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1. Introduction

This report focuses on the private music institution, the Academy of Contemporary Music (ACM). Through examining existing literature and collecting primary research from students through a study, it examines the history of ACM, its origins and position within the higher education sector, as well as discussing its micro and macro environments. It will cover the lean business methods and techniques, financial aspects and go on to include strategic recommendations to improve the organisation's performance. This report also considers the impacts of the global pandemic, COVID-19, on the institution and its future.

2. Brief History of ACM

My time as a student at ACM Guildford from 2018 - 2020, gives me a first-hand insight into this specific organisation. For this reason, I have chosen ACM to discuss in this economics report.

Beginning its education provision in 1995, ACM positions itself as "training artists, producers and business entrepreneurs for careers in the music industry" (ACM., n.d). Phil Brookes, a local guitar teacher, and Peter Anderton, the owner of the music shop, Andertons in Guildford, are the founders of the organisation. Brooks and Anderton began working together with an aim to teach rock and contemporary music at a higher educational level, in class structure - not just one-to-one private lessons (Walker, T., 2006). With an equal financial partnership, Brooks and Anderton started ACM's first year with thirty full-time guitar students, in the location of

Haydon Place, Guildford. Five years later, in 2000, ACM's enrolment had increased to around one thousand students. ACM has since expanded to having campuses in Guildford, London and Birmingham - with its aim to use different cities to attract more students. The most important figures currently at ACM are the Directors, K R G Clements, R Connell and A M Harlow, with Kainne Clements (Executive Chairman) and Ace (Head of Creative Industry Development), also significantly contributing to the running of ACM.

Studying music at ACM differs from a traditional university experience concerning the teaching approach. Whilst it is arguable that the majority of university lecturers studied to be just that, many of ACM's lecturers have worked in the music industry themselves before teaching, with some still integrated within it now. Some of these include:

ShaoDow:



Being a professional rapper himself, ShaoDow helped ACM set up a specific course tailored to help rappers improve in ways that a traditional singing teacher may struggle to achieve. With three self-released albums selling more than 25,000 copies, ShaoDow has performed as the opening act for artists such as Stormzy, Wiley and Skepta over the years, performing in Europe, Asia and the UK. ShaoDow is still very present and current in the music industry, which demonstrates ACM's strategy to recruit lecturers who help their students from their personal links and experience (ACM., n.d).

Jono McNeil:



Jono McNeil is a professional vocal coach and singer who works as a Performance Lecturer at ACM. Working for companies like 'The Voice UK' and also having performed with artists like Paloma Faith, Michael Buble and George Ezra, Jono is a further example of a well-connected industry lecturer that ACM has employed (ACM., n.d).

As well as industry professional lecturers, ACM has enrolled many talented students over the years, with many successfully working in the music industry themselves. Matty Healey (The 1975 Lead Vocalist), Ed Sheeran and Kristen Joy (Vocalist for Clean Bandit) are famously known to have studied at ACM in its early years of development. Matty Healey attended the London Campus in 2008 whilst Ed Sheeran attended the Guildford campus in 2010. Their enrolment is arguably a unique selling point for ACM, with many young and aspiring creators wanting the same education and support that these artists perceivably gained at ACM.

This report will now discuss and analyse the critical points of the introduction. However, it is important to take into consideration certain information that could not be obtained through public sources available on the internet. An interview with ACM directly was also arranged; however, due to the current pandemic, there was a last-minute cancellation. Therefore, it has been necessary for certain aspects of this report to be compared with information available from similar organisations.

3. Main Competitors

Concerning the highest academically rated universities which offer music BA(Hons) degrees, the universities of Chichester, Leeds, and Staffordshire are highly recommended by many students and receive excellent teaching (WhatUni, n.d). However, as previously mentioned, ACM is not a traditional university but a private music institution. The main difference between the two university types is that music

students who attend traditional universities are more likely to graduate with more structured and standard jobs in mind, music teaching, for example. In contrast, those who attend private music institutions have direct links to the industry due to the organisations and lecturers connections. ACM's main competition, therefore, comes from other private institutions, such as BIIM and Lipa.

Lipa (Liverpool Institute of Performing Arts), is described as a 'specialist university-level provider of world-class learning for performers and those who make performance possible'. Launching in 1996, 'the Liverpool Institute for Performing Arts opened to forge a new approach to performing arts training'. One unique selling point that enables Lipa to stand out from other private music institutions is its co-founder, lead Patron Sir Paul McCartney. Having McCartney as one of the founders is a significant attraction for upcoming artists, making Lipa a highly competitive institution for applications. In 2015, Lipa's statistics indicated that 89% of their graduates find work four years after leaving, with 78% of them working in the performing arts industry. On its website, Lipa also comments on their 'first-class facilities', and investments of around '£500,000 each year to update or improve our learning environment' (Lipa, n.d). These statistics show how Lipa is a significant competitor to ACM and will be explored in more detail later on in this report.

