

COCKPIT ARTS

The Cockpit Effect 2017

Cockpit Arts
www.cockpitarts.com

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Foreword

Vanessa Swann, Chief Executive, Cockpit Arts

I'm delighted once again to present this year's Cockpit Effect report on the growth and development of craft businesses at Cockpit Arts. Having recently celebrated our 30th Anniversary year in 2016 and reflected on our evolution, we are now fully focused on our future. Our celebration of Craft and Makers, alongside our addressing of the question, '*Why does an organisation like Cockpit Arts exist and what is its purpose?*' will still continue. This is a question we continually ask ourselves in order to respond effectively to makers changing needs; however, at the same time we must examine the *effect* of what we do.

Cockpit Arts' focus has always been on helping to sustain livelihoods for talented and skilled makers based in the UK, so that they can thrive and become more successful. So, our decision in 2005 to transform Cockpit from solely a workspace to a business incubator for craftspeople was with two things in mind:

- To develop Cockpit the organisation as a financially sustainable and self-sufficient one
- To develop capabilities in makers (whether starting out or more established and seeking a boost) so they can grow and develop and become more successful and profitable.

We believe that these two things go hand in hand, which means that the question as to how we respond to makers changing needs and how we evolve as an organisation is based on examining our impact and outcomes - as defined by makers themselves as well as our own social purpose measures. It is therefore all the more pertinent that the Cockpit Effect 2017 highlights that the greatest positive impact – financial, social and cultural - is generated by makers who engage the most in Cockpit Arts' business incubation services.

The findings will be taken into account as we evolve our incubation offer for the future and consider our options for further expansion. In the meantime, we are committed to communicating our makers' successes more widely: we believe that individual successes they may be, but collectively they have the power to affect the craft sector as a whole by influencing and inspiring others. They include: capacity-building makers to achieve awards; taking makers to international success; developing new business models and strategies; employing staff including apprentices - to name just a few examples. They are a selection of success stories demonstrating not only what is happening inside Cockpit's walls but what we believe is possible more broadly in the sector.

Our Maker Stories are available on our website, www.cockpitarts.com. There are more where they came from and many more to come in the future.

It only remains for me to thank David Crump, Head of Business Incubation, for preparing the Cockpit Effect 2017 report and devising and delivering our incubation programmes, alongside his team members, Madeleine Furness, Imogen Lawry and Emma Sims. Thanks are also due to Hugo Godfrey, Janice Hosegood, Adrian Lee, Beckie Kingman, Alice Hubley, Dana Segal, Anna Jamison, Shital Pittani, Ceri Ann Littlechild and Zoe Lacey, our Supporters, Associates and Selectors.

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Executive Summary

Overall, this year's Cockpit Effect research findings are very positive, with makers showing continued progress, both financially and non-financially. The report also confirms the positive correlation between a maker's level of engagement with Cockpit Arts' Business Incubation and the financial, cultural and social outcomes they report.

The report references on-going research undertaken by Cockpit Arts, with a focus on data collected from makers¹ relating to the financial years 2013/14 and 2014/15. Where possible, evidence from the sample of 113 craft businesses is also compared against benchmark data held by Cockpit Arts collated between 2005 and 2013, as well as national data on craft businesses in the UK to help identify general trends.

The Cockpit Effect 2017 is based on Partnership Reviews conducted with makers at Cockpit Arts during the 12 months to October 2016. These reviews captured financial data for the two preceding years, allowing a comparison to previous Cockpit Effect reports and to any external reports. Non-financial data was also collected, providing for a deeper understanding of makers' motivation and success factors. Makers' perceptions of the Business Incubation offer were also sought.

- **Reviews** were introduced during 2015. As with the previous Business Reviews, the Partnership Reviews capture quantitative data to characterise the makers and to reflect the growth of their businesses over time. However, in addition to financial performance, Partnership Reviews capture cultural and social indicators of success, as well as makers' views in a number of key areas such as personal priorities, skills and motivational factors. The end-point of each review is to set out the maker's goals for the next 12

¹ Maker is the generic term used throughout this report to refer to the craftspeople who occupy studios at Cockpit Arts

months, giving a framework for future business incubation support on an individual and collective basis. This report is based on the data collected from 113 Partnership Reviews, from a total population of 148 makers during the period.

