



HOW TO: START A THEATRE COMPANY

There are many reasons to start a theatre company, many different ways of making theatre and many different ways of operating. We can't claim to be experts on your particular circumstances and have written purely from our personal experiences of setting up a small scale touring company. We've written as simply as possible so please excuse anything that sounds patronising; sometimes the most obvious questions are the ones which go unasked.

Hopefully there is something useful for you here, for more specific questions please see the section on further advice. If you do decide to set up your own company, good luck and remember... sleep is for wimps.

GOMITO x

QUALIFICATIONS AND SKILLS

Obvious but easy to forget statement number one: you do not need any qualifications to make theatre. You don't even need any qualifications to run a theatre company. What you do need are **ideas and skills**. How you get these skills is up to you; apprenticeships, university, drama school, experimentation or trial and error can all do it, but it's worth noting at every stage **what** skills you are developing and **why**? When forming a company you should consider the mix of skills and your members' strengths and weaknesses. Do you need to find someone new to fill a gap?

SHOULD I SET UP A COMPANY?

Our advice before getting too far down the company route would be to sort out your **art first**. What you're making and how you want to relate to your audience will influence your organisational set up. Also the relationships between the people involved need to be tested before you formally commit yourselves. The right combination of people will be essential, so make sure you can talk honestly about how you find working together.

A good first step would be to just jump in and **make a show** to the very best of your combined abilities. This will force you into conversations about what you are making, why and for who. It's also likely to bring any potential problems to the surface. It's pretty standard at this stage that everyone will be working for free, working around whatever job is actually paying your rent and potentially putting in a bit of money each for rehearsal space and equipment.

When your show is ready **be kind to your audience** by finding an appropriate showcase for this early experiment that doesn't set their expectations too high. There are plenty of work-in-progress nights you can apply to at theatres, pub theatres or universities. Make sure you get plenty of **honest feedback** about what you produce and take some time to evaluate what you've done and how you've done it.



If after that you think that you have potential to do something great together it's time to discuss the pros and cons of becoming a company. Some things to consider:

Pros

- Independent companies can make what they want, when they want, with whomever they want.
- You will never have to wait for a project you are passionate about to appear: you make your own.
- Working repeatedly with the same people means that you can develop your own theatre language together. It should in theory get easier to work together with every show.
- An audience who like your work have a clear identity to follow and are likely to return.
- It's less cringeworthy promoting the company than just promoting yourself.
- Many heads are better than one.

Cons

- At least to start with (possibly forever) you will be responsible for everything to do with the running of the company.
- You may find that administration gets in the way of your creative work.
- To start, you may have to continue a less enjoyable job alongside the running of the company to pay your rent.
- While you're busy with your company you are likely to get out of the loop when it comes to freelance work. If a great job comes up you may not be able to drop everything and take it.
- You should be wary of automatically using the same artists every time. There is a danger of work becoming stale, weak or repetitive if you don't find a way to include new talent and external ideas.
- You will be poor, you will be tired, it will not be easy.

ROLES

The administrative jobs that you will need to do to keep the company running will vary depending on your specific circumstances. How you divide roles up between you will also be up to you. Bear in mind that although it may seem friendly and collaborative to do everything together this is probably not an efficient use of your time. If you are all artists you may want to get a producer to do all of the administration. A selection of jobs you may need to consider:

Tour booking (promoting your show to theatres).

Marketing to audiences (website, social networking, print design).

Funding applications and finance raising.

Logistics (things like booking rehearsal space, transport, accommodation, get in times, technical riders, making sure everyone is in the right place at the right time).

Press (getting reviews and features).

Budgeting and finance monitoring as you go along.

Education (associated workshops or teachers' packs if that's something you want to do)



THE VERY BASICS OF FINANCE

There are a number of ways of creating an income for a theatre company, most companies run on a **mixed funding model**. This is through necessity, but also a good idea in case one source suddenly disappears.

Ticket Sales:

There are many different types of deals which Venues and Theatre Companies use, here's a very basic explanation of three:

- A guarantee, or flat fee is a set amount that you will receive in return for presenting your work. Invoice the venue in advance of the dates outlined in the contract to speed up the payment process.
- A box office split (should be in your favour) assigns a proportion of sales to you and a portion to the theatre. This is a bit risky if you have never performed at the venue before and are unsure how well you can sell.
- A guarantee against a box office split is a mixture of both of the above. You take whichever is greater, the guarantee or your percentage. A good incentive for marketing and safer than a pure box office split.