BIMM (the British and Irish Modern Music) is another competitor of ACM. Opening in 1983, BIMM describes itself as 'Europe's largest, most connected music institute with eight colleges based in vibrant musical cities across the UK and Europe'. It

emphasises it's campus and student numbers, which creates a point of difference to its competitors. With 86% employment six months after graduation, it also demonstrates its connections and industry links, with many students able to find work soon after graduation - a crucial fact that prospective students would be looking for in their university choice. BIMM promotes its education further, by stating 'we design our education to truly and demonstrably meet the needs of today's and tomorrow's music industry' (BIMM, n.d). This again demonstrates its industry connection, claiming to continually keep up to date with new trends, equipment, and jobs. With alumni such as Ella Mai, it also demonstrates BIMM's capability to produce talented artists. This report will further discuss other aspects which make BIMM a big competitor for ACM.

Below I have created a table, adding in critical comparative information that is important when considering competition:

Institution	ACM	Lipa	BIMM
Location(s)	Guildford, London, Birmingham	Liverpool	Berlin, Birmingham, Bristol, Brighton, Hamburg, London, Manchester, Dublin
Courses (BA)	8	12	18
Lecturers	58	83	454
Work after graduation (%)	Not supplied	89%	86%

Looking at this table, it is interesting to note the variation in course and lecturer numbers. Whilst Lipa has only one campus it still has more courses than ACM, some of which include Dance and Acting BA degrees, also employing 25 more lecturers than ACM. Whilst some could argue Lipa's lecturer numbers may ensure better quality teaching - with different lecturers covering different aspects of the course - it will be interesting to look at its financial efficiency (part 5). In contrast, it is common

for ACM lecturers to teach across different campuses - which could be considered a more efficient use of resources.

It is also interesting to note how many more campuses BIMM has compared to the others - a total of five more than ACM and seven more than Lipa. This would suggest that BIMM has used its resources to expand geographically, ensuring students from several locations who are interested in studying at BIMM, have more options. ACM's campuses are primarily located in expensive areas (Guildford and London) whereas Lipa's campus is located in the North West of England, known to be cheaper in terms of living expenses for students. A recommendation to ACM, therefore, would be to consider expanding its UK campus offering into areas more affordable to live in, to attract more students.

To look at this recommendation further, I would suggest focusing on the results of polls and statistics regarding music popularity in cities across the UK, to gain an understanding of which cities provide the most performance opportunities for music students. Due to the current pandemic, it is potentially more appropriate to draw studies and statistics from late 2018 - to late 2019, as venues and clubs closed for the majority of 2020. A study from late November 2018, suggests the following (Jurysinns., 2018):

The UK and Ireland's Most Musical Cities

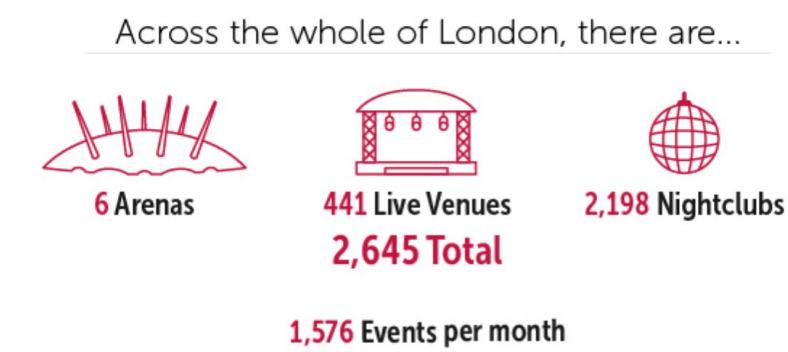
City	Events per month	Total Venues
Manchester	448	1 Arena 15 Live Venues 233 Nightclubs 249
Brighton and Hove	247	0 Arenas 17 Live Venues 109 Nightclubs 126
Glasgow	331	2 Arenas 5 Live Venues 140 Nightclubs 147
Bristol	269	0 Arenas 11 Live Venues 148 Nightclubs 159
Leeds	223	1 Arena 17 Live Venues 123 Nightclubs 141
Birmingham	239	2 Arenas 16 Live Venues 124 Nightclubs 142
Dublin	564	35 1 Arena 16 Live Venues 18 Nightclubs
Liverpool	150	1 Arena 9 Live Venues 117 Nightclubs 127
Sheffield	150	1 Arena 13 Live Venues 104 Nightclubs 118
Newcastle	186	70 1 Arena 8 Live Venues 61 Nightclubs
Nottingham	135	67 1 Arena 7 Live Venues 59 Nightclubs
Edinburgh	131	91 0 Arenas 2 Live Venues 89 Nightclubs
Cardiff	111	66 1 Arena 7 Live Venues 58 Nightclubs
Leicester	77	77 0 Arenas 23 Live Venues 54 Nightclubs
Southampton	103	51 0 Arenas 43 Live Venues 51 Nightclubs

It is important to note that London was not included for this specific study, as these researchers wanted to find the most prominent music cities outside of London. These statistics show that cities like Manchester, Glasgow, Leeds and Bristol were areas of excellent music culture at the end of 2018 / the beginning of 2019. In this study, the following points were also considered:

- How many arenas, live music venues and nightclubs per city?
- How many events does it host per month?
- What is the average cost of a pint of beer?

