

Trajectories of creative survival in the performing arts sector. The case of the Veneto Region.

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Abstract

This article organizes the findings of two projects funded by the Veneto region to assist Performing Art Organizations (PAOs) in the aftermath of the Covid-19 pandemic. We have developed a methodological approach that included in-depth interviews, the creation of a SWOT analysis, the examination of the business model, and data on turnover, production, cost, and revenue structure. Our investigation's main findings reveal the strategies used by PAOs to survive the pandemic: those organizations that have achieved consecration in the cultural field over time have reached their greatest strengths in the strategic areas of their business model, investing energy and seizing the right opportunities. Those PAOs that have suffered the most from the pandemic crisis have taken two different paths: in some cases, they were unable to identify their weaknesses and have entered an economic deficit, while in others, they have taken a path of transformation away from merged organizational dynamics. The main implications in the field concern the motivation and methods underlying the various creative trajectories: they result from a repositioning of one's business model in a competitive key, as a reflection of a profound change in the audience and mode of operation, in society and the economic system.

Keywords: Performing Arts Organizations, Covid-19, creativity, business model, strategies, relaunch.

1. Introduction

Performing arts organizations (PAOs) have been particularly hard hit by the restrictions imposed as a result of the Covid-19 pandemic. Theater closures and social distancing measures have forced theater and dance to radically rethink their production processes and relationships with audiences. And, as we argue in the paper, this has had a significant impact on their creative paths. Many organizations have lost their public appeal, as people have lost interest in their productions and performances. Accominotti (2018) asserts that public consecration in fields such as politics, sports, religion, and the arts can influence the perceived value of things or individuals, thereby confirming a recognized value hierarchy within which they can position themselves. The greater the divisions between the "chosen" individuals or organizations and the other individuals who comprise society, the greater the level of consecration achieved, for example, in the arts sector. However, as we noted in our research paper, the concept of "consecration" (Cattani et al., 2014; Accominotti 2018) has been challenged by a more fundamental imperative to navigate a period that projects a deep sense of uncertainty and threatens the existence of this type of cultural organization.

PAOs have attempted to strike a balance between consistency and deviation by conducting in-depth internal reflection on their competitive advantages and strategic capabilities in order to identify new trajectories of creative survival.

45 These considerations stem from a year-long research project on independent performing
46 arts organizations in the Veneto region. The research project ran concurrently with a
47 consulting activity aimed at developing 12 revitalization plans, one for each organization,
48 to assist the performing arts sector following the Covid-19 pandemic, which caused
49 continuous business disruptions in various cases. Each of the 12 organizations was the
50 subject of qualitative interviews about their activities, artistic poetics, and the major
51 challenges they faced during the Covid-19 period.

52 A SWOT analysis was also performed to identify the primary business needs of theater and
53 dance companies (economic sustainability, production and distribution, innovation and
54 research, human resources, public relations, marketing and communication, and social
55 responsibility). We were also curious about the new configuration of the business model to
56 see what and how various aspects had changed in previous years. We conducted a
57 quantitative analysis of the companies' budgets in order to better understand their cost and
58 revenue structure, as well as the shows produced and sold, which ultimately supported this
59 investigation.

60 The primary goal of the action research that accompanied the consulting activity was to
61 identify new creative trajectories as they emerged from the analysis of the individual
62 strategies adopted by the various PAOs. According to our findings in the paper, PAOs are
63 following and projecting evolutionary paths based on finding financial resources rather
64 than an abstract desire to "consecrate" their position in the cultural sector (Tripsas, 1997;
65 2002). As Fama and Jensen (1983) demonstrated, agency theory is generally concerned with
66 principal-agent relationships. One party (the principal) hires another party (the agent) to
67 perform a task on its behalf that necessitates some delegation of decision-making authority
68 to the agent. According to agency theory, this delegation of decision-making authority
69 allows the agent to perform activities that benefit its interests over the interests of the
70 principal. The institutional perspective focuses on organizations that exhibit isomorphism
71 by conforming to population-accepted norms (Young et al., 2000).

72 The need to revitalize PAOs, as well as the following support strategies, all contributed to
73 individual organizations getting closer to specific business goals. Cultural producers, like
74 many institutionally focused producers, deliberately and consciously adopt specific
75 directions or experiments, acting under pressure from the socio-political environment in
76 which they live and facing threats and opportunities, as suggested by empirical evidence
77 that contrasts with an agency perspective (Menger, 1999).

