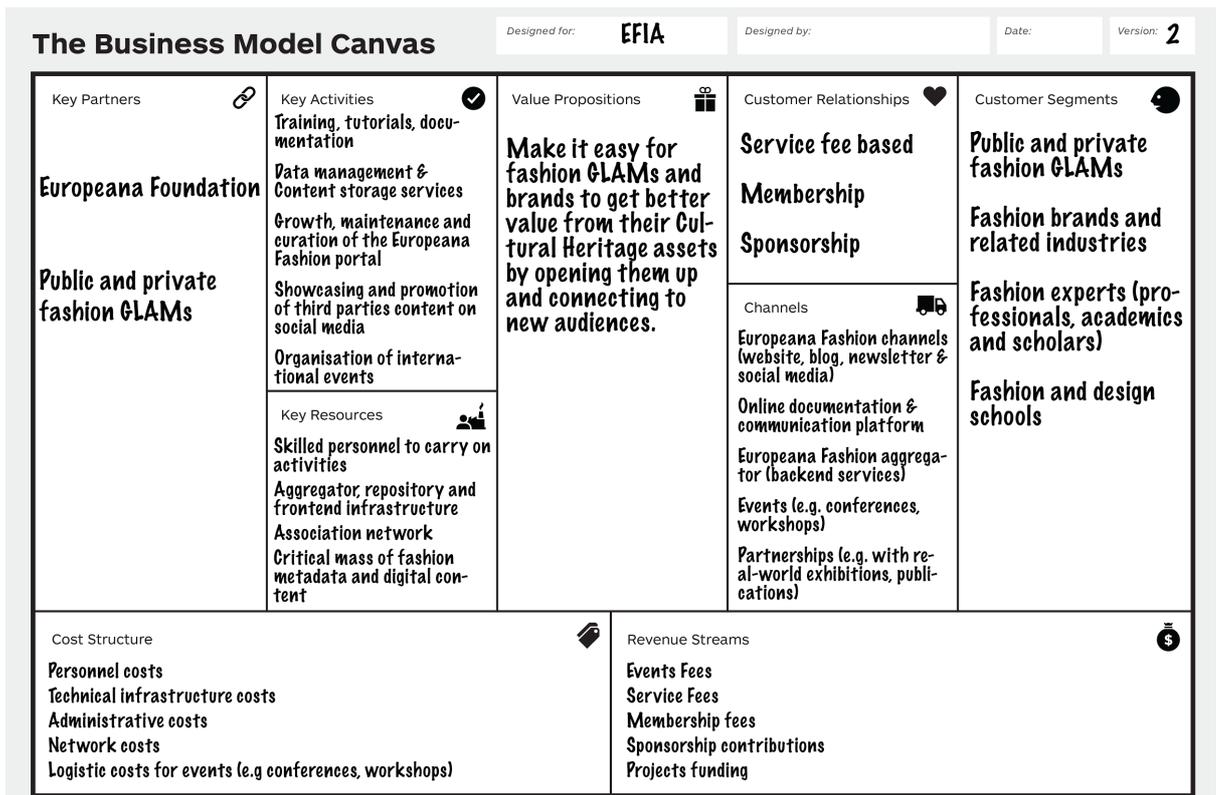


Fig. 4: Europeana Fashion business model canvas

For more detail, see Chapter 4.2.5.

5.2.1. Mission and values

The Europeana Fashion International Association mission is to make it easy for fashion GLAMs/Fashion houses to get better value from their Cultural Heritage assets. We believe that making the digital assets available as open as possible will result in a greater appreciation and increased interest for fashion history and a stronger brand positioning for all our partners.

As Association we uphold the following values: Accessibility, Openness, Shareability, Richness and Quality of our content.

5.2.2. Value proposition

Even though Europeana Fashion can be considered a multi-sided platform, which normally entails multiple value propositions, we chose just one unique value proposition that sums everything up:

We make it easy for fashion GLAMs and brands to get better value from their cultural heritage assets by opening them up and connecting to new audiences.