Whilst perceivably unimportant, a pint of beer is a surprisingly big reason and choice for ‘going out’ in cities, these statistics show. Dublin, London and Oxford all charge an average of £4 for a beer, whereas Sheffield, Durham and Huddersfield all cost around £2.40. Especially when considering students, the price for alcohol is an influencing factor on where to spend a night out in the music scene.

When considering London specifically, it remains the most popular music scene in the UK due to its size and popularity, as seen below (Jurysinns., 2018):



Whilst London statistically has the most venues and arenas for concerts and performance opportunities, the majority of students do not have the financial stability for nights out in London every week. Therefore it is important to consider alternative city locations in the UK for ACM to expand to, to benefit from similar music popularity with lower cost issues. The results would suggest that Manchester, Leeds and Liverpool are all examples of cities with popular and vibrant music scenes

but are located in more affordable locations compared to Guildford or London, therefore could be more suitable considerations.

4. Economics

4.1 Micro

In terms of the microeconomics of ACM, it is important first to discuss student living expenses. Whilst student loans are available, the amount given is usually insufficient to cover rent, food, bills and other living expenses. For this report, I created a survey recording the responses of thirty students currently studying at different universities around the UK, asking the following: *When deciding upon your university, were living costs a significant factor?* These results will indicate the importance of living costs to current students, and if the location was a big part of their decision making.

Below are the results of my findings:

Question:	Yes	No
When deciding upon your university, were living costs a significant factor?	25	5

These results show how 83.3% of students asked in the study found living costs to be an important factor when deciding on which university to attend. Based on this research, it is important to therefore evaluate and compare different living expense locations around the UK. It will also be interesting to note if Lipa, for example, does have an advantage in attracting students due to its location. The table below offers a comparison between Liverpool and Guildford, of what are considered the most important living expenses, rent and food, from a study released in October, (Numbeo., 2020):

Rent costs	Food costs
Prices are (on average) 49.59% higher in Guildford than in Liverpool.	Prices are (on average) 13.36% higher in Guildford than in Liverpool.

Looking at these statistics, it is clear that Guildford is a more expensive place to live than Liverpool with food being almost 15% (average) more expensive. The most significant expense is, however, rent, nearly 50% more costly in Guildford. These statistics potentially allow Lipa to have an advantage over ACM. Whilst both institutions are established and successful, these results may decide the final decision of which university to attend. If I were to recommend a new improvement for ACM, it would be as listed above: to add a campus in an area more affordable for students.

Whilst this is a practical recommendation, it is also important to consider the global pandemic and what this could mean for ACM in the future. A further consideration for ACM could be to create and launch a new interactive but online course for upcoming years, cheaper than traditional BA(Hons) courses currently and possibly starting as early as September 2021. This could be suitable for the many upcoming students who may still be concerned with COVID-19 over the next several years, the idea of travelling into university and living in halls may still be too uncomfortable. Whilst news has been released in recent weeks that the UK has created a vaccine, it is still an intelligent decision to look at the next several months/years as it is unknown when COVID-19 will completely disappear.

Currently, many university classes across the UK are being encouraged to move online, and social distancing measures are still being enforced. Creating a separate online course equivalent at ACM may attract more to enrol, as safety concerns would be less of an issue. The course could be cheaper to encourage those of younger years to still get a degree, without spending an average of £8,250 for tuition fees per year. Another additional benefit for this course could be its time length, whilst traditional BA(Hons) courses are three years, this could be reduced. A factor which helps ACM stand out from other institutions is its course lengths; whilst the average BA(Hons) lasts three years, ACM condenses the same degree content into two years as an accelerated degree. Therefore this online course could entail five days a week of online lectures; three terms of teaching; last two years.

The above is an example of how ACM could try different approaches to attract more students in these uncertain times to attend university, offering a unique selling point to Lipa and BIMM.