78 The pandemic's vulnerability and climate of profound uncertainty have gradually steered
79 cultural organizations toward a more conscious course that is more in line with their
80 business model, which has also emerged transformed (Bessant et al., 2012). The cost
81 structure has been gradually reviewed, collaborations and working relationships have been
82 redefined (Nordström, 2016), the need to field different projects and attract new target
83 audiences has been considered, the pool of partners and suppliers has been expanded, and
84 the network of relationships, the primary channels for conveying the value generated, has
85 been expanded.

86 They have mostly redefined cultural production by bringing it to new places, contexts, and
87 audiences. The interlocutors and the means of reaching them have changed: digital
88 technologies have created a barrier in front of the observers and a gap that can be crossed

89 (Leeker, 2017). The live performance must accept the finite surface of the screen. The
 90 pandemic's profound economic and social transformation has sharpened some aspects of
 91 various cultural organizations, particularly those related to financial sustainability and
 92 isolation, forcing them to redefine priorities and strategies, particularly those related to
 93 fixed cost reduction, networking capacity, and collaboration in experimental artistic
 94 research.

95 Overall, the external environment has created fertile ground for Venetian performing arts
 96 organizations to gradually graft new drivers. They had to understand their strengths and
 97 weaknesses to seize new opportunities and overcome unique challenges (Seaman, 2004).

98 The primary research question that motivated this article was to investigate the profound
 99 tension between the differentiation of the creative path and the focus on specific goals of
 100 cultural production capable of having a positive impact on individual organizations and the
 101 artistic system. The identified trajectories reflect the revitalization activities and strategic
 102 path taken by the PAOs under consideration.

103 In this sense, the current article seeks to investigate the motivations at the root of certain
 104 creative trajectories, as well as to comprehend the characteristics and creative outcomes of
 105 such paths, and propose possible approaches for scientific investigation.

106
 107 **2. Materials and methods**

108 The study's goal was to highlight the transformative processes and common evolutionary
 109 lines of the Veneto region's main PAOs in dance and independent theater caused by the
 110 Covid-19 pandemic, as well as to understand the strategic dimension of the revitalization
 111 implemented. Among those involved in the projects, twelve organizations were examined,
 112 and the analysis was conducted over ten months.

113 The research method included a qualitative analysis (in-depth interviews) and a
 114 quantitative analysis (data analysis) based on information provided by the organizations
 115 participating in the two projects over the last three years (2018-2021)¹.

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 117
 118 Table 1. Research methodology.

Aspects analyzed	QUALITATIVE ANALYSIS	QUANTITATIVE ANALYSIS	Individual trajectories	Common paths
	In-depth interviews	Data analysis		
	<ul style="list-style-type: none"> ▪ history ▪ activity ▪ identity aspects ▪ artistic poetics ▪ relationship with research and innovation 	<ul style="list-style-type: none"> ▪ shows produced and related revenues ▪ income from other activities ▪ total turnover ▪ fixed and variable costs ▪ number of spectators 		
	<p style="text-align: center;">Swot Analysis</p> <ul style="list-style-type: none"> ▪ economic sustainability 			

¹ The two projects are: Project "CAD - Digital Art Communities "and Project "APPRODI - facing the next distances" funded within the Veneto Laboratory initiative with ESF POR funds by Veneto Region, Italy.

	<ul style="list-style-type: none"> ▪ production and distribution ▪ innovation and research ▪ Human resources ▪ public relations ▪ marketing and communication ▪ social responsibility 	<ul style="list-style-type: none"> ▪ number of replicas and locations 		
	Business Model Canvas			
	<ul style="list-style-type: none"> ▪ partners ▪ activity ▪ resources ▪ value ▪ relationships ▪ channels ▪ customers ▪ costs ▪ revenues ▪ social benefits 			

Source: our elaboration.

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It was possible to identify the primary needs and trace individual trajectories for each of the organizational companies' areas analyzed using interviews and the Swot Analysis. In most cases, what we have described as opportunities are possibilities that should be investigated or evaluated before being added to the list of routine activities. Business model analysis, on the other hand, allowed for the organization's past and present conformation and tested its validity for business objectives and economic revitalization. Finally, the analysis of data on balance sheets, manufactured and sold goods, fixed costs, and revenues allowed us to test the financial strength of the companies and confirm their alignment with the needs identified by the Swot Analysis. We can summarize the major findings of the semi-structured interviews in Table 2.

