

# SWOT and Business Model Canvas

Digital Treasures



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# European Digital Treasures

## Objectives of the project

European Digital Treasures is a project selected in 2018 by the European Agency "The Education, Audiovisual and Culture Executive Agency (EACEA)", in the framework of Creative Europe-Culture Programme. The State/National Archives of several countries (Hungary, Malta, Norway, Portugal and Spain) and renowned European institutions such as the International Center for Archival Research (ICARUS) and Cork Institute of Technology (CIT) are part of it.

The main objective of this activity is to generate added value to the Archives through digitalization of their content and creating new businesses models focused on the diversification of the customers and developing new activities exploiting the culture and the heritage of European Archives.

This document serves as support for the following activities to identify new business models to implement in the National Archives. The SWOT and the Business Model Canvas, together with the form that will be delivered in mid-January, will serve to identify the relevant points to work on during the interviews that will be carried out during the months of January and February.

### Structure:

- SWOT Analysis
- Business Model Canvas
  - Competitive advantage



# European Digital Treasures

## Sources consulted

- Activities 1 and 2: “Pan-European Diagnosis & State of the Arts report about Archival Holdings Institutions” and “International Benchmark of Good Practices on new Business Models and initiatives from and for cultural institutions”.
- National Archives websites and data platforms.
- European Union - Culture official website.
- Social media profiles of the National Archives.



# SWOT Analysis

## 1. Strengths, Weaknesses, Opportunities and Threats

The SWOT is a technique that analyzes a company or a project internally and externally and helps to identify the Strengths, and Weaknesses, Opportunities and Threats. After identifying the four different factors, the SWOT analysis spells out the bases of the goals to mark, and the ways and actions to take.

In this particular exercise, we will identify the classic SWOT factors and delve into some added elements like the **politics, economics, socio cultural and technological** components that are relevant to the National European Archives. We will also work carefully on the **users and the segments**, as they are a key piece for the Archives and any type of project.

Understanding the needs and identifying the opportunities to solve is the main goal for this SWOT exercise. After that, the European Digital Treasures project will be able to highlight the competitive advantages and settle a common approach to all the participants on the following steps.



## 2. Internal Analysis, detection of Strengths

### 2.1. Strengths

- **Production**
  - The collection, preservation and facilitation of access to documents by citizens are the most important functions of the archives. Document digitalization is helpful in these processes.
- **Marketing**
  - The National Archives are mostly under the umbrella of the Ministries of the governments of Europe and specifically under those with competences in Culture, which facilitates brand positioning.
  - There are projects that generate added value, profitability, visibility and economic return to the European Archives, like the commercialization of merchandising products, as seen in the Artistic Residency Project.
- **Organization**
  - Solid structures with identified roles.
- **Staff**
  - 61% of the staff are women.
  - Adequate distribution of worker specialties, in the National Archives, 45% are Archivists, 20% Administratives, and 17% Technicians.
- **Finances**
  - The average budget of the national archives is € 17.9 million. This provides financial stability and security, as well as a wide margin of resource management
- **Politics**
  - The Archives that guard the most important European documentary heritage have a public structure, but there are also many important private Archives.
  - Cultural heritage enriches the individual lives of citizens and plays a key role in creating and enhancing Europe's social capital and promoting cultural identity.
- **Economy**
  - Monetary stability of the Euro and low interest rates.
  - Single Currency of the Euro, transparency in the figures. (Note: Hungary and Norway have different currencies).
- **Socio cultural**
  - The National Archives generate and preserve historical and cultural value.
  - Fundamental for the Academic sector.
  - The European Commission has focused on an ecosystem approach to supporting artists, cultural and creative professionals and European content through a variety of initiatives, including funding under the Creative Europe Programme and other means of EU financial support, for instance.
  - Increased support by the European Commission to the National Archives, (especially through biannual meetings of EAG and EBNA).
- **Technology**
  - 15% of the budget goes to Investment.
- **Users and segments**
  - Well-differentiated and specialized profiles, historians, hobbyists, and academic profiles. In some cases, a consolidated public belonging to pedagogical departments.