4.2 Macro

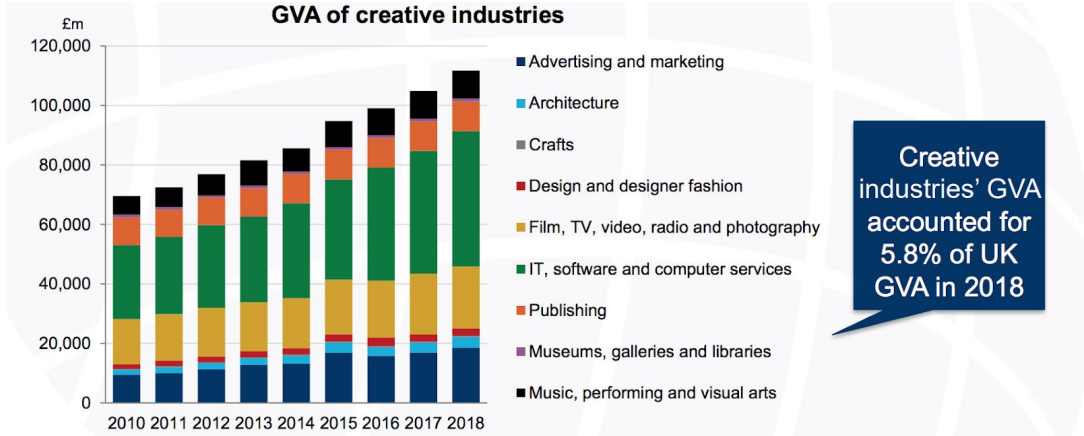
In terms of the macroeconomics of ACM, it is important to draw attention to the current pandemic we are facing and how that has affected the creative industry economy as a whole - in particular, considering whether this will affect ACM's student numbers, with many deciding to defer from university for the year. Is this, therefore, an anomaly year, or is this a more serious and long-lasting problem that could permanently damage institutions like ACM?

Looking at economists' predictions for the industry pre and post COVID-19, the gross value-added predictions are listed below:

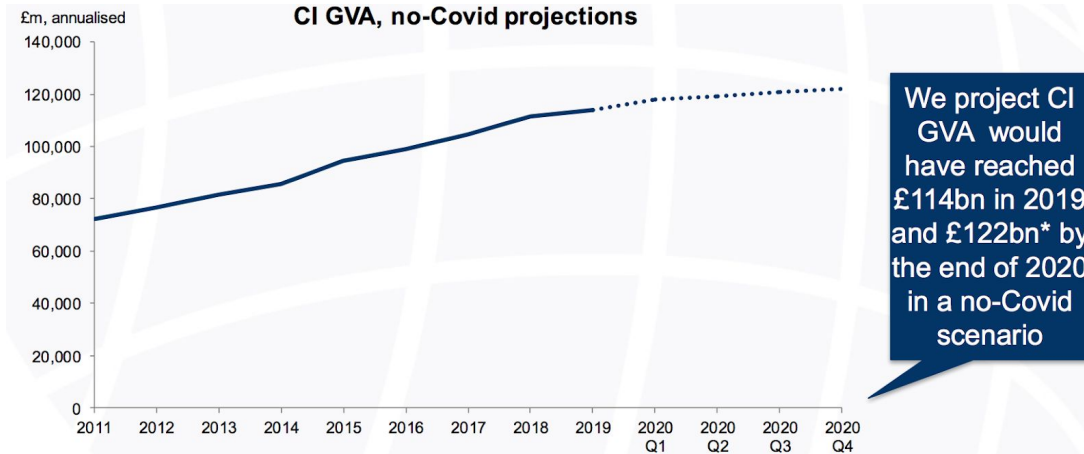
Year	2018	2022
GVA	£111.7 billion	£114 billion (prediction pre-COVID)

The table above shows how economists predicted an increase of £2.3 billion for the creative industries by 2022. This is arguably due to the rise in streaming services,

such as Netflix, Spotify etc. Further evidence can also be shown through the diagram below: (Oxford Economics, 2020)



An additional diagram showing the statistics and estimations pre-COVID can be viewed:



* This is equivalent to £120bn over the course of 2020, which is in line with predictions of the University for the Creative Arts, which also project a £120bn GVA contribution in 2020.

However, since the pandemic, these estimations have had to change. The table below shows the estimated combined turnover loss within the creative industries, comparing 2019 and 2020.

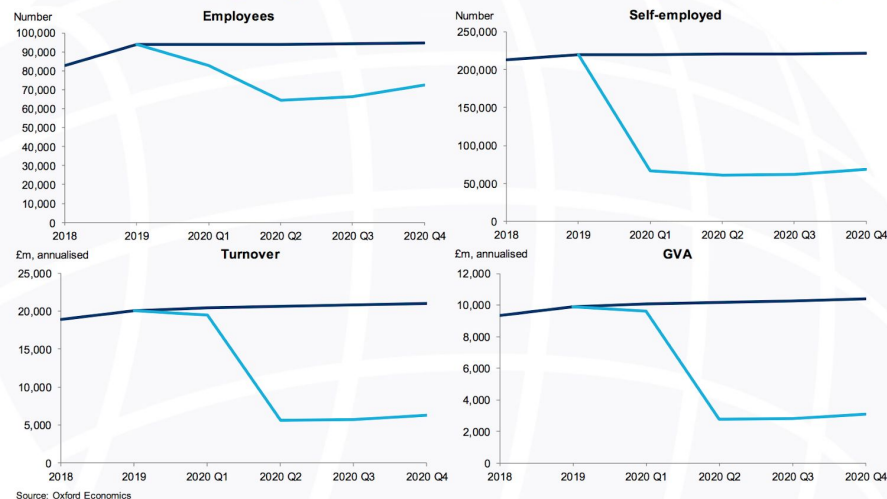
Year	2019	2020
GVA turnover loss	£51.8 billion	£74 billion

This is expected to translate into a GVA shortfall of:

Year:	2019:	2020:
GVA shortfall	£21.75 billion	£29 billion

COVID-19's effect on the music, performance and visual arts part of the industry can be demonstrated by the image below.

