

## Museums

# Income Improvement Project

## Highland Council/High Life Highland

### Contact for Enquiries

Graham Cross  
Operations Manager Museums,  
High Life Highland  
graham.cross@highlifehighland.  
com  
01540 672233/673551

With Museums facing budget cuts there was a need to improve income/profitability in order to maintain current level of service provision and, if possible, fund greater levels of interpretation and access to collections.

### Key Activities

High Life Highland, which manages Highland Folk Museum and Inverness Museum and Art Gallery, assessed practices in all income generating areas from a commercial viewpoint.

In the past, little or no attention was paid to analysing profit contribution from each income stream. This threw up some harsh realities. Certain areas were found to be operating at barely break even. A system of close monitoring income and cost was introduced, broken down to specific areas.

Café prices and supplies policy were evaluated, also food preparation. Shop stock and pricing were evaluated, as well as the pricing and offer of the Sweetie Shop range. Donations policy was rethought in terms of numbers of boxes, how they were displayed, signage and how gift aid was being attracted.

When contract services were due for renewal, these were strenuously assessed in terms of their value to museums. One major contract was completely rethought resulting in a £30k saving.

A strategy was put together for each retail/catering area in terms of pricing and buying policies and food and drink preparation. New practices were introduced in all these areas. These involved minimal staff cost increases with very few other costs incurred except cost of sales.

Despite very limited café kitchen space, ways were found to prepare dishes on the premises, which saved significant amounts of food cost. Shop layout and stock was also rearranged with some fairly basic low cost shelving added to give a more open and less cluttered feel.

## Benefits and Impact

The practices were put into practice over the three seasons 2012 to 2014 but are continually being tweaked. The table below shows the income improvement between 2011 and 2014.

Outlet	Income % increase
Retail	74.8
Café	38.4
Donations	63.2
Other (includes room hire, course/talk fees etc)	64.5
Total	58.8

OUTLET Income% increase Retail 74.8 Café 38.4 Donations 63.2 Other (includes room hire, course/talk fees etc) 64.5 Total 58.8

Profitability through the museum income generating areas has improved from an admittedly low base by 325%. This still amounts to a very significant cash figure. It has enabled High Life Highland to provide a significantly increased level of interpretation and activity for the visitors without dropping the high customer service levels.

Income has risen dramatically despite visitor numbers staying reasonably static. Income per visitor has risen by 59% with no drop in visitor satisfaction feedback. Preparing dishes on the premises for the café and shop had saved £7k in one year alone.

The changes that have been made have become embedded in the day to day operating procedures of the museums. There is regular feedback on performance, both formal and informal, and this ensures that the teams can see how the income/profitability of the museums has been affected by what they are doing.

Staff understand that as well as providing a high quality service and constantly receiving excellent feedback, which they have been doing for some years, they can also influence financial results.

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## Learning

Some initial difficulty with staff attitude i.e. we've never done it that way before'

'Thinking outside the box' is a much over-used phrase but it is totally relevant to what we have achieved. The first hurdle was to get the commercial side and the local government side to understand exactly what was in each other's box. There was a period of mild confusion on both sides plus some resistance, but once a mutual understanding was reached of what was possible, excellent results were achieved.

The most important learning point was to ensure that the whole

team are on board with what is trying to be achieved. Concerns have to be addressed but not in a dictatorial way. The team had to be brought to a level where they understood that our product/products had high value and we should be confident in charging appropriate amounts for them.