

Corporate collections, a forbidden liaison or a solid relationship?

Results of 2016 survey on art and heritage collections in France.



Foreword

Corporate collections are not always very visible; only a small number of them are in the spotlight and the precise nature of their history is not always known. The purpose of this survey is to throw light upon the links that exist between the arts world and corporate art collections. The scope of the survey encompasses corporate art and heritage collections (which focus on a company's history and legacy) as well.

We wanted to ask, to what extent do collections play a part in corporate life, and what aims do they serve? Are they merely symbolic, do they provide a corporate image or are they themselves able to breathe inspiration into the heart of the company? What difficulties do collections create? And in return, how does their development benefit the art world and our wider cultural heritage?

Our research raised lots of questions and our survey, while not claiming to be comprehensive, has at least delved into recent practice in France that merits sustenance and encouragement.



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A snapshot of corporate collections

Although traditionally viewed with suspicion, the links between the corporate world and the arts no longer provoke outright disapproval. The United States has played a pioneering role here. At the end of the 19th century and the beginning of the 20th, railroad companies such as Union Pacific and Atchison, Topeka and the Santa Fe Railway commissioned works from artists to celebrate the delights of railroad travel. In France, where the state's hold over culture and the arts has been traditionally quite marked, the process was slow to gain momentum, despite the example set at Renault by Claude Renard in 1967. It was not really until the 1980's that corporate collections really took off.

Arts and heritage collections have much in common but also have very different characteristics. The reasons they were set up, their size and their age, the manner of their development and the issues they face (for example, in deciding whether or not to add a new piece) readily distinguish one from the other. However, they all share a sense of youthfulness and a vulnerability to economic climate; they are often the first areas of company expenditure to be curtailed by budget restrictions.

Distinct character traits

The development of the collection. Owing to the differing nature of their contents – items linked to a company's activity on the one hand, pure works of art on the other – heritage and art collections have different driving forces. Almost 60% of heritage collections are derived from the wish to enhance a company's historic legacy. For art collections, since the art itself has no physical link to the company,

the driving force is less immediately personal. Passion for art is the declared reason for collecting in 82% of cases. Both social responsibility and adornment are cited as very important motivators by a third of companies with art collections (33.9%) and even enjoy slight preference over external (31.3%) and internal communication concerns (30.8%). For companies with heritage collections the issue of image and communication takes greater precedence. The question of adornment, if raised at all, is considered not very or not at all important by half of the companies concerned. How a collection is managed will therefore depend on its category.

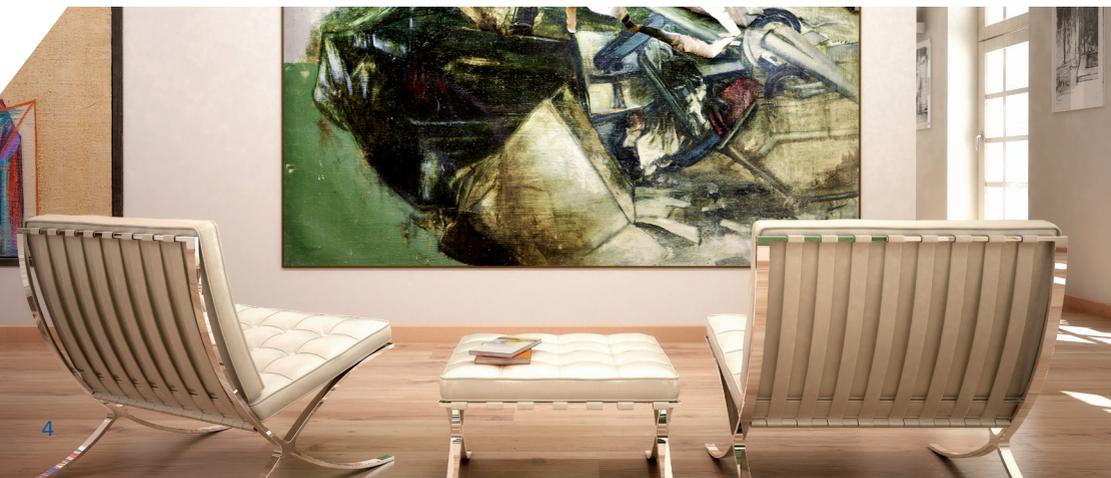
The David and Goliath factor. Corporate collections are modest in size; around half of all companies with corporate art collections have fewer than 50 works in their collection, and almost 60% of have fewer than 150 pieces. Fewer than 10% have more than 1000 pieces. The situation is the opposite for heritage collections,

most of which have more than 1000 pieces; almost half number at least 3000 objects, and only a handful have fewer than 50 works. Since heritage collections consist of pieces produced by the company – bottles, clothes etc – it is natural that they should contain a higher number of objects, so their management raises its own specific issues.