- **Definitions of success / factors of importance:** When asked what was most important about their business, makers of all age of business agreed that it was “being able to pursue my creative practice”, followed by “being able to try new things and experiment”, reinforcing the view that financial performance is not the dominant factor.
- **Financial performance:** Looking at the group as a whole, the results are very positive. Average turnover rose by 14% from 2013/14 to 2014/15 and at £58,099 for 2014/15 is nearly double that reported in 2010. This is also significantly higher than the average craft business related income of £19,827 reported by the Craft Council in 2012². Average profit for 2014/15 was £14,004, 47% higher than 2010.
- **Cultural Achievements:** The non-financial cultural based data collected for the whole group was also encouraging, with many makers reporting gaining major stockists (24%); being featured in a major publication (26%); securing grant or funding support (18%) and being selected for a major selling event (35%).
- **Personal priorities and self-perception:** Looking at personal (as opposed to business) priorities, makers placed significance on *being able to work for myself* and *having time with family and friends*. This was contrasted, when asked about their perception of their current reality, with the highest negative score being ascribed to *work life balance*.
- **Major business changes:** There is an inevitable time lag first in applying new skills and learning, and then in seeing these translate to tangibly improved financial and business performance. The Partnership Reviews ask makers about major changes within their businesses: The two most cited changes are **improved profile** (45%) and **improved web/social presence**

² “Craft in an Age of Change” Crafts Council, February 2012

(51%). This partially reflects the changing nature of craft businesses: brand is seen as increasingly important, and digital presence is becoming regarded as critical. **Improved business skills** (38%) and **better time management** (30%) are also cited; both key areas of incubation support.

- **Employment:** As a group, makers' contribution to employment continues to be significant. Just under 10% of makers directly employ on a PAYE basis (the same level reported in our previous Cockpit Effect) whilst 61 (54%) either employ freelancers or outsource part or all of their production. Commitment to entry level employment is high, with 27% taking on interns and 8% offering places to apprentices. This demonstrates the effectiveness of the support provided by Cockpit Arts' Creative Employment Programme.
- **Engagement:** Patterns of engagement with the Business Incubation team showed that younger businesses were more likely to major on workshops whilst more established businesses focus on one-to-one coaching support.
- **Maker Stories:** As part of Cockpit Arts' 30th Anniversary celebration, we published a series of Maker Stories, featuring a number of makers who have demonstrated significant progression in their individual journeys to highlight real life examples of the "Cockpit Effect". Of the 113 Partnership Reviews, 22 were conducted with these makers. Looking at these makers as a sub-group allowed us to compare and contrast with the group as a whole. Overall, we found a correlation between the level of engagement with the Business Incubation team, and the makers' success indicators.
- Financially, the Maker Stories sub group had a higher average turnover (£118k versus £58k) and growth in turnover (18% versus 14%). Profit and GVA was higher, though growing more slowly. The group was much more likely to have a marketing plan (36% versus 27%) and business plan (50% versus 30%), and showed stronger results in most of the non-financial areas mentioned above.
- This group was also much more likely to directly employ people (18%); to hire freelancers or to outsource. These success factors were matched by a far great level of engagement with Business Incubation. **Award and**

Bursary winners: New entrants to Cockpit Arts in recent years have increasingly been Award and Bursary winners, offered sponsored studio places for one or two years. The challenge to this method of entry is how to ensure that engagement with Business Incubation is effected as efficiently and effectively as possible within the time constraint of the award period to ensure positive outcomes. Of the 113 Partnership Reviews, 31 were conducted with Award winners, of whom 7 were featured as Maker Stories. The overall results of this group (financial and non-financial) were lower than average, as would be expected for earlier stage businesses. However, the 7 that were featured as Maker Stories demonstrated better results, financial and non-financial, alongside higher levels of engagement.