In 2020, the industry might lose £11bn in turnover compared to 2019 (-54%)



Comparing this with the American statistics, "From April through July about 2.7 million jobs (in the creative industries) and \$150 billion in revenue were lost... the average income of American artists and creatives plummeted to just about \$14,000 a year" (Walsh, D, 2020). Whilst it appears America has been affected more than the UK economy, it shows how it is not just UK creative industries which are suffering in the current environment, but worldwide.

On the 12th October 2020, the UK government released a "Rethink, Reboot, Reskill" campaign to encourage creatives to consider retraining due to the economic

downfall in the performing arts industry due to COVID 19 (Jordan, D, 2020). The photo which was released showed 'Fatima', a ballet dancer tying up her ballet shoes with the caption "Fatima's next job could be in cyber, (she just doesn't know it yet)" (Swain, M., 2020).



It caused a huge social media uproar where many labelled it "not appropriate" and "patronising". The campaign, whilst insensitive and improper, nonetheless was made to inform creatives of the collapse in the creative arts economy, and that many jobs and careers were and are going to be at risk for many years to come. It is also an interesting point to consider how the creative arts industry (music, movies, etc.) was essential to the majority of the general public's lives for several months in lockdown, and potentially more so now than before COVID-19. It is interesting how an industry which aided so many during this pandemic, is in real financial difficulty and may be damaged permanently. In addition to this, the government is

encouraging many to change career routes from the creative industries, which suggests its overall instability.

Economists predict and expect a ‘solid growth bounce back as lockdown restrictions are gradually unwound’. Although, it will ‘face a much slower recovery than other sectors that can more easily accommodate social distancing’. Looking purely at the music, performance and visual arts (what many ACM students study), economists estimate the industry to lose (Oxford Economics, 2020):

Year	2019	2020
MPVA loss	£5.06 billion	£11 billion (estimation)

This is a real issue when considering the job market in the industry currently. Whilst it has been released in July 2020, that the government will be investing ‘£1.57 billion’ to ‘protect Britain’s world-class cultural, arts and heritage institutions’ (GOV., 2020), it still leaves many economists and creatives unsure about the future of the creative industries.

Another important issue to look at is Brexit. With the UK leaving the EU it will affect the economy in many ways, including the music industry. In an article from ‘Music Business Worldwide,’ it discusses a letter that was written to the government from

many famous names in the music industry from the UK, including Paloma Faith, Annie Lennox, multiple music execs and many more. The letter stated how ‘Brexit represents a significant threat to the UK’s Music Industry’ and how ‘in the Post-Brexit UK, there is a clear risk that reaching consumers and fans will be more expensive, and international markets will be harder to access’. With the music industry contributing to ‘£4.5 billion to the UK economy’ back in 2018, it is clear that the creative arts are a significant asset to the UK. The letter continued, stating a survey was conducted by UK Music that ‘only 2% thought Brexit would have a positive impact on their chances of work’. This article shows how many creatives and workers in the music industry believe Brexit is going to make their careers harder to maintain and manage due to the changes Brexit will impose. CEO of Deviate Digital and co-organisier of Music4EU, Sammy Andrews, supports this by stating “Brexit is an unmitigated disaster for Britain’s world-leading music industry”, demonstrating the pressure that workers in the music industry will feel when the UK finally leaves the EU (MusicBusinessWorldwide., 2018). Looking at these opinions on how Brexit is believed to impact the music industry, it is arguable that this could then affect aspiring future creative artists who wish to study at institutions, like ACM. With the majority of ACM’s funding generated from student fees - therefore, the number of students that enrol per year is of significant importance - it may affect how many years institutions continue to run. If the impact Brexit has upon the music industry is so great, will this, therefore, become a problem for institutions like ACM?

Whilst the current pandemic has significantly impacted the creative industry economy; it is important to consider what *has* come out of COVID-19, discussing whether there is hope for artists going forward. In an article with MEDiA, it discussed independent artists (those unsigned to a record label), and how much they have generated over the years. The table below shows:

Year	2018	2019
Amount	\$594 million	\$873 million

This shows an increase in 32% from 2018 to 2019, demonstrating that it is possible to make an income independently, whilst it may be difficult. The article continues that in 2020, ‘nearly 70% of independent artists took the opportunity in lockdown to spend more time writing or making music, and a further 57% create more content for social media’ (Mulligan, M, 2020). These statistics present hope for upcoming independent artists, potentially pondering at this time whether studying at an institution like ACM is worth it, as they consider the statistics of artists who are managing to survive with a career during this pandemic.