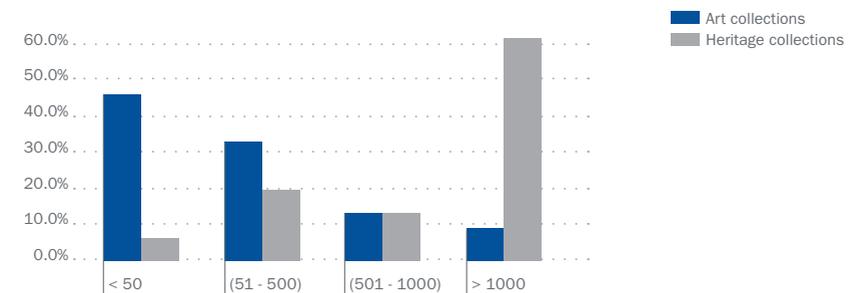
Due to their larger size, 40% of heritage collections are managed by a full-time team, whereas 44% of art collections don't have any specific member of staff in charge.

It is also natural, given their larger size, that 12.9% of heritage collections state that all their pieces are exhibited, whereas this only applies to a third of art collections. A higher proportion of heritage collections (64.5% compared to 41% of art collections), store reserve pieces on the company premises.

Photo: Fotolia



Size of art or heritage collections





“Heritage collections (works of art, archives, historic buildings etc) provide a valuable link between the past, present and future of the companies they represent. The discovery of the far-potential of these intangible assets is having a revolutionary effect.”

PAULINE LE CLERE, Founder of the company Perles d'Histoire

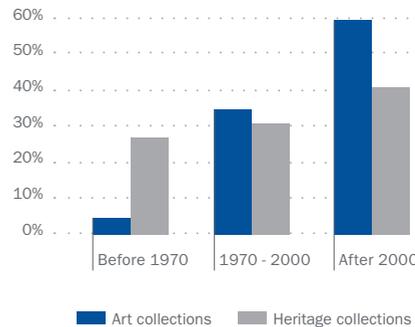
This connection with a company's activity probably partially explains why only a third of heritage collections enjoy the security of a specialist insurance contract. Art collections tend to be better served, but even here, only one out of two collections has a specific insurance policy in place.

Youth is a common factor

Adolescents or Young adults. Although their relative youth is a common factor – more than 60% of heritage collections and 83.6% of art collections were set up after 1990 – heritage collections tend on average to pre-date their art counterparts by a few years. Almost 30% were created before 1970, compared to only 4.4% of art collections.

Despite legislation passed governing sponsorship, which established an institutional backdrop favourable to the creation of art collections, not many of those covered by the survey are shored up by foundations or endowment funds. Only one in two companies with art collections have these in place, compared to two thirds of the companies with heritage collections. 20% of heritage collections and 25% of art collections kept on company premises are held by corporate collectors.

Years in which heritage or art collections were established



Citroën: a collection presented and curated by Perles d'histoire/ Photo: Citroën Communication



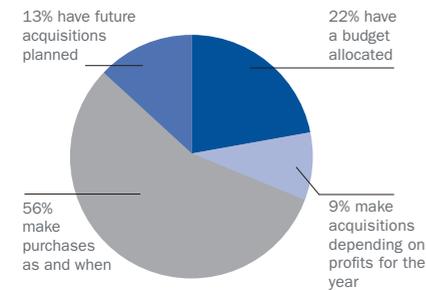
Photo: Bruno Clergue

Has the Mecenat sponsorship law been beneficial to corporate collections ?

“The law of 1st August 2003 governing corporate sponsorship, associations and foundations included measures that were particularly beneficial to corporate art collections. From a governance aspect, a company was now allowed to set up a body for the sole purpose of managing its collection. The law of 4 August 2008 also paved the way for the establishment of more adaptable and flexible structures such as corporate foundations or endowment funds. These structures were now eligible for treatment as sponsorship funds and could apply for tax allowances equivalent to 60% of sums donated. Another measure of great benefit to art collections was the possibility of deducting the sum paid for an original work by a living artist from turnover for the year of purchase. The same amount could be depreciated over the next four years, provided that the work was exhibited in a place where it could be viewed by the public or employees (with the exception of their company offices). However, under current guidelines, there is a tax ceiling on all of these tax concessions, of 0.5% of turnover.”