Conclusions

- Overall, this report validates the core concept behind Cockpit Arts; that supporting makers through business incubation **does** make a difference at all stages of career. This difference can be seen in the financial, cultural and social outcomes reported by makers.
- The Partnership Review itself proved to be a successful vehicle both as a way of framing a discussion between the maker and their business coach, and as a way of collecting broader and more meaningful data.
- As a whole, the makers who participated in the Partnership Reviews demonstrated positive results and continued progress, both financial and non-financial.
- Where engagement with the Business Incubation team is greater, the results are better, as evidenced by the makers featured as Maker Stories
- Makers joining as part of an Award or Bursary programme need a rigorous framework to ensure the best possible within the duration of their short term award. Those who do engage fully with the business incubation offer show the best results.

- The Cockpit Effect 2017 findings will be taken into account as we continue to evolve the Cockpit Arts business incubator model into its next stage of development

1.0 Introduction

Since first developing the Business Incubator model in 2005 we have continued to work with businesses at all levels, from start-ups taking their first steps to mid-career and established businesses wanting to accelerate growth. The full incubation includes the following:

- Studio Space
- One-to-one coaching
- Business Support
- Workshops
- Access to Finance
- Access to Specialist Advisors
- Public Selling Events
- Promotional Activities

Overall, this year's Cockpit Effect research findings are very positive, with makers showing continued progress, both financially and non-financially. The report also confirms the positive correlation between a maker's level of engagement with Cockpit Arts' Business Incubation and the financial, cultural and social outcomes they report.

The report references on-going research undertaken by Cockpit Arts, with a focus on data collected from makers relating to the financial years 2013/14 and 2014/15. Where possible, evidence from the sample of 113 craft businesses is also compared against benchmark data held by Cockpit Arts collated between 2005 and 2013, as well as national data on craft businesses in the UK to help identify general trends.

2.0 Partnership Reviews; a brief background

Partnership Reviews were introduced with some core objectives in mind:

- To build on the business reviews of previous years, collecting quantitative data to characterise the makers and to reflect the growth of their businesses over time, particularly in terms of financial performance.
- In addition to financial performance, maker success can also be viewed through the prism of cultural and social achievement. Examples of the former would be being representation by a prestigious gallery or selection for a noteworthy exhibition, whilst the latter often revolves around the desire to take on employees. The reviews invited feedback on the relative importance of these non-financial areas, as well as gathering tangible examples of each.
- The reviews also captured makers' views of themselves in a number of key areas: personal priorities, skills and qualities and social outcomes such as confidence and job security.
- Employment has been key part of the Cockpit mission, in terms of facilitating access in to craft for young people, and in removing barriers to employment for makers. Within the review process, we have looked at the hard data of numbers of directly and indirectly employed, but also the perceived barriers to becoming employers as well as the degree to which makers saw employment as a priority.
- A key objective of the reviews was to look at makers' goals, firstly looking back at the past 12 months and the goals they had achieved, and secondly looking forwards and setting goals for the next period. This area is critical in helping to understand what makers are striving for, how the Business Incubation team can support them through regular one-to-ones and the workshop programme, ensuring these are congruent.
- As the name suggests, the Partnership Review was in part a confirmation of the relationship between makers and Business Incubation. As such, this

report looks at levels of engagement over the past 12 months, whether in workshops or 121, what they thought of the support, and how relevant they saw it to their business.

3.0 The Cockpit Effect: findings from the whole sample

Data for this report has been extracted from 113 Partnership Reviews, conducted over a 12 month period. The majority of the reviews were conducted face-to-face, but some were submitted via email.

Respondents represent a good cross section of the whole population of 148 makers, in terms of size and type of business, the length of time they have been in business, and the length of time they have been at Cockpit Arts.

Completion or non-completion of the review is **not** an indicator of the level of engagement for individual makers: Rollout of the review process presented inevitable challenges, such as scheduling in review meetings, and balancing the workload within the constraints of other commitments. Participation in the second year is expected to be significantly higher.