5.2.3. Target markets/customers

As a multi-sided platform Europeana Fashion connects two customer segments:



- Fashion GLAMs: *the partners in our association, institutions that hold and provide fashion heritage content. Through our activities we connect them to our primary audience*
- Designers, fashion students and researchers, fashionistas: *Our primary audience, who wants to use our content for passion, interest, inspiration, research or study*

Like stated in our mission, we believe that making our fashion heritage widely available on the web is good for all of us: our partners need to integrate 'digital' in their brand positioning. Professionals, like designers, need the inspiration to create new things. Researchers can identify trends that tell us something about ourselves. And fashionistas around the world love to look at the fads from the past.

5.2.4. Key resources and activities

The Europeana Fashion International Association can count on the following key resources:

- Skilled personnel to carry on activities
- Data infrastructure: metadata aggregator, digital repository and portal frontend
- A committed network of partner institutions
- Critical mass of quality metadata and digital content

Our main activities are:

- Training:** we provide Fashion houses/GLAMs training on IPR, data modelling, metadata quality, online user engagement, and everything else is needed to be a player on the web.
- Events:** we organise events to share experiences, best practices and offer networking opportunities
- Data Management:** we support the aggregation of fashion heritage data from source to platform. This includes aggregation, storage, harmonisation and enrichment of content.
- Web publishing:** we manage the hosting and publication of our partners' data. We use the Europeana Platform as our primary channel but we also work with strategic partner platforms like Wikipedia and Tumblr.
- Marketing/Social Media:** we create buzz around our activities, we try to reach as many people interested in fashion heritage as possible and we engage them in our partners' content and in our initiatives using different social media and online marketing tools.
- Network development & management:** the stronger our partner network, the more we all benefit. We therefore actively enlist new GLAMs and Fashion Houses to become members.



5.3. Financial analysis

The aggregation is complex and costly. We try to be smart about this, so we minimise our hosting and publishing costs by making use of the Europeana platform. The aggregation (including the maintenance costs of our platform) (c), the training (a), web publishing (d) and marketing/social media (e) are currently covered by EU contributions through the Europeana DSI¹⁰. This covers 2 FTE in our organisation. This contribution is expected to go down over time, so we should become more cost-efficient and/or find other resources (e.g. charging costs to fashion institutions). Partner development and management (f) is covered by both membership fees and partially by EU contributions through Europeana DSI. This covers another person in our organisation that is responsible for the management and partner relationships. Events (b) are charged separately. In total we actually run on about 2,5 FTE and some subcontracting money.

More in details, for the next 3 years, Europeana Fashion estimates the following budget forecast:

EUROPEANA FASHION - 3 Year Budget		2016	2017	2018
INCOME				
<i>Efashion income streams</i>				
• eFashion Members Fees		10,500	15,750	20,750
• Service fee (training courses, aggregation/digitisation services)		12,000	24,000	36,000
• Revenues from EF Conference		-	37,500	60,000
• Sponsorship fees		-	25,000	40,000
• Total contribution EF Int. Association		22,500	102,250	156,750
<i>EU Project Subsidy</i>				
• Subsidy European Commission DSI		227,000	199,714	179,143
	Total	249,500	301,964	335,893
COSTS				
<i>Personnel costs</i>				
• Personnel staff costs		180,000	198,000	216,000
• Additional Temp Staff costs for events		-	12,000	15,000

¹⁰ Europeana Digital Service Infrastructure project, funded by the EU under the CEF program.