ANNE-SOPHIE NARDON Solicitor from the company Borghese and associates

Budget allocated to the collection: Different purchasing models



This data highlights the difficulty that collections have in creating a durable niche within the company.

Vulnerability to the economic climate

A collection is often dependent on the motivation and drive of its art curator, as collections do not generally have a predetermined purchasing budget – purchases are dependent on yearly profits – and collections may not be expanded regularly. Furthermore, collections are vulnerable to changes in the managerial team and the hiring of less enthusiastic members of staff.

In spite of this, the selling-on of works from corporate collections is much less marked than appears to be the case with private collections. Whereas 40% of private collectors consider that selling on a work is an integral part of a collection's existence, 80% of companies have never sold off works from their collection.

The impact of corporate art collections

How does a collection find its niche with a company? Not surprisingly, art gives a soul to its immediate environment and is a skilful communications tool. More daring measures, such as those that might relate to a company's activity or human resources, can make a company stand out further. But the benefits of the collection do not end at the company exit hall and the potential spin off for the world of art and culture can be very significant.

When the collection is of benefit to the company

Space on the premises. A company is not a museum. For reasons of financial cost, few collections are easily accessible. More than 60% of heritage collections and 55% of art collections are not open to viewing by the public. It is essentially the company's staff that benefit from seeing them. On the other hand, art collections are widely exhibited within corporate premises. Only 8% of art collections are not exhibited but kept in storage, compared to 40% of heritage collections.

When art collections are exhibited they permeate all areas of the company: art is commonly displayed in the offices of top executives (49.3%), in communal areas (80.8%), and also in the offices of general employees. Heritage collections tend to be displayed in communal areas or dedicated areas, probably because such spaces are more naturally suited to showcasing heritage items that often require a larger backdrop.

How collections are used and integrated into the company

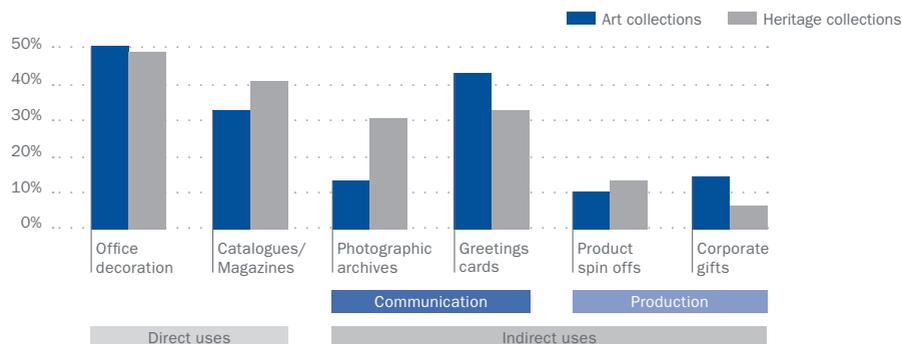


Photo: Bruno Khoury

Collecting to drive change and innovation

"A new generation of art entrepreneurs is emerging that is embracing the collection of contemporary art in a new and vibrant way.

They don't wait until the size of their collection (and their company) is big enough before telling the world about it. They build it up quite quickly (through art consultancy, art mediation and art events), aware that they have something of managerial and corporate benefit that can also play a role in corporate and social responsibility. For them, the corporate collection is first of all a fantastic way of creating a bond between employees, for stimulating innovation, for nudging people out of their comfort zone, encouraging them to be less resistant to change and to understand or question the times in which they are living. Giving meaning to the work that their employees do, expanding their team, inspiring and breathing life into corporate projects: these are fundamental values for new generations. Corporate art collection is very much alive and thriving!"

PASCALÉ CAYLA, Founder of Art en Direct

A valuable communication tool. 66% of companies with art collections and 77% of companies with heritage collections use internal communication channels to advertise their collections. However, a higher percentage of companies with art collections use external communication channels, with 60% using external media as against 45% of companies with heritage collections. 70% of companies state that they have benefited from media communication channels and have obtained media exposure through at least one article in the press, or a radio or TV broadcast about their collection.