3.1 Definitions of success / factors of importance

As mentioned previously, a key objective for the Partnership Reviews was to understand how makers measure success for themselves and to gain a view of what they see as important in their practice. Our view has been that whilst strong financial performance might be a factor for some, and is needed to a degree for any business to be sustainable, for many makers it is not the dominant factor.

The review asked makers to score 5 factors, rating their importance in their own business:

- Generating a good living
- Collaborating with others
- Professional Recognition
- Being able to try new things and experiments
- Being able to pursue my creative practice

Regardless of how long makers had been in business, the most important aspect was ***being able to pursue my creative practice***, followed by ***being able to try new things and experiment***.

For the less established businesses, professional recognition also scored relatively highly, but this importance then diluted as the businesses got older, suggesting an increasing degree of confidence or professional self-assuredness over time.

These findings match our experience of selection interviews; when asked about their vision, or criteria for success, most respondents point to being able to pursue their craft, even if they are not yet sure what kind of model they will adopt to achieve this.

3.2 Financial Performance

Whilst understanding that financial performance is not the over-riding success factor for most makers, it *is* critical if their business model is to be sustainable. Financial performance also allows us to compare our current group of makers with those who contributed data to previous Cockpit Effects, as well as with any other equivalent data available from outside sources. That said, with a current churn rate of 19% (28 makers left their studios during the period) it should be stressed that the financial performance measured is a snapshot of the group of respondents at any moment in time rather than an evaluation of a core group over an extended period. During the Partnership Reviews, financial data was collected for two years, 2013/14 and 2014/15, thus providing for continuity with previous Cockpit Effect reports. Participants were asked for their gross turnover, meaning income that yielded directly from the business, so not including supplementary income from jobs taken outside the core practice. **Average turnover for the whole group rose by 14% over the two year period, and at £58,099 the average reported turnover for 2015 is nearly double that for 2010.**

The last meaningful comparison for this can be found in 'Craft in an Age of Change'³ from 2012 which showed the average maker to have a business craft related income of £19,827 with a further £3,658 being derived from non-craft related income.

The early years for most craft businesses are ones of relatively modest turnover, with a lot of time being spent on product and market testing. Businesses of 5 years or older reported substantially higher levels of turnover, as they reaped the return from developing product and finding markets. The more established businesses see a greater divergence in results, as some plateau whilst others continue to grow.

³ "Craft in an Age of Change" Crafts Council, February 2012

The disparity of business size has increased significantly over the lifetime of our incubator, as some of the core “anchor” businesses have continued to grow, whilst the regular churn of starters and leavers has consisted of businesses of all ages and size. During the last financial year, makers joining Cockpit Arts had on average been in business for 3 years, whereas the leavers for the same time period had been in business for 6 years.

Of the current population, 9% have turnovers in excess of £100k per year, and these businesses account for 54% of the turnover of the whole group. A critical factor behind this growth has been the ability of makers to increase their space within shared studios and then to move to single studios as their business develops.

Profit levels for the two years were encouraging, with 72% of respondents reporting a profit in 2015. As might be expected, profit growth (measured as a %) is highest for the less established businesses who are starting from a lower base. **Year-on-year profit growth for the population as whole was 7%, with the average profit in 2015 being £14,004, 47% higher than the £9,524 reported in 2010.** These compare to the national average of £6,231 reported in 2012.

The Partnership Reviews also took the opportunity to measure Gross Value Added (GVA) to enable future comparison with other programmes and initiatives. GVA adds back salaries paid (whether to the business owners or employees) and so gives a more complete picture of the value that the business is creating. It also rectifies any distortion through variance in business structure (sole traders versus limited companies). **For the population as whole, average GVA rose from £20,818 in 2014 to £22,280 in 2015, an increase of 7%.**

3.3 Cultural Achievements

As mentioned previously, financial performance is usually a down-stream confirmation of activity and achievements from an earlier stage. Achievements can be seen as cultural and thus satisfying the non-financial success criteria of a maker, or as prestigious and an indicator of future success. To complement their financial results, participants were asked to identify which from a selection of major achievements applied to them over the past 12 months.