• Other costs for employment (training, insurance)		2,500	2,500	2,500
Total personnel costs		182,500	212,500	233,500
<i>Operational costs</i>				
<i>IT Costs</i>				
• Software / Licenses		2,500	2,500	2,500
• Hardware (including depreciation)		5,000	5,000	5,000
• Hosting / SLA		18,500	-	-
Total IT costs		26,000	7,500	7,500
<i>Event costs</i>				
• Venue hire, catering, etc		3,000	18,000	24,000
• Speakers costs		1,000	9,000	10,000
• Other costs		1,000	5,000	6,000
Total Event costs		5,000	32,000	40,000
<i>Marketing & Communications</i>				
• Annual meeting / workshops - project meetings		6,000	10,000	12,000
• Promotion & Dissemination		4,000	4,000	4,000
Total Marketing & Communications costs		10,000	14,000	16,000
<i>Travel costs for (project) meetings, conferences</i>				
		11,000	15,000	15,000
<i>Other Costs</i>				
• Legal costs		5,000	7,000	7,000
• Financial audit		1,500	1,500	2,000
• Other office costs (incl. desk space and office IT)		6,000	6,000	6,000
Total other costs		12,500	14,500	15,000
	Total	247,000	295,500	327,000
	Balance	2,500	6,464	8,893

It is important to look also outside of the options of EU project funding, becoming as cost-efficient as possible and prioritize services according to costs/revenues, but there always has to be a core service that needs to be guaranteed in order to keep alive the Europeana Fashion initiative.

As mentioned above, Europeana Fashion intends to minimise its infrastructure costs using as much as possible the Europeana shared digital service infrastructure. This can allow the Association to run a core set of services, namely Network management, Web publishing and partially also Marketing/Social media with a minimum investment of resources. In particular, once the Europeana DSI will be fully operative, the infrastructural and core data management



costs of the Europeana Fashion aggregator will be mainly covered by Europeana and the personnel costs for Web publishing, Marketing/social media (mainly content curation and dissemination) and Network development/management can be estimated around 1 FTE, in the minimum configuration.

This budget plan will be re-assessed every year by the Europeana Fashion International Association, with the intention to always guarantee the core services.

5.4. External analysis

5.4.1. Market analysis and key trends

A study prepared for ECCIA (European Cultural and Creative Industries Alliance) on “The Value of the cultural and creative industries to the European economy” (Frontiers economics, 2014)¹¹ highlights that Europe is a global leader in the development of Fashion and Luxury goods sector providing a significant contribution to the European economy in multiple ways:

- The sector employs approx. 1,8 million workers.
- It has an output estimate to be over €600 billion, which equates alone to approx. 4% of European GDP.
- It is a key exporter (over the 12% all exports from Europe) not only of goods but of the idea of European excellence.
- It is a key driver of tourism in Europe and providing significant spillovers to the wider European culture and economy.

It is a matter of fact that the biggest brands are European (70% of the market) and that their DNA is deeply associated with a European reputation rooted in its heritage and culture, showcasing Europe’s world class innovation and acting as ambassadors for European appeal, uniqueness and quality. Moreover, what is relevant in our context is that the study states that the European leadership in this sector springs from an intangible “aura” rooted in historic heritage and in culture, that goes beyond the physical product, an aura identified by the following factors:

- The historic, cultural and artistic dimension.
- The symbolic value.
- The technological value.
- The mix of traditional creativity, know how, culture and heritage.

A deep reflection on Fashion culture, the growing number of Museums concentrating their attentions and efforts on fashion collections, the burst of fashion exhibitions stimulating Fashion research, together with the development of specialized institutions and schools and

¹¹ http://www.eccia.eu/uploads/media/FINAL_Frontiers_Economics_report_prepared_for_ECCIA_03.pdf



the application of new technologies to the entire fashion domain are essential to keep this “aura” and preserving Europe’s fashion heritage.

In addition to this, since the beginning of the XX century, some of the most important cultural institutions and museums of applied arts in Europe have begun collecting and preserving garments, accessories, and other documents and materials related to fashion. This has resulted in a growing number of impressive and unique collections both public and private (fashion brands archives).

In recent years an increasingly large audience has developed a growing interest in Fashion content for research, learning and leisure. Digitization and online access have proven to be fundamental in allowing many institutions to fully exploit their holdings. Moreover, the Internet has become the principal source of information for the Fashion world and industry through a wide range of websites, portals, blogs, social networks, etc. The virtual dimension has become a fundamental territory for the creation, diffusion, consumption and study of fashion. On the side of fashion communication, marketing and retail: new technologies have completely changed the perception and ways people relates to Fashion, social media and online platforms became the “place” to exchange knowledge and information replacing traditional media, creating new kinds of fashion communities driven by bloggers, experts, fashion researchers, fashion curators and followed by million people.

