



MMM's Definition of Assets Held by Cultural and Creative Practitioners and Organisations

Introduction

Traditionally, the definition of assets describes any item of economic value, which is owned by an individual or organisation, especially that which could be converted to cash. Examples are cash, securities, accounts receivable, inventory, office equipment, real estate, a car, and other property. From a financial accounting perspective, assets are divided into two classes, tangible and intangible. Tangible assets contain various subclasses, including current assets and fixed assets. Current assets include inventory, while fixed assets include such items as buildings and equipment. Intangible assets are nonphysical resources and rights that have a value to the organisation because they give the organisation some kind of advantage in the market place. Examples of intangible assets are goodwill, copyrights, trademarks, patents and computer programs, and financial assets, including such items as accounts receivable, bonds and stocks. On an organisations' balance sheet, assets are usually classified according to the ease with which they can be converted to cash.

These asset categories have been devised for enterprises that are trying to maximise financial profits and/or shareholder's financial wealth. Creative practitioners and organisations working in the not for profit sector have a bigger purpose, which is to maximise their impact multi-dimensionally across the social, cultural and the economic spheres.

Recognising the limitations of these traditional financial asset categories and inspired by the Asset Based Community Development approach which focuses on assessing and building on the strengths of individuals and communities, MMM's definition seeks to open doors to new ways of thinking about the assets held by creative practitioners and organisations.

Our belief is that by expanding the traditional definition of intangible assets to include those assets that can be described as having social and cultural value and which may or may not have economic value which can be

converted to cash, will help build the organisational and financial resilience of the not for profit cultural and creative sector.

The assets we are seeking to identify and define are not 'owned' in the traditional sense by individual creative practitioners or organisations but exist as a result of being co-produced with the wider community. Their value to the individual or organisation lies principally in the fact that they offer an advantage in how effectively vision, mission and creative practice are delivered and how the impact of that effectiveness maintains and attracts new resources both financial and non-financial.

Examples include features of social organisation such as networks and norms of trust that facilitate co-operation for mutual benefit. These include people's knowledge, skills, motivation and sense of identity, the relational capital that accrues from the diversity, quality and quantity of relationships including political influence and natural assets such as landscape and the renewable and non-renewable resources it can offer.

Whilst these assets are not represented on a traditional balance sheet, they can be utilised and or deployed effectively in pursuit of increased organisational and financial resilience and effective delivery of mission. In so doing they will not only affect the health of the traditional balance sheet, but open up understanding of the presence of the more holistic balance sheets held by creative practitioners and organisations, ones which articulate a different kind of growth of a different kind of wealth - that of the cultural and creative vitality of our communities.

MMM's definition of an asset

An asset is any factor or resource, which enhances the ability of creative practitioners and organisations to build organisational and financial resilience.

MMM's asset categories

Financial	Financial assets such cash, securities, accounts receivable
Built	Fixed assets such as buildings and the facilities they offer, office equipment, new technology equipment, vehicles, specialist equipment such as stage sets, lighting or kilns, property.
Motivational	The cultural and creative sector is heavily populated with individuals and organisations who hold passionate beliefs on the role and value of creative practice in making both their own and other people's lives more meaningful. Non-commercial objectives and activities, together with personal projects and ideals are an important motivating force. The not for profit part of the sector benefits from powerful visions and missions that have the capacity to motivate others. As we all begin to face up to the inescapable impact of unsustainable economic growth these kinds of motivating forces and the 'worldviews' they produce will become increasingly sought after.

<p>Social</p>	<p>Creative practitioners and organisations are embedded in networks of like-minded collaborators, which extend both horizontally and vertically along the value chain. Indeed rather than a value chain, the cultural and creative sector thrives in a value network of horizontal collaboration between content creators and vertical collaboration between suppliers and distributors. Large parts of this network may exist in an invisible world of informal relationships and non-commercial transactions which are difficult to record in official statistics and mapping documents yet they form a vital asset base from which our creative and cultural life springs¹. Equally, those networks of relationships extend outwith the processes of creating cultural content, reaching into the myriad of different communities of interest who engage with the creative practice of individuals and organisations, relationships with schools, community groups, paying audiences and customers, participants of all kinds including volunteers and funders both public and private. All these relationships are assets because they build trust and that trust facilitates co-operation for mutual benefit.</p>
<p>Creative and Cultural</p>	<p>These assets include the intellectual capital accrued from making creative content including the public image ('brand') of the creative practitioner or organisation These can be monetised in order to develop financial revenue and shared, sometimes freely, for the purpose of building what some have defined as 'creative capital' - "the network of understandings, values, activities, and relationships that individuals, organisations, and communities develop when they share what earlier generations have imagined and when they, in turn, generate and pass on what they imagine."² The value of this kind of capital is beginning to be much more widely recognised for its role in building the vitality of</p>

¹ Cultures of Management: Cultural Policy, cultural management and creative organisations, Dr Chris Bilton

² Building Creative Capital, Dr Dennie Palmer Wolf and Dr Stephen Holochwost

	communities. For example, there is a relationship between the level of cultural engagement in a community and the degree of social connection among neighbours, expressed in their willingness to take action on behalf of the common good.
Human	People's health and knowledge, their practical and technical skills, including those relating to their creative practice, their competencies, qualities and attributes including those related to their creative practice such as the capacity to imagine, invent and innovate. ³
Natural	Landscape and any stock or flow of energy and material that produces goods and services. Resources – renewable and non-renewable materials.
Political	The ability of a community to influence the distribution and use of resources.

³ MMM's People Theme research proposes that the concept of skills is limited nature and suggests adoption of a more holistic concept, that of competencies, qualities and attributes. In management theory, 'Competency' is understood as a capability that goes beyond knowledge skills and abilities into values, motivation and characteristics and should lead to superior performance in the 21st century environment. However, many of those involved in the MMM research in the early stages had a much more limited understanding of the term and had negative responses to it as a dry impersonal managerial concept. To counter this, MMM included the terms qualities and attributes, which gave further emphasis to the holistic breadth of ways of being and doing.