In it, we present an overview based on the results of interviews with managers from the organizations involved, which is then supplemented by data analysis findings. In terms of economic sustainability, interesting aspects emerge regarding the primary sources of financing: 58 percent of the theater and dance companies studied consider public tenders to be the primary source of financial support, followed by show production and training courses. The data analysis inherent to the aspects of production and distribution highlights the difficulty of companies in dealing with the market: Only 66 percent of them see it as a missed opportunity, and only 25 percent see the relationship with it as one of its strengths. Only 16% of the organizations surveyed use staging, and the majority of them use simple, inexpensive, and easily transportable staging.

A separate discussion should be held about the rehearsal and performance spaces: 50 percent of businesses use public-sector spaces, while 25 percent see them as a threat, owing to the high costs of fixed rent and utilities imposed from outside.

Table 2. PAOs overview.

BUSINESS ASPECTS ANALYZED	RESULTS
ECONOMIC SUSTAINABILITY	Self-financing: 25%; Training courses: 42%; Show production: 50%; Public financing: 50%.
PRODUCTION & DISTRIBUTION	Scenography and light design: 16%; Distribution: 25%; Spaces granted by public bodies: 50%.
RESEARCH & DEVELOPMENT	Collaboration with other companies: 33%; Experimentation with new technologies: 58%.
HUMAN RESOURCES	No employees: 66%.
PUBLIC RELATIONS	Networking activities: 58%; Stakeholders' relationship: 58%
MARKETING & COMMUNICATION	Show promotion: 75%; Brand (42%); Audience development (34%).
SOCIAL RESPONSIBILITY	Project-based on social participation (50%) and collective well-being (42%); promotion of social impact (42%).

146 Source: our elaboration on 2021 data.

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148 The relationship between scenic research and innovation is quite positive: businesses like
 149 to experiment with new technologies and collaborate with other realities for research.
 150 Unfortunately, project management activity is still lacking and is currently viewed only as
 151 a potential opportunity. Human resources appear to be the most critical area within
 152 various organizations: most companies have no employees, and reimbursement of
 153 expenses is common as a method of remuneration. The cultural and creative sector being
 154 studied has a natural proclivity for public relations: networking activity and capacity are
 155 very strong.

156 Companies frequently find reference contacts in their industry but struggle to cultivate
 157 them, often due to a lack of human resources dedicated to this activity. Show promotion
 158 (marketing) is a strong point for 75% of the companies surveyed, and the functionality
 159 and use of the website and social networks are widespread. In 66 percent of cases,
 160 audience development strategies are not known or practiced, and there is little concern
 161 for the brand. The most serious shortcoming is the ineffective preparation and
 162 implementation of sales strategies for shows, which occurs in 66% of cases. Cultural
 163 organizations have many strengths in terms of social responsibility, but they don't know
 164 how to properly disclose their commitment.

165 The main strengths of all the PAOs involved in the two projects, as shown in the table as
 166 aggregated results of the SWOT analysis, are participating in public tenders,
 167 experimentation with new technologies, employee training, networking skills, the
 168 promotion of individual shows, and the development of issues related to environmental and
 169 social sustainability. The distribution, the absence of strategic collaborators, the payment of
 170 salaries, the lack of audience development studies, sales strategies not applied to their
 171 productions, and the lack of disclosure of social commitments are the major weaknesses.

172 The external environment, sponsorship, and fundraising activities, collaborations with
 173 other companies, scenic research, and participation in national, European, and international
 174 projects provide the best opportunities.

175 The fixed costs resulting from the spaces used for major activities, as well as the costs
 176 associated with employees and stakeholder relations, are perceived as major threats in some
 177 cases.

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 179 Table 3. An overview of the major results of the Swot analysis.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Public calls ▪ Experimentation with new technologies ▪ Employee training ▪ Networking skills ▪ Promotion of single shows ▪ Development of issues related to sustainability 	<ul style="list-style-type: none"> ▪ Distribution ▪ Lack of collaborators in strategic areas ▪ Salaries ▪ Lack of studies on audience development. ▪ Lack of sales strategies ▪ Non-disclosure of one's social commitment
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Sponsoring and Fundraising ▪ Collaborations with other companies ▪ Cooperation and Research ▪ National, European, and international projects 	<ul style="list-style-type: none"> ▪ Available spaces (fixed costs) ▪ Employees (fixed costs) ▪ Relations with stakeholders (external interference)

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 181 Source: our elaboration on 2021 data.

