

# Mix design report



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The Organization of the Royal Opera House Report Submitted Part III (Industrial Analysis) Under this section, my study describes the location where the Royal Opera house is situated in terms of the population, economic status etc. Table 1 shows the summary of data that was obtained from U. S. Census Bureau derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Non-employer Statistics, Economic Census, Survey of Business Owners and Building Permits. After the collection of the data, SWOT analysis was performed. Table 2 is summary of SWOT analysis based on the data collected.

Table 1: Data collected from US Bureau Economic Census  
Statistics

London City

Ohio

Population for 2003 (estimated)

5M

7M

Percentage of change from 2000

2. 6

3. 6

Population in 2000

1million

3. 4million

Percentage of change from 1990-2000

13

Females as a percentage in 2000

50. 00

51. 20

Whites as a percentage

84. 10

81. 60

Blacks as a percentage

6. 80

11. 30

Hispanics as a percentage

9. 60

14. 70

Asians as a percentage

4. 40

4. 30

Percentage of population over 25 with a high school degree

90. 50

89. 00

Percentage of population over 25 with a Bachelors degree

31. 20

36. 20%

Median household income in 1999

56472

170000

Per capita money increase

\$33, 968

\$37, 807

Persons below the poverty line

8. 10%

10. 00%

Private non-farm established with paid employees, 2001

5, 706

88, 210

Private non-farm employment

104, 801

1, 463, 732

Manufacturers shipments in 1997 (\$1000)

Not available

295, 890, 890

Retail Sales in 1997 (\$1000)

777, 894

138, 816, 008

Minority owned firms, percentage of total in 1997

1. 1%

8. 3%

Women owned firms, percentage of total in 1997

suppressed

27. 7%

Federal funds and grants.

Not Available

Not available

Table 2: SWOT Analysis

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## Strengths

## Weakness

The education at the high school level is a strength that can translate to economic boost since there is about 90% of the populations aged 25 years and above with this basic education. This is a true since when majority of natives have basic education they are keen and understands the work they do hence quality services

Economically, the London is doing well since there is a significant increase per capita represented by over \$33000. This is a show of growth and future progress of the economy

Another strength that the city of London enjoys is that few people (8%) leave below poverty index. There is promise that this figure could go down due to the presence of royal opera house which creates job to many young people. The figure is also smaller nationally. The poverty index used here was an index of 1.5.

Most people opt for non formal employment or in other words they prefer to create their own employment both at county and at national levels contributing to the National GDP

The increase in population can also be seen as strength since the rising population offers cheap labor for the industrial development of the country. The median household income is too little despite the major presence of music industry like Opera. This reveals underpayment by the employers. Very few people opt to look for employment at farms owned by individuals. This could be due to poor remuneration package and mistreatment by the owners of the farms.

Another weakness is seen in marginalization and gender disparity. Although

the ratio between women to men is almost 1: 1, women are restricted in owning farms and occupying leadership positions. The data under London county was suppressed implying that there were confidentially with the data for public access which is a weakness

The increase in population is a weakness to the government . This is because the government should put up measures to curb the ever rising rate of population. The more the population the more burdensome and budgetary constraints to the government. The priority for the government is to create more resources for development and infrastructural alignment.

Comparatively, the population keeps rising from 2000 upto 2003 projection.

Opportunities

Threats

The manufacturer's shipment stands at about \$300Million. This although still below the expected level of industrialization, it offers the opportunity for more shipments and revenue generation for the states. This is also seen as a pointer towards creation of jobs for the young people. It is also seen as an opportunity to increase the bilateral trades and ties with the regional and counterparts countries

The number of retail sales also offers the opportunity for business and trade. It can be seen that the number of retails sales significantly increases showing the county offers the potential for business growth

The retail sales shows a significant commercial growth although not to the level expected. With the advent of e banking and e-trading most people would tend to buy at retails remotely. Research based study reveals that about 90% of the U. S. and U. K. use Internet for commerce and about 80% of firms in the same countries are internet enabled (NUA Surveys 2002 and

OECD 2002). This is seen as an opportunity for businesses and marketing opportunity. As the technology get advanced, the population is also growing, which offers the potential for market size for the e-businesses. There is continued steady growth in the number of people shopping online.