## 2. Internal Analysis, detection of Weaknesses

### 2.2. Weaknesses

- **Marketing**
  - Unlike the museums, most of the Archives does not have stores or merchandising products.
- **Organization**
  - Not an agile organization, mostly because of the bureaucracy.
  - The organization haven't got a community of practice.
- **Staff**
  - Lack of digital mindsets and entrepreneurship skills.
  - Difficulty finding personnel specialized in Archives.
  - Lack of budget to expand staff.
- **Finances**
  - The 65% of the costs in the National Archives are dedicated to the Staff costs.
  - Commercial exploitation is not relevant to the Archives.
- **Economy**
  - Possible post-Covid recession with uncertainties and impacts on GDP.
- **Sociocultural**
  - Little knowledge of archives by the general public except for traditional archive users, who are mostly historical researchers.
- **Technology**
  - Compared with the market, it is difficult to access to the documentation and information from the Archives. Although the access to the records is open, it implies mobility in many cases.
  - The User Experience (UX) of the National Archives websites have an outdated design.
  - Analysing the social media network, we can identify a strong community but with low interactions on Twitter, Facebook, etc. There is a high number of followers but the community doesn't comment or viralize the content. It is an opportunity, more than a weakness.
- **Users and segments**
  - The National Archives doesn't have an Audience Development Strategy.
  - Young generations demand a lot of information in digital format.
  - The audience reached by the Archives is very small if we take into consideration the production and work of them.



## 3. External Analysis, detection of Opportunities

### 3.1. Opportunities

- **Market**
  - Cultural heritage and digital culture are priority areas of cultural policy in the European Union
  - Low economical exploitation of the records.
- **Sector**
  - Museums are a clear example of reinvention of the business model, from collectors to exhibitors.
  - Work in this area should enable heritage institutions, scholars and practitioners to fully use the potential of digital technologies for managing, studying, conserving, restoring, making accessible, interlinking, disseminating and preserving their collections.
- **Competence**
  - Partnering with cultural institutions, investigation centers, museums, initiatives as Europeana, and galleries is an easy and smart move, leaning on their communities and sharing capabilities.
- **Politics**
  - The European Union allows to converge the projects persevering the identity of each of the participants countries.
  - Solid territory with common objectives.
- **Socio cultural**
  - The demographic framework of the European Union, and the diversity of the territories encourages the development of the cultural projects.
- **Technology**
  - The 95% of the Archives records are only in analog format.
  - The Archives have an opportunity for exponential digitization of both documents and processes.
  - The digitalization breaks space-time boundaries.
- **Users and Segments**
  - By having a very specialized affinity audience, there is an opportunity to develop and expand the range of Archive users towards different profiles.
  - General Public, Journalists and University students are the three most important profiles for the National Archives, they are three profiles with ambition and curiosity.
  - 365.000 annual online users on average in the National Archives and 12.000 physical visits. Huge potential reach of public.



## 3. External Analysis, detection of Threats

### 3.2. Threats

- **Market**
  - There is little competition to refer to and smart follow.
- **Sector**
  - Low interest in the contents but a very important role to play in the culture and society.
- **Competence**
  - The e-commerce is growing very quickly, leaving aside traditional sales methods and points of exposure.
- **Environment**
  - The current situation with COVID 19 hinders the movement of people and access to the Archives.
- **Economy**
  - Little room for improvement in budget allocation.
- **Socio cultural**
  - According to Eurostat, consumers when accessing facilities such as museums, theaters, etc., are experiencing a decrease in satisfaction.
- **Technology**
  - Exponential growth of the technology, risk of implementation of obsolete technologies.
- **Users and Segments**
  - Economy of attention, the digitalization of the Archives should be developed according to the tastes and preferences of the new generations.
  - 30% of National Archives haven't got an available communications team, meaning that the impact of any business model improvement is likely to be blocked by the lack of information transmission.