In this section, I have discussed both the micro and macro environments of ACM, most importantly demonstrating how impactful the global pandemic (macroenvironment) is upon the university’s recruitment of future students

(microenvironment), and how there is still uncertainty amongst economists as to the outcome and future of music industry jobs, and further, institutions like ACM.

5. Finance

As previously stated in my introduction to this report, certain specific information concerning ACM could not be acquired, including financial data. Due to this, my report includes ACM’s 2019 financial statements only. However, to provide financial information from 2016, this section also includes appropriate documents from a comparable organisation, Lipa. Comparing ACM further with a significant competitor such as Lipa will help to demonstrate where it would be possible for ACM to improve.

Lipa and ACM have similarities which make Lipa a reliable source when comparing financial aspects. It is important, however, to remember that there are also differences between the organisations that could impact results.

Several similarities and differences between the institutions have been added to the table below:

	Similarities	Differences
1.	Both are private music institutions.	Lipa offers four more courses than ACM.
2.	Both enrol fewer students per year than a traditional university.	ACM has two more campuses than Lipa.
3.	Both do not offer student accommodation (which could lower finances from the government).	Lipa has more teaching staff than ACM.
4.		Lipa is based in the North West of England, whilst ACM is based in the South East England and Midlands.
		ACM condenses its three year BA(Hons) degree into a two year accelerated degree.

Before exploring Lipa’s financial information, it is crucial to discuss ACM Guildford’s in 2019. Below is an image showing the statement of comprehensive income and expenditure (GOV., 2019., pp9)

ACM GUILDFORD LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Year ended 31 August 2019 £
Turnover	3	5,047,126
Cost of sales		(2,862,384)
Gross profit		2,184,742
Administrative expenses		(1,958,781)
Operating profit	4	225,961
Interest payable and similar expenses	7	(11,771)
Profit before taxation		214,190
Tax on profit	8	(34,681)
Profit for the financial year		179,509
Other comprehensive income		-
Total comprehensive income for the year		179,509

To compare, Lipa’s equivalent statement of comprehensive income and expenditure is below (Lipa., 2018., pp22).

INCOME		Consolidated
	Notes	£
Tuition Fees and Education Contracts	1.1	8,537,225
Funding Body Grants	1.2	1,417,408
Project Income	1.3	489,560
Other Income	1.4	790,382
Investment Income	1.5	11,200
Total Income before Donations and Endowments		11,245,775
Donations and Endowments	1.6	118,333
Total Income		11,364,108
EXPENDITURE		
Staff Costs	2	6,253,399
Other Operating Expenses	3	2,690,699
Depreciation		689,878
Interest and Other Finance Costs	4	73,175
Total Expenditure		9,707,151
Surplus before Tax		1,656,957
Taxation	5	1,046
Surplus and Total Comprehensive Income for the year		1,658,003

Below is a table created comparing key financial statistics between these two organisations over the last year:

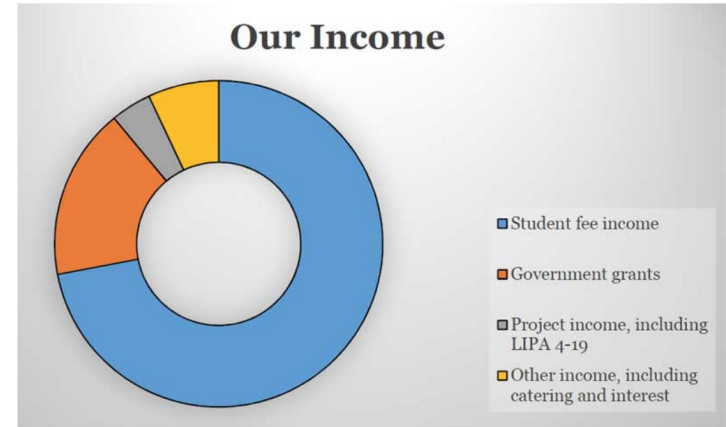
	ACM	Lipa
Tuition fees income	£2,184,742	£8,537,225
Administration expenses	£1,958,781	£6,253,399
Total comprehensive income	£179,509	£1,658,003

Looking at these results, Lipa profited £1,478,494 more than ACM Guildford in 2018/2019 - an estimated 89% more. With Lipa enrolling a value of £6,352,483 more students than ACM, it demonstrates where the majority of income sums. Another important factor is the administration fees; with Lipa spending an amount of £4,294,618 more than ACM, it is interesting how Lipa’s comprehensive income totalled significantly higher - compared with ACM’s small profit in comparison.