The dominance of the whites in London though a threat and weakness, possesses great economical and business opportunity to the London and its neighbor counties. This is true since London is the heart of the UKs economy and offers vital importance to the countrys financial stability and economic well being. Although frequented by most immigrants, the city's economic pride is attributed from the skill and quality of talents offered by the natives. The city stands a chance to benefit from the presence of international talent blended together with the natives in its workforce and management. The City has remained open to talents and new ideas from UK where the natives benefits and develops better its economy. This is seen as a boost in the economy by most of the economists (Snyder 2007). The presence of Royal Opera House is also a key contributor to majority of immigrants flocking the city each year for entertainments and performances.

The threat to the London economic stability is seen from lack of the government to properly allocate money through grants and other funds. Many Projects and development are done through the grants and loans. Therefore lack of proper allocation of funds and grants is seen as threat to development and infrastructure

Another threat is the marginalization and racism in London which translates to racism in parts of US. This can be seen by a very small percentage of minority owning farms in London and other parts

The frustration and much government bureaucracy are used to deny the minority in owning farms. This is seen as a threat since only the natives enjoy the rights and freedoms unlike other nations

The threat of racism is seen also in the number of blacks in London and other Hispanics, which is just about 9% of 7million population. The percentage of Asians also is seen as 4%. This summarizes the point that racism is still rife in some of the counties in US.

The level of illiteracy to the young people above 25years is seen as a threat to the future success and academic world and London, Ohio cities and its environment. This is evidenced by less than half of the youths with bachelor's degree.

If this trend continues, there will be high population but less literacy level.

The future impact of this could results to academic institutions managed and administered by less educated resulting to poor quality of education.

The median household income for London and Ohio states is \$56472 and \$170000 respectively. This simply put, in any household a half of household would have an income that is less than this figure while the other half have more income than this. The average incomes represented by these figures hardly can offer indication of measure of household's poverty. Both median and mean can't be used to accurately decipher poverty levels in the households. The use median household income to measure poverty level do not reveal all the details accurately especially in densely populated areas. The use of average income offers the potential to measure the relative wealth between different areas.

From the SWOT analysis, it is clear that some of the challenges facing Royal Opera House (ROH) emanates from within the city and its environments. The



ROH is mostly dominated by people of aged 25 years and above but children above age 5 are not included and yet talent nurturing begins as early as this age. This has been attributed to dominance of whites and lack of information and skills on offering programs those appeals to the children. Maintaining the same audiences every year seems to be a problem affecting the ROH and music industry as a whole. This is confirmed from the SWOT analysis where majority of the residence in London are white Americans. The Royal Opera House (ROH) faces both direct and indirect competition from public, individual organizations and even the governments. The major issue at stake is how the ROH should balance to satisfy both the poor and the rich segment of the population. The SWOT revealed that the median income of the household is very small and there is certain percentage of the community that lives below the poverty index (about 10%). This chunk of the society cannot afford to attend the ROH completion. The question is how the music industry intends to reach this 10% population that live below poverty line. It is also argued that the ROH exploits the public and young children by paying much and having less impact on generation with the direct competition coming from the government.

The racism is also seen in the management of the Opera industry since most of the top organizations is dominated by the whites. There are very few or no blacks, Asians and Hispanics in the management position of the royal opera house industry. In my SWOT analysis, I reported that there is unclear policy or measures by the government on federal funds and other funds for development, which is a key stimulus for any economic and social prosperity. This problem has also trickled down to the ROH management and its staff. The media and entertainment union wants clarification on why it has tripled

the staff pension schemes member contributions. The Royal Opera House is arguing that the final salary scheme deficit has almost tripled in the six years since 2006 and that employer funding at the current level is not sustainable. The problem of tripling the pension plan is because the government has frozen the grant and federal funds for such schemes as was seen from the SWOT analysis. The management of ROH is suggesting a plan or scheme to be operated by an independent body known as Friends Life as an alternative to the final salary pension, a scheme under opposition by the Broadcasting, Entertainment, Cinematograph and Theatre Union (BECTU). The challenges and limitations the music industry (Opera entertainment industry) faces in London are the same as those experienced in the USA. Although digital technologies have revolutionized the music industry by creating high-quality, low-cost recording technologies and digital distribution in USA, it has been experiencing low sales and revenues attributed partly to piracy and poor music production that don't meet the demands of the younger generation. The Opera music industry has been experiencing low volume sales due to lack of productive, enthusiastic and energetic young sales agents. The music quality and brands being produced do not also meet the demand of the majority of the users (age 5-25years). The way forward for the Opera music industry is not to relocate but to consider revising its strategic and marketing plans if it is to stay relevant in the music industry. The SWOT analysis has revealed very serious issues affecting the music industry that when not looked into, can result to the downfall of the Royal Opera House music industry. As a way forward and on behalf of ROH, I have put very important actionable a ten (10) year plan to revamp the operation of the ROH industry. We have recommended a review of our budgetary