Theatre Commissions:

If a venue likes your work and has funds to create new pieces they may consider funding all, or a part of the creation process. This will usually be a profile raising exercise on their part and they will ask to be credited on publicity.

Commercial Investment:

West End productions are able to attract investors who basically gamble on being able to get their money back with a good return if the show is a success and sells plenty of tickets. This is a complicated process with legal limitations; it's something we have never tried and imagine it would be incredibly tricky for a new or small theatre company. However there must be something we can all learn from the existence of this type of income! More details could be found through Stage One who help to develop new producers www.stageone.uk.com.

Arts Council Funding:

The Arts Council fund various activities including Touring, Business Development and Research and Development (basically your rehearsal period), on a project-by-project basis through Grants for the Arts. You can apply at any time for these funds online. You should look at the Arts Council website and try to meet with the relationship manager for your artform in your region, if you think you may have a project that is eligible for funding. www.artscouncil.org.uk.

The Arts Council also provides regular funding to 'National Portfolio Organisations'. It will massively help your application if you can get someone from an NPO to see your work and write a letter of support for you.

Trusts and Foundations:

You may find that you're eligible for funding from a variety of trusts or foundations. The Arts Council's website has a download called 'Other Sources of Funding' which has a very



handy list of these and other government bodies who could help.

<http://www.artscouncil.org.uk/funding/other-sources-of-arts-funding/>

Local Authority Funding:

It is worth researching what support is available for the arts from your City and County Council. If you are also running educational activities you could also see if your project could fit in with any other council priorities like young people's provision or community cohesion.

Philanthropy and Sponsorship:

Businesses often have some 'corporate responsibility' money set aside to donate to charities and arts organisations. They may also wish to sponsor some of your publicity if they think it will reach a wide enough audience.

Individual giving could be encouraged through a Friends Scheme (tricky for a new company) or there are now quite a few 'crowdfunding' websites, which seek to attract small donations to help artistic projects get off the ground. Try www.wedidthis.org.uk or www.wefund.co.uk.

Merchandise

You will have to agree a deal with the venue when selling merchandise. Be realistic about how much you produce so that you aren't left out of pocket with piles of stuff. Merchandise could be programmes, music or anything relevant to the show.

Other Services

Have a think about who else might want your theatre skills, could you offer corporate training, consultant services or education projects? You will have to weigh up how much time you are willing to spend on any projects like this instead of on making your work.

INCORPORATION

Incorporation means becoming legally registered as a company. You will probably need to do this at some point to attract funding, to limit the chances of becoming personally bankrupt or even just to make sure you are being taken seriously. This is an incredibly simple process if you join the ITC (Independent Theatre Council) who will provide you with template forms to sign. There are various different kinds of company, you will have to choose what suits you best. Gomito is a Company Ltd by Guarantee with no share capital.

Private Company Ltd by Shares: Members 'own' part of the company, if the business fails the shareholders lose just the value of their shares. Profits can be paid to shareholders.

Private Company Ltd by Guarantee: Members do not own the company, if the business fails they can have liability limited to just £1. If the business closes with profit, the profit must be invested in another company with the same aims.

Community Interest Companies: Must be for the public benefit, but have a broader definition than a charity. These are often recommended for Social Enterprises.

Charities: Not 'owned' but in the care of a board of trustees. Lots of theatre companies



are charities. Benefits include not paying VAT and claiming Gift Aid.

Sole Traders: A business run by one person. There is no legal distinction between the person and the business so all profits are yours. However a bankrupt business means a bankrupt individual.

Partnership: the same as a sole trader, but run by multiple people.

FURTHER ADVICE

People who work in the theatre are generally very nice. As long as you aren't taking up masses of their time you shouldn't be afraid to contact them with questions. Research on the internet to make sure that you are contacting the most relevant people.

NPOs (National Portfolio Organisations)

The Arts Council has funded certain arts organisations to play a strategic role in Artist Development. It is worth looking for the organisations in your area that may run special schemes to support new artists. <http://www.artscouncil.org.uk/funding/our-investment/funding-programmes/national-portfolio-funding-programme/>

The ITC (Independent Theatre Council)

For all things legal and organisational this is a great source of advice.
<http://www.itc-arts.org/page69.aspx>

Collaborating Theatre Companies

A network for sharing resources and seeking creative collaborations
<http://www.facebook.com/#!/pages/Collaborating-Theatre-Companies/196472247031363>

SANITY

Spend some time with people who don't work in the theatre.
At least once a fortnight...
or your brain will start to melt.