## 4. SWOT Framework

<p><b>Strengths</b></p> <ul style="list-style-type: none"><li>- The collection, preservation and facilitation of access to documents by citizens are the most important functions of the archives. Document digitalization is helpful in these processes.</li><li>- Care of the Cultural heritage.</li><li>- Stability and security regarding the budgets.</li><li>- Solid structures with identified roles.</li></ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"><li>- The 95% of the Archives records are only in original format.</li><li>- Lack of uniformity technological platforms in the different countries.</li><li>- The 65% of the costs in the National Archives are dedicated to staff costs.</li><li>- Low audience rate reached.</li></ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>- Exponential digitization of both documents and processes.</li><li>- Reinvention of the business model, from collectors to exhibitors.</li><li>- The Archives have an opportunity for exponential digitization of both documents and processes.</li></ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"><li>- Exponential growth of the technology, risk of implementation of obsolete technologies.</li><li>- Little room for improvement in budget allocation.</li></ul>



## 5. User and segment analysis

Based on the answers to the Pan European Diagnosis & State of the Arts report about Archival holdings Institutions:

**Sociocultural factor:** The users of the National Archives are linked to the Academic ecosystem.

**Occupation:** Linked to the Academic ecosystem and highly specialized users professionalized in an area.

**Gender:** Equal distribution of gender.

**Age:** No data

**Primary users:** Historians and Hobbyists

**Secondary users:** Students and Academia

**Potential user Horizon 1:** Journalists and general society, retired people

**Potential user Horizon 2:** Higher students, secondary pupils

### Needs and behavior:

The users need the privileged information that the Archives can provide and they are obtaining the valuable product of the Archives in different ways: Online and offline. 365.000 annual online users on average in the National Archives and 12.000 physical visits. Huge potential reach of public.

It is necessary to improve accessibility and diffusion to the National Archives.



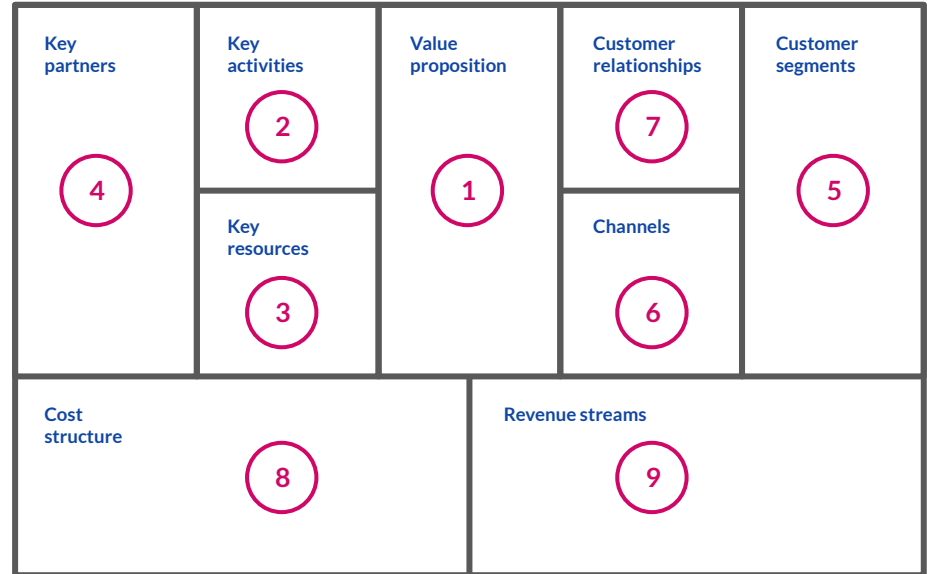
# Business Model Canvas

## 1. Description

The Business Model Canvas is a working template that divides the main business model of a company or a project in different blocks.