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 183 PAOs that have developed strengths in key areas, particularly in core funding sources, have
 184 demonstrated that they are more structurally resilient and financially able to withstand the
 185 crisis. Those with strategic weaknesses or who perceived more threats than opportunities
 186 were found to be more deficient and less open to organizational change. The subsequent
 187 quantitative analysis of data relating to production, revenue, costs, and income over the last
 188 three years enabled the identification of the individual growth paths taken by the various
 189 PAOs.

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 192 **3. Results**

193 The main findings stem from observing the evolution of the business models of theater and
 194 dance PAOs to develop new competencies and market strategies. Because of the necessity
 195 of self-sufficiency, some organizations have lost their original model—that is, the set of key
 196 activities, networks, and resources established in the years preceding Covid-19—while
 197 others have developed in a more structured form, rediscovering their artistic vocation
 198 linked to the creation and sale of shows. Both paths, however, are determined by the need

199 to find additional financial resources.
 200 Cultural organizations engaged in performance are broadening their network of
 201 relationships and, in most cases, welcoming co-production partners; some have
 202 reconsidered their legal structure and opted for a significant cost reduction. The channels
 203 for value dissemination have been completely redesigned. Exploration of new opportunities
 204 in collaboration with other organizations and production centers has been critical. Many
 205 artists have begun to research ways to film a live video of their artistic performances to
 206 enhance the language of theater and dance while not "flattening" the emotional charge
 207 associated with live performance. The expansion of theatrical spaces was a feature shared
 208 by all PAOs. The actors took to the streets, engaging the audience in open-air performances
 209 in which the digital medium played the role of intermediary between emotion and the
 210 space crossed.

211
 212 Table 4. PAOs' key strategies.

SOCIAL AND ECONOMIC CHANGE
Reflection on one's a competitive advantage and strategic capacity Review of the cost structure Redefinition of Working Relationships Enlargement of the target audience Expansion of the pool of partners and suppliers Redefinition of cultural production: alternative places, contexts, audience
REDEFINITION OF PRIORITIES AND STRATEGIES
Reduction of fixed costs Expansion of the network Experimentation with new languages in alternative places

213 Source: our elaboration.

214
 215 The main findings can be summarized by aggregating the individual creative survival of the
 216 PAOs studied. Companies in a profound transformation phase, when compared to all other
 217 companies, were the most capable of identifying the greatest number of weaknesses: critical
 218 issues from which they planned their relaunch and which dictated the orientation strategy
 219 of their own, current, internal change. The implementation of a reflection on the main
 220 criticalities present in the various areas of the company prompted some PAOs to focus on
 221 the most deficient areas to strengthen the organizational structure and begin deep processes
 222 of transformation and artistic experimentation. Failure, as theorized (Deichmann & Van
 223 den Ende, 2014), stimulates the future initiation of radical ideas.

224
 225 Looking at some of the key strategies implemented by the most problematic PAOs, we can
 226 see that they do not aim to address the fundamental issues that arose during the pandemic;
 227 rather, they have simply shifted the focus and gradually returned to their organizational
 228 routine. This translates into an escape from the genuine problems that have arisen within
 229 the organization: an escape that, over time, is leading these PAOs back to the reference
 230 market. When a team encounters a problem that requires team action rather than
 231 individual action, it is possible to speak of creative abrasion (Hirshberg, 1998; Skilton &
 232 Dooley, 2010).

233 Most creative projects are guided by the goals negotiated in convergence, but there are

234 many occasions when interactions among project members or unforeseen events
235 necessitate the generation of new problem-solving ideas, which the team must
236 disseminate and sustain collaboratively.

237

238 3.1. The Business Model Transformation

239 Using the Business Model Canvas to summarize the results of the semi-structured
240 interviews and SWOT analysis aimed at highlighting the conformation of the
241 organizations to guide their economic revitalization, it was possible to highlight a
242 transformation of the business models of the PAOs analyzed as a result of Covid-19. The
243 business model canvas is a management tool that describes how a company creates,
244 distributes, and captures value (Osterwalder et al., 2010).