expenses through an audit of operational accounts with the aim of reducing costs. This is meant to curb the shortfall occasioned by a decrease in funding by the government who has been the major financiers of music industry through grants and federal funds. The strategies for raising funds through ROH commercial enterprises have been proposed. The annual costs base has also been reduced which will result to the treasury saving significant amount of money. The cost of producing music has also been revised downwards by getting supplies that provide materials at reduced cost. It is important to note that the reduction of production cost will not affect the quality of the music. In fact in the contingency plan, we are hiring very competent and qualified staff with great knowledge, experience and creativity to spear head the vision of ROH in the next decade. The staff main objective is to ensure operas glory is restored back to where it belongs as a top notch music industry in London and US as a whole.

We are putting in place special programmes that would attract the young children aged (above 5years). The strong partnership with Youth Dance England and East London Dance will help utilize the young generation (aged 14-19 years) talent and passion for dance as performers and choreographers. There will be series of specially commissioned films that are interactive for younger visitors and generation. The production department has been instructed to issue programmes that cut across the ethnical and multi-linguistic music. Our target is to increase the customer base of all races by issuing amazing productions as much as possible. A boost to this marketing strategy would be the use of digital technologies which enhances audience view and accessibility (ROH 2012).

We are also targeting the people down at the county level. This is aimed at

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increasing the community participation, increasing revenue allocation and communities owning up the productions of the music. This will be achieved by opening new production workshops at county levels. The music and entertainment would be derived from local history and involved hundreds of local people in everything from costume design, to writing the words and the music, staging the opera and performances.

To remain visible in the world-class music industry, the Royal Opera House will improve its world-class orchestra and chorus. The position of Orchestra of the Royal Opera would also be harmonized to conform to the heart of artistic life. We will therefore continue to be able to attract the world's leading conductors and singers who delight in working with such talented and experienced musicians. I wish to assure all partners and leaders that the future of ROH in the next decade will be as far as we want it to be.

### Competition

The Royal Opera House (ROH) faces both direct and indirect competition from public, individual organizations and even the governments. The major issue at stake is how the ROH should balance to satisfy also the poor segment of population in entertainment and music industry. The ROH must portray high level of morality to the younger generation. It is also argued that the ROH exploits the public and young children by paying much and having less impact on generation. A direct competition comes from government through the Department for Culture, Media and Sport (DCMS). The direct competition is seen to come from the government, V/A and Leicester College. The V/A is one of the largest national museums and galleries. Under its remit to serve all of the UK, the V&A supports the wider sector through advocacy, advice and partnerships, and links with other

public bodies that help to shape the sector. The ROH is also facing competition from rival music industries.

My study therefore focused at English National Opera (ENO), a co-competitor with ROH. ENO is a musical industry in London, within the London Coliseum. It is one of the two principal opera companies in London. Its major competitors are ROH and Covent Garden. The unique feature with ENO is its specialization in English productions of the films. ENO was birthed in late 19th century, spearheaded by Emma Consa in collaboration with Lilian Baylis. The two participated in music performances that were aimed at capturing the attention of local people at the Old Vic. It was from here that they later began to build up both the opera and the theatre companies, and later added a ballet company which later graduated into the ENO. By the year 1930; the opera company became a permanent band. However, before the company could stabilize, it was closed due to Second World War. The reopening of the company after World War II saw it make tremendous progress and experienced continued expansion and improvement. Due to its tremendous growth, ROH directors wanted it be merged to form one opera company, a proposal that was rejected. The directors and managers that have worked in company include Colin Davis, Reginald Goodall, Charles Mackerras, Mark Elder and Edward Gardner. The ENO musical industry derives its popularity due to its emphasis on the dramatic aspect of opera (Susie, 2011).