- 24% cited gaining a major stockist, with the most quoted being The New Craftsmen, Harrods, Liberty, Contemporary Applied Arts, The Tate and ABC Carpet and Home and Bergdorf Goodman in the US.
- 26% referred to exposure in publications such as Vogue, The Guardian, The Telegraph, NY Times, House and Garden and Country Living.
- 18% pointed towards securing a grant or funding application. These ranged from Awards from bodies such as NADFAS and the Arts Council to loans from the Cockpit Arts Ingenious Growth Fund.
- Selection for major selling events was also a significant factor, with 35% mentioning events such as Collect, Goldsmiths' Fair, Tent, DB Milan, Art Basel and Paris Fashion Week.

This was the first time that makers had been asked for this information as part of a review process. As the Partnership Review process develops, this is an area where we can expect to collect richer data.

3.4 Personal Priorities and Self-Perception

Participants were asked to score a number of personal priorities, distinct from the business priorities they had confirmed in the earlier section.

The priorities being ***able to work for myself*** and ***having time with friends and family*** scored consistently high, across all ages of business, as did ***having a stable and regular source of income***. The lowest scoring priority was ***being able to employ others***, something we will discuss further later in this report.

However, when asked for their perception of their current reality the contrast was clearly evident. The areas that were scored most negatively were ***work life balance*** and ***job security***. In this regard, these craft businesses are probably not dissimilar to any other group of entrepreneurs asked the same questions.

What appears to overcome this inherent contradiction are the factors mentioned earlier of wanting to pursue their creative practice and being able to try new things and experiment.

The next area of interest was to look at respondents' confidence levels in a number of key areas. This information is used by Business Incubation to inform the content of future support.

Key areas identified as being relatively low for confidence levels were:

- Negotiation
- Networking
- Spotting Opportunities
- Writing about my work

However, as with any work of this nature, analysis of the results has to bear in mind that it is a snapshot of the respondents' frame of mind at the time that the review was taken and therefore subject to the influence of possibly temporary external factors.

3.5 Major Business Changes

The next area of focus in the Partnership Review relates directly back to the purpose of makers being in our business incubator; that is, major changes that have impacted on their business over the past 12 months. As mentioned earlier, although intangible, many of these will hopefully correlate to future (improved) financial and business performance.

The two most cited changes are **improved profile** (45%) and **improved web/social presence** (51%). This partially reflects the changing nature of craft businesses; brand is seen as increasingly important, and digital presence is becoming regarded as critical. However, it is also a result of the programme that we ran up to the end of 2015 (New Creative Markets) which had a high focus on brand, sales and marketing.

Similarly, the next two areas are ones that are always a key focus of incubation support; **improved business skills** (38%) and **better time management** (30%). Making the business work better for themselves is also a significant factor; with 22% reporting that they had paid themselves more and 23% saying that they worked more regular hours. Connected to this is the 23% that said they had taken on employees, whether on a PAYE or freelance basis. We see evidence of this “joined up thinking” when running our Team Insights workshops, aimed at supporting new or potential employers. There is a critical point when a maker stops thinking about their business as the “business of me” and starts thinking of it as “a business that employs me”, moving from believing they have to do everything to realising that they should concentrate on what they do best and where they add most value, and to fill the gaps with other resources, either in house or outsourced. Some 15% (17) of respondents said they had contracted out or taken on freelancers over the past year.

A final factor that is also a key aspect of having a studio at Cockpit Arts is the 27% who said they had increased their studio space. The configuration of the studios at Holborn and Deptford allows for businesses to grow organically over time without major disruption, often without moving from their current space.

3.6 Employment

The Partnership Reviews focused on employment in a number of areas, from the hard numbers of direct and indirect employees to the softer areas around commitment to and confidence in employing.