As previously mentioned in this report, ACM condenses its BA (Hons) degree from three years to two. Whilst Lipa receives student fees for three years per student,

ACM only receives fees for just two years. This could be a contributing factor as to why Lipa has exceeded its student fees income over ACM, and therefore total comprehensive income.

To investigate further Lipa’s significant increase in profit compared to ACM’s, it is necessary to discuss the percentages of its exact annual income and expenditure for the recent academic year. Below are images cited from the Lipa website (Lipa., 2019., pp1):



From this first image, it shows 72% of the generated annual income came from student fees alone. 17% came from government grants, 7% from Lipa projects and 4% from interest.



Considering Lipa’s expenditure, it shows 44% went towards teaching costs, 19% on buildings and catering costs, 12% on marketing, 8% on administration salaries, 7% on ICT and technical support, 9% on other expenses and 2% on LIPA projects.

Lipa’s financial situation is more stable, profitable and efficient than ACM Guildford’s in 2018/2019. Looking at the statistics previously discussed, a majority of where Lipa’s income exceeds ACM is in its student fees. There are several factors which could contribute to this, including:

One reason could arguably be Lipa’s annual £500,000 investment on building costs and equipment to provide its students with the best facilities. Many students may prefer Lipa over ACM due to it’s the more technologically advanced and varied use of equipment. A recommendation to ACM would, therefore, be to include a facilities investment strategy in which new equipment and technology each

academic year is added, enabling the institution to keep up to date with impressive facilities - encouraging and potentially persuading new students to enrol. Whilst £500,000 is arguably a lot to invest annually, Lipa cleverly uses this as a unique selling point over other institutions, like ACM.

Looking at ACM’s financial documents of 2018/2019, it is arguable that ACM cannot afford to invest similar amounts as Lipa annually. Due to this lack of funding, it may be practical to suggest that ACM finds ways of receiving potential endowments or donations each year to fund such equipment. In Lipa’s report, it shares £118,333 of its annual income comes from grants and endowments, whereas ACM states no such figures. I, therefore, would recommend ACM seeking potential funders, just like Lipa manages to do so.

Looking at Lipa’s income statistics, this shows 7% of the overall revenue, £489,560, was received from its projects (for example, LIPA 4-19). Comparing this to ACM’s financial report, no such projects appear to exist. It may therefore be a recommendation for ACM to create its own project, for example, which could in the term produce more profit each year.

Whilst it is clear Lipa’s financial situation in 2018/19 is more profitable, it is important to consider whether Lipa’s 2017 financial information also demonstrates this: (Lipa., 2017., pp23):

	Notes	2017
INCOME		Consolidated
		£
Tuition Fees and Education Contracts	1.1	7,641,240
Funding Body Grants	1.2	1,309,730
Project Income	1.3	526,544
Other Income	1.4	740,137
Investment Income	1.5	10,166
Total Income before Other Grants and Donations		10,227,817
Donations and Endowments	1.6	31,693
Total Income		10,259,510
EXPENDITURE		
Staff Costs	2	5,946,285
Other Operating Expenses	3	2,889,493
Depreciation		675,939
Interest and Other Finance Costs	4	93,879
Total Expenditure		9,605,596
Surplus before Tax		653,914
Taxation	5	(1,046)
Surplus and Total Comprehensive Income for the year		652,868

Lipa’s total comprehensive income in 2017 was £652,868, around £1 million less than 2018/19. Furthermore, Lipa’s expenditure in 2017 and 2018/19 are both around £9.65m. The notable difference in Lipa’s significant increase in income came from extra £1m in tuition fees, which were gained in 2018/2019.

Lipa’s growth in total comprehensive income over the last several years demonstrates the possibility that ACM could achieve the same. With Lipa’s 2017 overall revenue being significantly less than 2018/19, it suggests that if ACM were to follow recommendations as listed above, it could be possible for ACM to reach a similar increase in total comprehensive income over the next several years.

6. Lean Business

When considering the business side of ACM, it is important first to understand the meaning of lean business. A lean business model is essentially the means of making ‘continuous improvements in a business operation’, to therefore achieve ‘optimum business efficiency’; switching or cutting out ‘ineffective practices’ to thus achieve the best for the business organisation. Several benefits of lean business can be listed below. The information added to the table has been sourced from Gazprom, the award-winning and leading supplier of gas and electricity to businesses across the UK (Gazprom., 2019). Whilst Gazprom is not a musical organisation; its success in business over recent years makes its lean business knowledge and information arguably invaluable when considering how to improve other firms and organisations,