245 It is difficult to define the traditional business model of a performing arts organization;
246 certainly, there is no standard for every performing arts enterprise. Our research revealed
247 which aspects deviate from the original model, namely the set of activities that the theater
248 or dance company performed before the pandemic, the system of costs and revenues, and
249 the way it generates and generates value today.

250 The additional aspects that have recently taken over the business model of organizations
251 are highlighted boldly in Figure 1. The main partners of the theater and dance companies
252 are primary schools, universities, public institutions, theater companies, and suppliers, to
253 which private companies, other third-sector associations, and entities, as well as entities
254 and organizations active in the performing arts, have recently been added. The main
255 activities are show production, training, and the organization of cultural events and
256 reviews; the business theater and the development of business services are increasingly
257 being tested as an extension of the range of services offered by independent companies.
258 The key resources, in addition to human, technical, and intellectual resources, are now
259 financial resources, as the live entertainment industry recognizes that this aspect is critical
260 to the organization's success. Cultural proposals with a dynamic, unique, and exciting
261 approach are the first to be prioritized over intrinsic value. They appear to be increasingly
262 oriented towards reflection and active viewer participation in unconventional settings
263 (outdoor spaces, green areas, urban contexts, museums) using digital technologies.

264 Relationships are built on networks and partnerships with stakeholders, as well as a dense
265 network of relationships with institutional bodies.

266 The website, which is increasingly curated according to the various sectors of activity,
267 external communication, streaming shows, and strong interactivity are the primary
268 channels of communication.

269 Customers include new clients and financiers, coproduction partners, private companies,
270 and universities, in addition to end users, theaters, other theater companies, festivals, and
271 schools.

272

Figure 1. The prevailing business model in the companies analyzed and the main additional aspects (in bold).

<p>Partners</p> <p>Schools Universities Private companies Public institutions Third sector associations and entities Theater companies Suppliers</p>	<p>Activities</p> <p>Shows, training, organisation of cultural events, business services, business theater</p>	<p>Values</p> <p>Cultural proposals characterised by a dynamic, original and exciting approach, based on reflexion and the active involvement of the viewer in unconventional places (open spaces, green areas, urban contexts, museums).</p>	<p>Relationships</p> <p>Construction of networks and partnerships with stakeholders; dense network of relationships with institutional bodies.</p>	<p>Customers</p> <p>Theaters Clients and financiers Partners in coproduction Theatre companies Festival Schools Private companies Istitutions Universities Final user</p>
<p>Costs</p>	<p>Resources</p> <p>Human resources, technical resources, financial resources, intellectual resources</p>		<p>Channels</p> <p>dedicated website for each business sector, External communication, streaming and interactivity</p>	
<p>Value-orientated business with low fixed costs.</p>		<p>Revenues</p> <p>Variable price depending on the customer segment and the product/ service offered.</p>		

Source: our elaboration, 2021.

273 Analysis of production and turnover data, combined with a needs analysis, has revealed
 274 considerations that contradict the business model that has emerged.
 275 The main reflection revolves around the dichotomy between being a market-positioned
 276 production and distribution company and a cultural organization active in performing arts
 277 with a predominantly relational logic. The distinction between product-oriented and
 278 market-oriented organizations stems from the fact that the majority of the organizations
 279 examined, particularly those with an associational legal form, base their activities on the
 280 creativity and originality of their productions rather than having to place them in a market,
 281 namely the entertainment market. Such organizations can only make money by cultivating
 282 direct relationships with public stakeholders, but they have a difficult time stimulating
 283 supply.
 284 Following the pandemic, some organizations lost their original model due to the need for
 285 self-sufficiency; others, on the other hand, have developed into a more structured form,
 286 rediscovering their artistic vocation linked to the creation and sale of shows. However, both
 287 paths are determined by the need to find additional financial resources. The pandemic, in
 288 addition to causing a crisis in the entertainment industry, has had a positive impact: it has
 289 forced PAOs to reflect on themselves and rediscover their artistic vocation, allowing for a
 290 greater focus on their artistic and business objectives by defining new creative trajectories.
 291 The diversity of the results is obtained by the various PAOs focusing on similar paths, which
 292 depends, in most cases, on the resources and competencies deployed by the organizations,
 293 as well as whether they addressed more or less important critical issues. Some PAOs
 294 underestimated the extent of organizational weaknesses critical to the long-term viability
 295 of their value chain, resulting in a crisis. Others invested ineffectively or overconfidently
 296 in established mechanisms of organizational routines (Obstfeld, 2012).