- Makers employing staff on a PAYE basis: 11 (9.7%)
- No of direct employees: 16 full time equivalents
- Makers using freelancers on a regular basis: 44 (39%)
- No of freelancers used on a regular basis: 79
- How many of those are from within the CA community? 10
- Makers that use interns on a regular basis: 29 (27%)
- How many of these are paid? 12
- How many of these are unpaid? 17
- Makers that take on apprentices: 8 (8%)
- Makers that have participated in Cockpit Arts employment programme: 12 (11%)
- Makers that outsource all or part of their production: 40 (35%)
- Makers that licence some or all of their work: 6 (6%)

The responses regarding employment are very consistent with previous reports. **At 9.7%, the proportion of makers employing staff is higher than 2012 (8%) and significantly improved on 2009 (2%).** This gives validation to the efforts put in to the Cockpit Arts Creative Employment Programme (CEP).

The two most significant blockers to employment were identified as cost (37%) and finding the right person (36%), again suggesting that our current CEP is targeted on the right areas. As part of the CEP, the cost for the employer of taking on an apprentice has been subsidised, reducing the financial burden. We also developed a series of Team Insights workshops helping prospective employers gain a better understanding of the skillsets and character types that might be a good fit for their team, as well as ways of motivating and managing that team. On a practical level,

part of each CEP campaign includes assistance with recruitment from job descriptions through to selection.

The other significance of these responses is the wider economic impact of the makers, beyond their GVA and beyond the numbers of direct employees. With 79 freelancers being used on a regular basis, and 38 of the respondents outsourcing all or part of their production, the economic benefit in the immediate areas of Holborn and Deptford is tangible, although hard to quantify. Virtually all of the freelance work is undertaken in the immediate area, and the majority of the outsourcing is done within the UK. In total 61 makers either use freelancers, or outsource production, or do both, representing 54% of the whole population. This is consistent with the findings in the last Cockpit Effect.

3.7 Engagement with Business Incubation

Our Customer Relationship Management database gives us a good quantitative view of the extent to which makers engage with Business Incubation. Each attendance at a workshop or one-to-one session is logged, along with the time spent. For Cockpit Arts as a whole, the level of engagement over the period was 83%.

The pattern of consumption varied considerably when considering the number of years in business. In general, workshops are more heavily taken up by younger businesses, while the more established businesses prefer accessing one-to-one coaching time. This is particularly noticeable with the mid-stage businesses, i.e. those that had been in business for 6 to 10 years..

During the review, participants were asked to score the workshop offer in terms of availability and quality, giving them 3.8 and 3.9 out of 5 respectively. Availability and quality of one-to-ones scored higher, at 4.6 in both cases. Overall impact of Business Incubation on their own businesses was scored at 3.9.

The pattern of consumption and Business Incubation's ability to impact matches the observations made earlier regarding the stages of growth that the businesses go through. For an early stage business, generic support can be offered very effectively through workshops, backed up by one-to-one coaching provision.

As the business matures, and general business principles along with early product and market testing are replaced by more refined strategy, then the need for one-to-one support increases.

However, beyond a certain point in maturity, a limit is reached in the extent to which one-to-one support is either warranted or effective. Where the business is thriving and the business owner has ambition, the support will be effective, but is possibly not warranted without financial contribution.

4.0 Cockpit Arts 30th Anniversary Maker Stories

As part of our 30th Anniversary celebration, we published a series of Maker Stories to highlight real life examples of the “Cockpit Effect”, looking at a number of makers who have demonstrated significant progression in their individual journeys whilst taking advantage of being part of our incubator.

Of the 113 Partnership Reviews conducted, 22 were with makers featured as Maker Stories, thus providing the opportunity to compare and contrast the results from the two groups.

Looking first at the level of engagement with Business Incubation, the contrast between the two groups is marked. Makers featured as Maker Stories consumed over double the amount of support taken up on average by the sample with a bias towards one-to-one coaching. These makers also gave a higher rating for the importance of incubation support as a whole. They scored the impact of Business Incubation on their business at 4.3 (compared to 3.8 for the whole group) and saw the one-to-one support as particularly key to the achievement of their goals over the next 12 months.