In this context the Europeana Fashion International Association is going to operate, connecting fashion heritage institutions (both public and private) with a growing online audience of fashion creatives, scholars, curators and simple users.

5.4.2. Competitor analysis

For competitors, we mainly looked towards other digital fashion archives or fashion heritage networks (which could also be considered as colleagues rather than competitors).

Vogue.com

There have been a number of initiatives from the Condé Nast group to unlock their vast digital fashion archive: e.g. *Vogue Archive*: a subscription based website that holds the complete collection of rich, historic imagery including every page of every issue of American Vogue from 1892 to 2015 and giving access to 400.000 images for a yearly subscription cost of \$1.575. *Style.com*: a fashion website launched in 2000, featuring online versions of some of the magazine's content as well as Internet-exclusive material such as event and catwalk photographs and style-related articles. Currently Style.com does not exist anymore separately and folds under Vogue.com. *Voguepedia*: was launched in 2011 by Condé Nast Digital, Voguepedia was a fashion encyclopaedia that also included an archive of every issue of Vogue's American edition since 1892. Only Vogue staff was permitted to contribute to the encyclopaedia. Currently Voguepedia does not exist anymore.

Contemporary Fashion Archive

From 2002 to 2007, the CFA was a European co-operation project set up on the initiative of Unit F association for contemporary fashion from Austria and 4 other European fashion institutions. It was funded by the European Union as part of the Commission's culture program



Culture 2000. The grant was based on the project's clever use of modern communication technologies in the aesthetic world of fashion and design. Five renowned European fashion institutions had joined forces to establish a unique information network, which detected and presented current positions and developments in fashion design. This information network took the form of an Internet platform with a digital archive and local documentation centres located at the different institutions of the partners in question. Unfortunately the initiative was unable to sustain itself after the EU-funding ended and in 2015 the website ceased to exist¹².

Bloomsbury Fashion Central

A successful, subscription-based digital fashion resource comes from the big publishing conglomerate Bloomsbury. Bloomsbury Fashion Central¹³ is a subscription-only site for fashion educators, students, and professionals. The site comprises a textbook site open to all and three subscription products:

- Berg Fashion Library: Scholarly articles, eBooks and 13,000 images on world dress and fashion. (£3.700 per year)
- Fairchild Books Library: All Bloomsbury Fashion Central textbooks and student/instructor resources, available on subscription. (£5.200 per year)
- Fashion Photography Archive: over 600,000 images, supported by hundreds of articles, designer biographies, audio and video (active from Autumn 2016 at a price of £3.000 per year).

The annual subscription for all the three products would be £8.935. Their subscribers are mainly institutional, meaning libraries/research departments from educational institutions (schools, universities, etc.).

ICOM Costume Committee

The International Committee for Museums (ICOM) established in 1962 the ICOM Costume Committee for ICOM members with a specific interest in apparel. The 250 members of the Costume Committee are museum professionals and costume historians from all over the world committed to the study of all aspects of presenting, preserving, researching and collecting apparel. Members share their expertise through presentations at annual meetings and publications in both digital and print formats. Topics include research projects, exhibitions, the discussion and demonstration of conservation and storage techniques, aspects of design, manufacturing and many other subjects related to dress. Annual meetings are held in locations throughout the world.

¹² The individual digital records (metadata+images) from the CFA were preserved by MoMu and ingested in their database and made accessible via Openfashion.momu.be and partially also in Europeana Fashion

¹³ <https://www.bloomsburyfashioncentral.com/>



Special Interest Group Fashion Costume and Textile Librarians

Established in March of 2011, the Fashion, Textile & Costume (FTC) Special Interest Group (SIG) of the Art Libraries Society of North America (ARLIS/NA)¹⁴ is a forum for sharing ideas pertinent to fashion, textile & costume librarianship. Participants capitalize on the shared experiences and knowledge of the FTC library community. The group is primarily composed of members from academic, public, museum and corporate libraries concerned with developing professional skills in areas such as reference, library instruction, and collection development. The Special Interest Group for Fashion, Textile & Costume organizes a yearly conference (in North America).