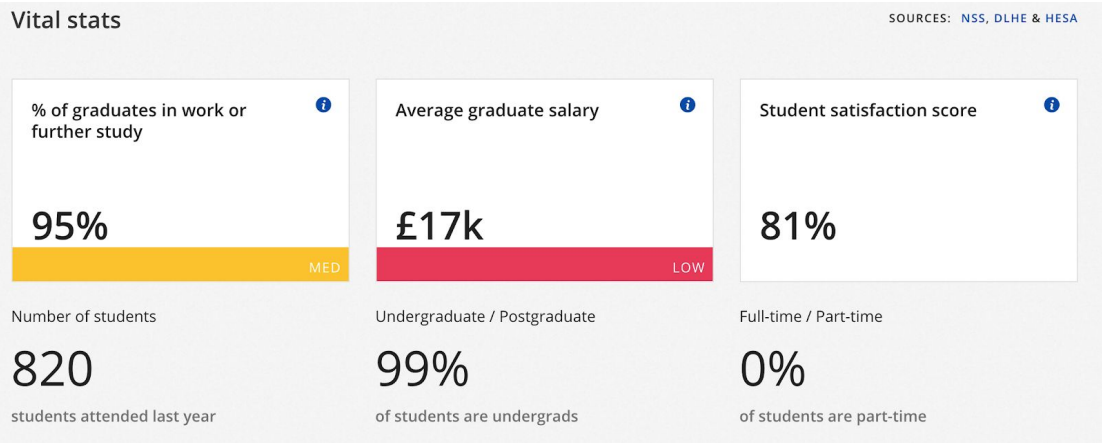
like ACM. It is important to consider Gazprom's information before discussing how lean business could apply to institutions like ACM (2019):

Point:	Benefits of incorporating lean business:	Points made from Gazprom:
1:	It will improve leadership skills	Management will be able to identify where their part of the business could be made more effective to ensure greater efficiency, quality and profitability’.
2:	It will engage more employees.	Employees can see their value to the wider team when incorporating lean business, engaging their attention and encouraging increased participation.
3:	It is easy to implement	Elements of the model can easily be introduced through small, continuous improvements to your business.

Whilst this information above is beneficial for organisations like Gazprom, the same points are arguably inapplicable for institutions like ACM. It is important to remember ACM’s aims and ambitions for its institution. Most organisations who incorporate lean business are doing so for an increase in profit; this is arguably not

the case for an educational institution such as ACM. This is because, to some extent, ACM is a non-profit organisation. It is clear Lipa has the same purpose and aims as ACM (as an educational institution), yet considering the financial information, it still made a more considerable overall comprehensive income. Arguably, profits would be beneficial for organisations such as Lipa and ACM, if the aim is to expand or add more campuses. As previously recommended in this report (part 4), it would be an intelligent decision for ACM to add a campus in a more affordable location for students. However, this may not in fact be ACM’s intentions.

Incorporating lean business to an educational institution will not be achieved using the same methods from organisations like Gazprom (a profitable company). However, it can be through surveys from students who have attended universities; an example of this is the NSS (National Student Survey). Calculating and considering information back from student surveys can ensure institutions like ACM continue to improve and better its facilities; teaching; module choices etc. In theory, it could arguably guarantee the enrollment of students each year. Looking at the Uniguide website which holds statistics from websites like NSS and HESA (Higher Education Statistics Agency), it is interesting to note that due to its small institution size, ACM students are unable to participate in surveys - unlike other universities. Lipa is on the Uni Guide website, where important statistics like percentage of graduates in work after study are included. The image below shows Lipa’s vital statistics recorded from the website (TheUniGuide, n.d):



It is clear from this image that NSS, DLHE and HESA sourced the vital statistics. To most upcoming students, arguably the most crucial statistic calculated is the student satisfaction score, with Lipa scoring 81%. Having these statistics would be beneficial for ACM, ensuring all results eventually become improvements that are worked on to better the educational experience for students to come. As previously discussed in this report, it is arguable that Lipa is a more financially efficient, of a higher standard and a more technologically advanced institution. Being part of the NSS could have contributed to its success over the years, with students completing surveys and therefore informing Lipa with the appropriate and accurate information for improvements or attributes.

If I were to give a final recommendation to ACM, it would be to ensure placement on a website such as NSS. If this, however, is not possible in the near future, to carry out internal surveys amongst the students, including ratings and improvements after

each term. This will therefore allow ACM to incorporate the lean business methods into its institution, and thus potentially reach a similar standard to its strong competitor, Lipa.

7. Summary

To summarise, the Academy of Contemporary Music (ACM) demonstrates several factors which would arguably categorise it as a successful and established private higher educational institution. From its unique selection of industry-working lecturers to its famously successful alumni, it's unsurprising that the organisation has noticed an increase in popularity since it first began.

However, this report suggests ACM has room for improvement, in order to become an equal competitor with an institution such as Lipa. Whilst ACM is a larger organisation with more campuses, this does not ensure its financial success rate compared with Lipa. With recommendations supplied throughout the report for areas of improvements, such as expanding the campus to areas of more affordable geographic locations and alternative online course offerings to attract more students, I do believe that ACM has the potential to achieve the same success as Lipa.

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