As might be expected, these featured makers were more established in practice than the larger group. This can be shown by their average of turnover of £118,016 compared to the main group’s average of £58,099. However, their growth of turnover is also higher, at 18% year-on-year, compared to 14% for the group as a whole, indicating continued efforts to develop and expand their businesses. Profit and GVA were significantly higher than for the wider group, but lagging slightly behind in growth rates year on year.

During the Partnership Reviews makers were asked whether they had a marketing or business plan. The response to this was markedly different between the featured

makers and the rest of the population. Of the former group, 50% said they had a business plan and 36% had a marketing plan, compared to 30% and 27% respectively for the wider group as a whole.

In terms of other (non-financial) major achievements, the featured makers showed stronger results in a number of areas:

- 36% cited major media exposure (compared to 26%)
- 27% had made a successful grant or funding application (compared to 18%)
- 45% had been selected for a major event (compared to 35%)
- 14% had been accepted by a craft membership organisation (6%)

Looking at employment shows the Maker Stories group again to be particularly impactful. The number directly employing staff is particularly high at 18%, with a further 45% employing freelancers on a regular basis and over half of the group (55%) outsourcing at least part of their production.

Their engagement with the Cockpit Arts Creative Employment Programme is also high, at 23%, compared to 12% for the population as a whole.

5.0 Award and Bursary Winners

For a number of years, Awards and Bursaries have been used as a direct intervention to facilitate access to studios for makers who might otherwise not have the opportunity. These makers now represent the majority of new entrants to Cockpit Arts each year, and although they are still as yet the minority of the whole population, that gap is closing year on year.

Awards are typically for a period of 1 or 2 years, after which time makers are able to remain at Cockpit Arts, reverting to a standard licence arrangement.

Of the 113 makers who completed Partnership Reviews, 31 were award winners, with 7 of these also being featured as Maker Stories.

A particular focus for the Business Incubation team has been how to engage with Award winners most effectively. The award period gives a relatively short amount of time for a maker to get established and to fully access the support available.

This is demonstrated by slightly lower levels of engagement with Business Incubation. However, for the group of Award winners that also feature as success stories, the position is very different, with higher levels of engagement.

When it comes to financial performance, award winners as a whole report lower average turnovers as would be expected for a group that are mostly younger businesses. However, their growth rates are particularly high. Comparing all the award winners with those featured as Maker Stories shows that the latter group is out-performing their peers both in terms of absolute results and in year-on-year growth:

- Turnover £31,049 (compared to £16,765)
- Profit £15,225 (compared to £5291)
- GVA £15,225 (compared to £7,077)

This group is also more likely than their fellow award winner to have a business plan (43% versus 32%) and a marketing plan (14% versus 13%). They also place a higher value on the impact of incubation on their business.

The group of makers that are award winners and also feature as Maker Stories are particularly noticeable for their non-financial major achievements. Again, this is assumed to be part of laying the foundations for the longer term success and sustainability of their practice. Amongst the highlights are:

- Developed new product: 71%
- Achieved major media exposure: 57%
- Selected for a major event: 71%
- Accepted to a craft membership organisation: 14%
- Secured a major commission: 71%

As stated previously, the award winners, whether success stories or not, are generally earlier stage practices, and so are not expected to feature as strongly when it comes to employment. On the whole, the Partnership Reviews confirm this expectation. However, a high number of those that also feature as Maker Stories use freelancers on a regular basis (43%, compared to 26% for award winners in general and 41% for the entire population). Interestingly, award winners in general are on a par with the rest of the population in outsourcing at least part of their production (35%) and those that are also Maker Stories are particularly high at 47%.

6.0 Conclusions

Overall, this report validates the core concept behind Cockpit Arts: supporting makers through business incubation **does** make a difference. This difference can be seen in the financial, cultural and social outcomes reported by makers.

The Partnership Review itself proved to be a successful vehicle both as a way of framing a discussion between the maker and their business coach, and as a way of collecting broader and more meaningful data.

As a whole, the makers who participated in the Partnership Reviews demonstrated positive results and continued progress, both financial and non-financial.

Where engagement with the Business Incubation team is greater, the results are better, as evidenced by the makers featured as success stories in Maker Stories.

David Crump
Head of Business Incubation