On the whole, any secondary use of collections is limited. 25% of heritage collections are used specifically to produce limited editions and 20% are used to customise products. However, for art collections these figures are only 8%

and 12% respectively; a situation easily explained by the different nature of the collections.

The impact on the world of arts and culture

Arts events, loan of works. Two thirds of the companies surveyed organise events around their collections (conferences, exhibitions, special projects) and thereby enrich the cultural life of their local area.

But they also provide various institutions with resources. Almost 70% of companies with heritage collections loan objects to public bodies in France and 50% loan them to locations abroad. For companies with art collections, these figures are 41% and 29% respectively.

A source of interest for museums. These companies also contribute to cultural diversity by loaning and/or gifting objects to museums. Heritage collections are generous; 22.6% of them have items on loan and 16% donate items to museums. These figures are lower for corporate art collections.

Support of artists. Although few companies have artists in residence, a significant

proportion of companies with art collections (57.4%), state that they have provided material or financial support to artists. This percentage is evidently lower for heritage collections, but is still of note since 26.7% of them state that they have made commitments of this nature. Indeed, derivative products or architectural projects for example often involve an artist that has been showcased.

Natural affinities across different sectors

Some sectors of activity are more disposed to collecting

Collections are more common in four particular sectors:

- 1) beauty/fashion
- 2) banking/finance
- 3) property companies
- 4) the service sector

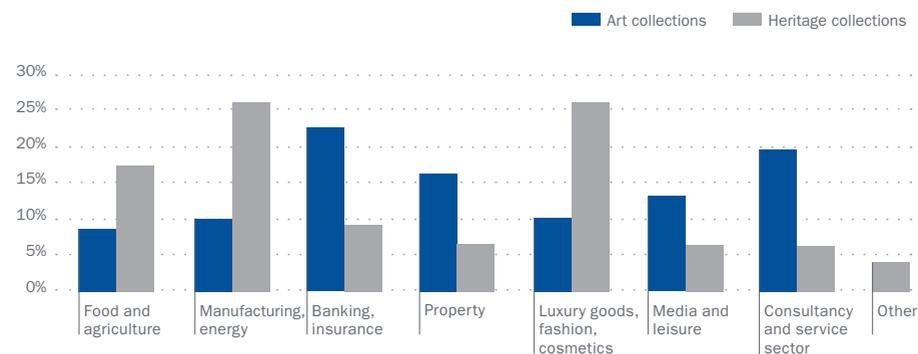
However, the situation differs depending on the nature of the collection.

Heritage collections, which proliferate in the luxury goods/beauty/fashion industry (26%), can also be found in other industry sectors. Heritage collections document

company history and expound its values, and can thus generally be built up in any company.

On the other hand, art collections have links to a smaller number of industries. They are more in tune with companies that work with a wealthy clientele and/or in a creative or innovative industry. The collection then becomes part of the company's corporate outlook and there is less of a chance that corporate collectors will fall prey to poor administrators. Art collections are therefore most likely to be found in the banking/finance/insurance sectors (22%), the property sector (16%) and in the creative industries (19%).

Distribution of art and heritage collections by sector



Whenever they are found in companies not active in the creative industries but producing items for mass consumption, they normally owe their existence to corporate art enthusiasts within the management body.

Collection characteristics

Collections tend to embrace three symbolic themes:

The contemporary or modernist collection.

Contemporary collections aim to reflect the core identity of a company or the values that it wishes to embrace. These may be depicted either in a human or desired form. Human depictions are inextricably linked with the company's identity and are totally devoid of "instrumental" considerations, serving only to bear

witness to and convey the richness of the company's history.

However, modernist art may also be used in a desired form, with a collection employed partially to expound the values with which the company wishes to be associated.

The Mary Poppins collection theme.

Collections that owe their inspiration to a product or human resources typically take a "Mary Poppins" stance, aiming to charm the business world and link physical or real characteristics with the goods and services offered. Labels used by wine producers that reproduce images of works of art provide an example of this thought process.

Methodology

The survey, carried out by Nathalie Moreau and completed by French companies with art or heritage collections, was conducted over a period of eight months. 104 companies anonymously provided answers to a list of closed questions, and 24 face-to-face interviews were carried out with a number of curators or corporate art collectors.