297
 298 **4. New creative trajectories for PAOs**

299 As a result of our research, we can identify three distinct trajectories of Veneto region PAOs
 300 following the Covid-19 pandemic: those relating to fast-growing companies, those relating
 301 to organizations that have embarked on a path of experimentation, and those relating to
 302 companies in crisis.

303 Growing businesses are those that have been able to strengthen their strengths while
 304 significantly reducing their fixed costs; they have expanded their offering alongside
 305 audience research; and they have incorporated new digital media into their creative
 306 processes. The more experimental organizations, on the other hand, are those that
 307 identified and transformed their weaknesses before the competition, investing primarily in
 308 production, distribution, and communication, as well as human resources. Finally,
 309 companies that entered the crisis were unable to resolve their weaknesses, which became
 310 an integral part of their organizational structure, steering them away from market and
 311 public fund opportunities.

312
 313
 314 Table 5. The main different trajectories of PAOs were analyzed.

315

GROWING COMPANIES	COMPANIES THAT HAVE	COMPANIES IN CRISIS
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	STARTED EXPERIMENTATION PROCESS	AN
They have collected the results of their virtuous path and tried to reinforce their strengths.	They have been the ablest to recognize their weaknesses and start a path of transformation.	They overestimated their strengths or underestimated their weaknesses.
They have carried out a profound revision of fixed costs, expanded their offer with different types of shows and workshops, supported by an audience study, and invested in research and development, especially by developing new digital solutions and purchasing technological equipment.	<p>Their critical issues were the starting point for their relaunch.</p> <p>They improved production, strengthened distribution, and implemented aspects related to communication and the recruitment of new staff.</p>	<p>They changed their focus and returned to their organizational routine.</p> <p>They have undergone a regression due to a lack of financial resources and an involution of their business model that has made them unable to seize market opportunities.</p>

Source: our elaboration on 2021 data.

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317

318 The diversity of the outcomes received by the various organizations centered on similar
319 trajectories, in most cases depending on the resources and competencies deployed and
320 whether they addressed more or less important critical issues. Those organizations that have
321 achieved consecration in the cultural field have only gradually gained the greatest strengths
322 in the strategic areas of their business model, investing energy and seizing the right
323 opportunities - public sector funding and market positioning have been critical. This would
324 support the intrinsic motivation underlying the evolutionary paths taken by the PAOs
325 studied.

326 The major challenge, particularly for those PAOs undergoing a profound transformation, is
327 breaking away from established organizational dynamics (Gilson & Shalley, 2004). This can
328 result in audience displacement, particularly if the organization approaches more
329 commercial sales dynamics or expands its artistic language, welcoming styles more in line
330 with audience tastes (McDermont, et al., 2020). In such cases, a deviation can be beneficial
331 if the stylistic figure remains identifiable with the original artistic poetics.

332 The creative survival paths taken by the Veneto region's independent PAOs have proven
333 virtuous, as the discovery of greater financial resources has not distorted the artistic poetics
334 developed over the years, but has contributed to its innovation by stimulating
335 experimentation with new contexts and languages. An inherent feature of this deviation
336 may have been inherent in the very change of society (Spiegel et al., 2019), of the public,
337 and thus of the market, which impliedly required a readjustment of the existing for new
338 business objectives.

339 Cultural production organizations base their core business on specific, recognizable, and
340 distinctive artistic values, which characterize them over time and make them virtuous. In
341 this case, the uniqueness of the style becomes a distinguishing feature of a specific company,
342 connoting and elevating it in the eyes of the public as possessing a unique set of
343 characteristics not found in others (Kratzer, et al., 2004). The uncertainty that surrounds
344 the creation, reception, and consecration of creative work attempts to investigate the
345 temporal patterns of creativity, which is particularly difficult (Formilan, Ferriani, &
346 Cattani, 2020). The latter emerges more gradually over time as actors pursue new avenues,

347 not limited by precedent and tradition, but in response to changing needs and changing
348 contexts (Buck, Lee, & Madermid, 2002: 77).

349

350 **5. Limitations**

351 Some recent studies (Brooks & Patel, 2022) attempted to summarize the state of the
352 performing arts sector in the aftermath of the pandemic. Overall, it demonstrates that artists
353 in general exhibited resilience and versatility during the Covid-19 period. The importance
354 of creating networks of performing artists who can support each other during difficult
355 times, as well as incorporating more digital technology skills and training into performing
356 arts education, is a common need in our research that emerges internationally.