The industry has also been known for its rich presentation of historical cultural aspects of the local people. Although ENO is situated in London, the top management consists of leaders from almost all races. This is a strength to the company unlike ROH where the management consists is not multi-

ethnic. There has been a financial challenge with ENO but the directors are on top gear to address this issue. ENO is putting strategy to lure people from the English speaking nations. The industry is greatly successful in its artistically musical aspects which boosts it and makes it better musical industry than ROH. The management positions have risen from 69 to 79%, just 11% less to be at par with its rival ROH. Part of its plan for marketing is hiring competent artists and musical performances like impresarios Lord Grade and Michael Linnit to produce musicals for a mass audience that is marketable to English speaking nation. This is aimed at generating its incoming and to be visible at the national level. The directors are also seen as wooing new investors especially from the west. Some of its directors like Mr Grade and Mr Linnit have voluntarily taken the budget of paying the production costs, and any other related costs; this will see ENO rise in its profits margin and woo new audiences. The directors are also assuring audience of quality production of music at cheaper costs due to so many subsidies it has from the donors.

The quality of ENO's is the top priority for all key players and nothing is taken for chance about this. Although this has attracted criticism from the ROH and public, the directors are not worried. There are also plans to refurbish the image of ENOs building of the front of house. By doing this ENO hopes that all-day catering at the Coliseum will boost the image of the industry. An annual saving of at least £1m a year has been put in place. This has been made possible through a partnership with University College London to research the future of the performing arts. All these are marketing strategy to ensure that ENO remains visible at the national level in music industry making it a threat to some companies like ROH.

The ENO industry is known for its creativity in presenting award-winning work that is new, exciting and surprising. The industry presents more new productions and current opera than any other music industry in UK. The music industry enjoys the world-class reputation for distinctive and highly theatrical productions, which has resulted to many high profile artistic partnerships, including the Metropolitan Opera, and New York amongst others. The industry is devoted to creating new audiences for opera through English language performances, which are affordable and accessible to everyone (Puccini, 1982).

The strength of the company comes from the government through loans and grants in one-off its transitional funding under its strategic plans. Its products are distributed through installation of very powerful lighting systems that anyone can see during performances. Its products are more definite and quality through more widespread distribution of Videos/DVDs and CDs. The distribution of the products is also done through Touring and Open-air Opera and to some extent educational workshops and talks. The English National Opera (ENO) has improved accessibility socially, geographically and physically. On a social level, Opera can be taken to the people, giving it a new and more innovative image therefore creating interest throughout a more widespread number and class of people. Thus allowing Opera attendees to begin to be stereotyped in a different way, which in itself improves accessibility to those who believed they simply were not of a high enough class to attend Opera. The accessibility to attend the opera shows has been enhanced. People no longer need to travel to the only venue of the ENO. The new Coliseum where ENO is housed has full access and also has improved orchestra pit and stage doors from the workshop, allowing even

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more fantastic set designs to be constructed.

The ENO have a full schedule of shows throughout the season.

Communication links between interested parties are good. There are frequent updates from secretariat to its members in the mailing list. This regular contact makes people feel as if they are involved and play a role in the success of the Opera House. The price elasticity makes people prefer ENO. Seat prices vary greatly so that more people can afford to attend the Opera. The ENO have full-time employees for the principal roles. Part-time employees include the chorus and orchestra. Because these people have a high interest in Opera, they are loyal to their employer and changes in management are minimal. The management structure is strong and respected. The ENO is directed by a board. It works in a hierarchy of department managers and employees. Expertise among employees is high and many employees attend training courses in management. Most of the employees from nearer the top of the hierarchy are graduates or have years of experience. The marketing and distribution channels are broadening. This is due to recent up scaling in its production of CDs, Videos, and DVDs, Touring and Open-air Theatre and educational workshops (Policy Studies Institute English National Opera, 2001).

Its weaknesses can be seen in geographical accessibility. The introduction of Touring Opera has only made accessibility impossible. This makes it very difficult for people from outside the area to attend the Opera House. Its promotion is limited to only existing friends in the mailing list. This type of marketing to interested parties only does not reach other potential customers. The ENO Opera is more expensive due to high production costs. Some of the threats the English National Opera has faced is cutting down of



its annual funding by about 29% by Arts Council England, as part of a shake-up of how arts funding is distributed. It is therefore clear that ENO is a strong competitor of ROH in the music industry.

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