Costume Colloquium

Costume Colloquium on www.costume-textiles.com is a community created to fulfil the need of a resourceful place where like-minded individuals can have an international, interdisciplinary and inter-cultural exchange and promotion of information and ideas on all topics and issues related to costume and textiles. The Community was initially set up to promote Costume Colloquium, the first edition of the events connected to fashion and textile that are organized every two years in Florence. This event has reached in 2016 the fifth edition. Registration fee for the 2016 event is 520€ and 350€ for students.

5.4.3. Competitive advantages of our business model

Compared to the above mentioned initiatives, Europeana Fashion can count on the following advantages in its business model and its structure:

- A critical mass of unique, rich, publicly available and heterogeneous digital fashion content (which no other competitor can offer yet)
- An established network of partners and content providers, which represents the main fashion heritage institutions in Europe
- A non-profit nature that makes the initiative more appealing to public institutions (museums, universities, etc.)
- A light and flexible structure that can easily adapt to different external situations
- A relative scarcity of competition in international events organisation around digital fashion heritage

5.5. Implementation roadmap

The business plan outlined in the paragraphs above will be developed following this plan:

During the first year (2016), we will focus on consolidating the infrastructure and the services we're going to offer to our customers, using mainly the project funding budget. This will include the migration towards the shared Europeana DSI infrastructure.

¹⁴ <http://www.arlisna.org/>



In the second year (2017), we will start investing in the organisation of international events (conferences and workshops) and also -at the same time- looking for sponsorships. We will also start collaborations with fashion schools incentivizing the use of our content and promoting our brand and having also their digital photo archives ingested in our aggregator. The infrastructure costs should go down since the migration towards the Europeana DSI should be finalised by the end of 2017.

In 2018 we will continue investing heavily in the organisation of international events that could bring also an increase in sponsorship contributions. We will also invest resources in the recruitment of new partners, especially looking at new segments, like mid-size brands and new designers and we will continue the collaboration with fashion schools around Europe.

6. Conclusion and Task Force Recommendations

Drafting a complete business plan is a fundamental exercise in order to assess the sustainability of an aggregator. Analysing and selecting value propositions and connected activities that can create and deliver value and that can contribute to sustain economically the aggregator is a crucial step in this planning.

In the Europeana Fashion case, it is important to outline that, while the selected value propositions can be turned into profitable activities, these will never cover more than the 40% of the total annual costs, leaving the remaining 60% to be covered by membership fees and EU project funding, which still remains fundamental in the sustainability of the aggregator, but of progressively decreasing relevance during the three-years period considered in the business plan. EU funding, in fact, during 2016 will cover the 92% of the total costs, while in 2018 this percentage will drop to 54%, like detailed in the charts below.