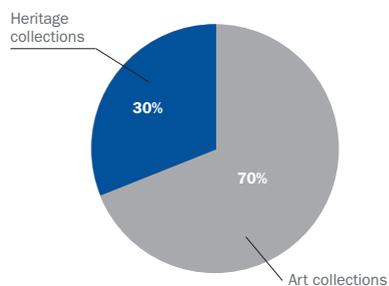
The scope of the survey encompassed art collections owned by directors and made available to the companies, as well as collections belonging to the company itself, or collections held by foundations or associated endowment funds.

The questionnaire, which was available in digital and PDF form, was distributed online through various channels. Companies such as Art en Direct, Perles d'Histoire, local chambers of commerce and the cultural affairs body DRAC all helped with its distribution, as did specialist art and media organizations.

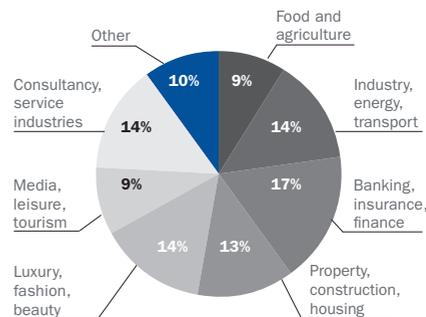
The online survey was divided into four parts and contained 51 questions:

- Part 1:** the origin and content of the collection
- Part 2:** methods used to add to and manage the collection
- Part 3:** the value of the collection, where it was exhibited and the types of links with the world of arts and culture
- Part 4:** socio-economic information about the companies that responded

Nature of collections held by responding companies (questionnaire)



Sectors of responding companies (questionnaire)



The AXA collection on display at the group's head office in the historic Hotel de la Vaupaliere.

Key figures

- 38.5% of collections are held by SME's
- 45.6% of art collections consist of fewer than 50 pieces
- 45.2% of heritage collections have more than 3000 pieces
- 70% of companies have a collection that has benefited from media interest
- 16% of companies have a heritage collection that has donated objects to a museum
- 18% of companies with an art collection state that they have made a financial donation to a museum

This survey was compiled by means of 24 semi-directive interviews with those in charge of art collections, to throw light on the dynamics driving their management and the complexities involved.

Heritage collection

A company's collection can also be deployed uniquely to influence clients visiting its offices and is often itself a factor in raising market prices.

The Parangon collection is a perfect example of how the corporate world and a company's art collection can influence one another. The harmonious partnership is plainly visible and the two worlds complement

each other on every level, without any overt manipulation. Not only does the collection enhance the company's image and stimulate production, but it also encourages communication between staff and underlines the company's genuine engagement with the arts.

Many companies are in reality in a state of flux. Due to their relative youth, they tend to look at images ranged somewhere between modernist, subconscious art and those embodying a "Mary Poppins" charm-led approach, and rely on media campaigns to draw in the business world.

AXA ART, a specialist in corporate art

With more than 50 years' experience in the sector and with a presence in 25 countries worldwide, AXA is a leading insurer of corporate art collections.

AXA is able to offer a flexible and customized solution to your insurance needs. With a skilled team and art consultancy service on hand to advise you on all the critical points in looking after your collection, AXA ART has the expertise to provide the most effective protection possible.

Corporate, heritage or art collections are very different one from the other and have specific needs. Therefore, AXA ART has tailored contracts that take into account the size and type of each individual collection. Naturally, our approach differs widely, depending on whether there are no more than 10 pieces stored at a company premises or several hundred works on show to the public. Collections may involve ancient art works, contemporary art works or historic machine tools that form part of a company's historic legacy.

Accidental damage is a leading cause of loss, particularly during transport of works. Too often, works are not insured or only have limited loss insurance, as the loss and damage policy provided is a multi-risk one for a limited sum, which is much less than the value of the works exhibited. AXA ART is able to offer an All Risk insurance cover with no deductible that covers all accidental losses, while also providing a personal claim management service.

As well as overseeing its display, key issues in the management of any corporate art collection involve adding to its content and managing its conservation, protection, safety and transport. Our specialist advisers, equipped with dual expertise in both history of art and insurance, are able either to provide in-depth solutions themselves or guide collection custodians towards suitably competent professionals who can.

Damaged cinnabar lacquered cup from the Ming Dynasty. / photo: AXA ART. Wolfgang von Brauchitsch



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