To fulfill the Canvas, we are creating a **story**, and the first thing that we are going to do is identify the **value proposition** of the National European Archives. Reviewing the key **activities**, exploring the **resources** that the Archives have and counting the key **partners** are the next steps. Deliver the value proposition to the **clients** through different online or offline **channels** will take us to identify the customer **relationships**. We will also identify the **incomes** and **outcomes**, analyze how to improve the benefits, stand out the key activities, the key partners, etc.

The Business Model Canvas exercise will allow us to extract and study the competitive advantages of the National Archives



## Key partners

Who are our key suppliers?  
Who are our key partners?  
Which key resources are we acquiring from partners?  
Which key activities do partners perform?

## Key activities

What key activities do our Value propositions require?  
Our distribution channels?  
Customer relationships?  
Revenue streams?

## Key resources

What key resources do our value propositions require?  
Our distribution channels?  
Customer relationships?  
Revenue streams?

## Value proposition

What value do we deliver to the customer?  
Which one of our customer's problems are we helping to solve?  
What bundles of products and services are we offering to each Customer segment?  
Which customer needs are we satisfying?

## Customer relationships

What type of relationship does each of our customer segments expect us to establish and maintain with them?  
Which ones have we established?  
How are they integrated with the rest of our business model?  
How costly are they?

## Channels

Through which channels do our customer segments want to be reached?  
How are we reaching them now?  
How are our channels integrated?  
Which ones work best?  
Which ones are most cost-efficient?  
How are we integrating them with customer routines?

## Customer segments

From whom are we creating value?  
Who are our most important customers?

## Cost structure

What are the most important costs inherent on our business model?  
Which key resources are more expensive?  
Which key activities are most expensive?

## Revenue streams

For what value are our customers really willing to pay?  
For what do they currently pay?  
How are they currently paying?  
How would they prefer to pay?  
How much does each revenue stream contribute to overall revenues?



## Key partners

Governments.  
Museums.  
Academia and universities.  
Media.  
Digital companies.  
Potential Sponsorships.

## Key activities

Preservation of the records.  
Collection of records.  
Ensure free access to citizens.  
Access information to historians and researchers.  
Managing physical Archives and digital access.

## Key resources

Physical storage  
Digital storage  
Specialized and available talent

## Value proposition (current situation)

Archives facilitates access to databases, inventories and culture heritage. Access to documents and resources for investigation.

Archives solve the lack of information on the users, facilitating the investigation, and academic needs of the society.

## Customer relationships

Exploration and Discovery.  
Satisfying the needs of the customers.  
Affiliation, subscription.  
Prescription or recommendation.  
Ambassador programs.

## Channels

Digital (through databases hosted by websites), physical access, exhibitions and publications.

Social Media is nowadays the most common digital channel to reach new customers and maintain their trust.

Ecommerce platforms

## Customer segments

Historians, Hobbyists, Students, Academia are the most common users of the Archives.

General society, Journalists and the Higher students are the segments that archives want to reach in a more immediate way.

## Cost structure

The organizational staff costs of the Archives are almost 50%.  
Only 35% of the budget is destined to matters related to the value proposition such as investment, digitalization, equipment, promotion or conservation.  
15% Overheads and operational expenses

## Revenue streams

Archives customers could pay for valued content such as exhibitions.  
Another way to explore and exploit is the merchandising related to the Archive records.

Budget sources:  
90% Public  
4% EU  
4% Private  
2% Merchandising, Licensing, Fees users



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## 2. Competitive advantage

Based on the analysis extracted from the business model canvas and the SWOT, we can identify some of the relevant competitive advantages of the National Archives that will help us to analyze future actions in detail.

- Product exclusivity and unlimited access
- Product quality
- Validation of the legitimacy of the product
- The physical and digital spaces of the National Archives are spaces of knowledge and trust
- Budgetary resilience to the extent that they depend on public funds and last over time fulfilling a function of preservation and collection