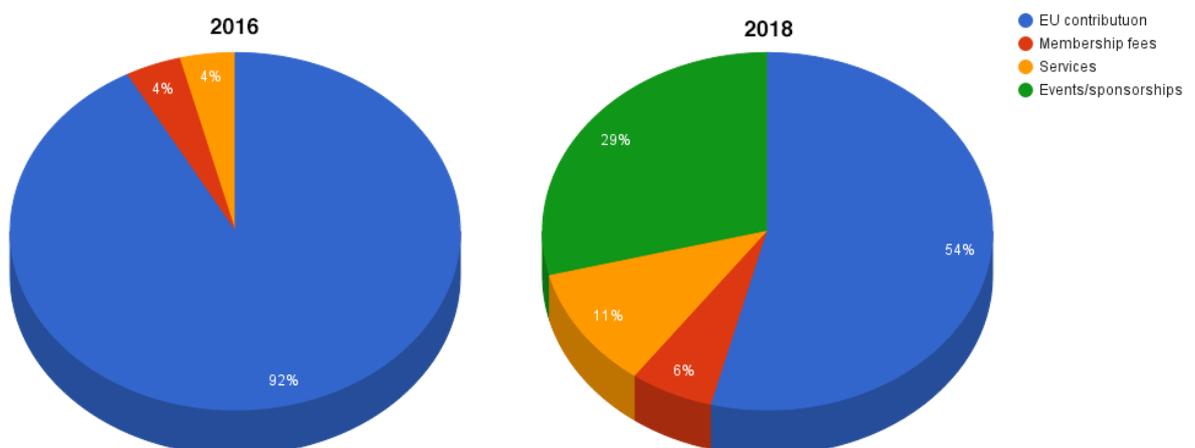


Fig. 5: Costs coverage breakdown



Reducing the dependency from EU funding it's an important goal for every aggregator, and developing an effective business plan is a fundamental step towards this goal.

The task force, as a result of its activity focused on business modelling and business planning for the Europeana Fashion aggregator, can summarise the following recommendations:

- It's important for every aggregator to clearly define the customers it aims to reach and serve. For whom is it creating value? And who are its most important customers? Analysing and grouping customers in segments based on their needs, and understanding each of these needs clearly is fundamental to better define the services and value propositions it's going to deliver.
- It's important to focus on the value propositions that each aggregator wants to deliver for each of its customer segments. What value does it deliver to the customer? Which customer needs is it satisfying? Which set of services is it offering to each customer segment? Quite often we take these concepts for granted or implied. Trying to analyse them explicitly and writing them down will help clarify what we have to offer and if this fulfils our customer needs.
- There is not just a single business model, but a lot of possible ones. Aggregators should draft a few of them and then evaluate and pick the one that matches best the customer needs with the services offered and that offers a sustainable revenue/costs balance.
- The business modelling efforts should be oriented towards the reduction of the dependency from EU funding, which are going to diminish progressively and consistently.
- The structured approach from ideation, to the creation of a value proposition and a business model and finally a business plan should be adopted by each domain, thematic and national aggregator, to get a better idea of how their particular offering can be made sustainable.
- The Task force recommends the use of a shared methodology (like the one proposed by Osterwalder and Pigneur) for the business model generation.

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8. Annex I

The Business Model Canvas

Designed for: **EFIA**

Designed by:

Date:

Version: **2**

<p>Key Partners </p> <p>Europeana Foundation</p> <p>Public and private fashion GLAMs</p>	<p>Key Activities </p> <p>Training, tutorials, documentation</p> <p>Data management & Content storage services</p> <p>Growth, maintenance and curation of the Europeana Fashion portal</p> <p>Showcasing and promotion of third parties content on social media</p> <p>Organisation of international events</p> <hr/> <p>Key Resources </p> <p>Skilled personnel to carry on activities</p> <p>Aggregator, repository and frontend infrastructure</p> <p>Association network</p> <p>Critical mass of fashion metadata and digital content</p>	<p>Value Propositions </p> <p>Make it easy for fashion GLAMs and brands to get better value from their Cultural Heritage assets by opening them up and connecting to new audiences.</p>	<p>Customer Relationships </p> <p>Service fee based</p> <p>Membership</p> <p>Sponsorship</p> <hr/> <p>Channels </p> <p>Europeana Fashion channels (website, blog, newsletter & social media)</p> <p>Online documentation & communication platform</p> <p>Europeana Fashion aggregator (backend services)</p> <p>Events (e.g. conferences, workshops)</p> <p>Partnerships (e.g. with real-world exhibitions, publications)</p>	<p>Customer Segments </p> <p>Public and private fashion GLAMs</p> <p>Fashion brands and related industries</p> <p>Fashion experts (professionals, academics and scholars)</p> <p>Fashion and design schools</p>
<p>Cost Structure </p> <p>Personnel costs</p> <p>Technical infrastructure costs</p> <p>Administrative costs</p> <p>Network costs</p> <p>Logistic costs for events (e.g conferences, workshops)</p>		<p>Revenue Streams </p> <p>Events Fees</p> <p>Service Fees</p> <p>Membership fees</p> <p>Sponsorship contributions</p> <p>EU funding</p>		



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