357 The situation that emerged at the end of our investigation is not directly related to the
358 pandemic, but it does capture some of its effects. It would be beneficial to expand the
359 research by comparing the picture that emerged for the chosen area to the results of another
360 national or international survey. What emerged from the dwindling of revitalization plans
361 and parallel research is a snapshot of the situation in the run-up to the pandemic (the year
362 2021). It then identifies the specific situation of some of the Veneto region's most important
363 independent dance and theater companies. There are many parallels with other Italian
364 realities, but this was not the focus of our investigation.

365 Several studies on the creative industries in general (UNESCO, 2021) highlight how the
366 pandemic has also contributed to an enrichment of the sector in terms of digitization and
367 how the latter has affected the transformation of corporate business models in general
368 (Seetharaman, 2020), but there is no empirical evidence regarding the transformation
369 wrought by Covid-19 on business models in the performing arts sector in particular; more
370 importantly, it is not possible to predict the impact of Covid-19 on business models.

371 Simultaneously, as in other studies, it has been noted how the importance of digitization
372 has affected the new shape of the entertainment industry in general, but the various
373 techniques and technologies used, and how these have had a decisive impact on new
374 business models, have not been specifically investigated.

375

376 **6. Conclusions and Scientific Implications**

377 We can highlight some of the scientific implications of our research. The first is concerned
378 with the concept of consecration in cultural contexts (Cattani et al., 2014; Accominotti,
379 2018). According to recent research, legitimacy is dependent on public consensus on the
380 characteristics and activities of cultural producers in the social structure, and the
381 consecration of their creative work is derived from the reputation and establishment of
382 organizations within their sector, as well as the type of public. In this sense, our research
383 demonstrates how fast-growing organizations have remained anchored to their status quo
384 and, as a result, have been able to defend their market position. However, we know that
385 the public is changing as a result of the pandemic because an unconventional relationship
386 with live entertainment - particularly digital-oriented - is being favored. Will this type of
387 organization be able to meet the requirements of the new audience? They will most likely
388 be able to do so only if they study and comprehend the new public needs.

389 Uncertainty (Menger, 1999) plays a significant and ambiguous role here. On the other hand,
390 uncertainty implies that art is a high-risk endeavor. On the other hand, the uncertainty that

391 surrounds any decision to support new art provides a genuine justification for the public
392 support of artists. Increasing flexibility, which can be linked to higher rates of artistic
393 innovation or, at the very least, increased differentiation in production, shifts more and
394 more occupational risk onto artists. Individual diversification strategies are only partially
395 effective for artists.

396 We can also identify creative abrasion (Hirshberg, 1998; Skilton & Dooley, 2010) as a type
397 of constructive confrontation built into the organization. According to Hirshberg, the
398 friction created when competing ideas collide can produce "wonderful creative sparks."
399 Dorothy Leonard expanded on the concept in more detail. Creative abrasion focuses on
400 knowledge building at the work-group level within an enterprise as a result of
401 disagreements that occur when people from different backgrounds, experiences, and skill
402 sets come together to work on real business problems - research that suggests a negative
403 relationship between repeated collaboration and team creativity.

404 In our work, we've seen how some organizations' reliance on routine mechanisms that are
405 no longer appropriate for the changes that are occurring has resulted in internal distortions,
406 exacerbating their own economic and organizational crisis.

407 We can also emphasize the importance of crisis conditions in shaping innovation
408 trajectories and enabling radical innovation (Austin et al., 2012; Bessant, et al., 2012).
409 Extreme conditions force the search for new solutions, which can result in significant
410 performance improvements.

411 The article may provide insights into how global challenges and a rapidly changing social
412 context contribute to the generation and testing of alternative business forms and models,
413 as well as collaborations that promote learning and innovation. In this sense, the
414 imperfection of some cultural organizations' business models highlighted by the pandemic
415 has compelled them to actively seek to correct their weaknesses and improve their
416 performance in terms of cultural production and self-sustainability.

417 In this sense, evidence of one's imperfection motivates cultural organizations to embark on
418 innovative creative trajectories (Austin & Devin, 2012), because they are motivated by the
419 need to solve a specific problem using their distinctive resources, which are, by definition,
420 based on originality.

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