

Giving birth to an art collection

PERSONAL CURATION

By Cyril Demaria

A collection is not only the fruit of wise acquisitions combined with clever exhibitions in private or public places. It is built on a long term vision and enhancing patiently its value as a whole, which is where personal curation becomes crucial.

The process of acquiring art could be compared to expecting a child. A lot of excitement is built on anticipation. The performance of the act appears as the cornerstone of the full process. The early steps post-performance being usually covered, planning stops. However, the real work starts after: in one case, the education of a future adult; in the other, the management of the acquisitions. This requires patience, attention to details and carefully-chosen long term directions.

Natasha Pearl, CEO and Founder of Aston Pearl, explains that «for an individual or family who wishes to build an art collection in a strate-

gic fashion – rather than simply make a series of impulsive purchases, or using art simply as a decorative afterthought to match the furnishings – a personal curator or art collection manager not only makes sense, it is essential».

Before collecting: nursing the idea

Defining early the role of the personal collection manager is hence very important. Natasha Pearl explains that a «personal curator is an objective advisor to the collector, who provides expertise directly to the client and/or oversees other experts on behalf of the client. The curator can assist the collector in creating a mission statement (a «Collection Policy Statement» – CPS - which is analogous to an Investment Policy Statement) for the collection, describing the collector's intent and goals».

The difficulty emerges when it comes to choosing the advisor. Dirk Boll, Managing Director at Christie's in Switzerland, explains that «we see another development from the luxury industry arriving in the art world. I think that every advisor should be a personal curator, and only give advice with regard to the character of the collection and the taste of the collector».

The advisor has to be neutral and objective, but this is barely sufficient to support the collector. He should «free the collector from the operational burdens, such as checking the condition, authenticity, insurance, transport and storage» as Dirk Boll puts it – but not only. Natasha Pearl explains that «even a client who is just beginning to collect, or one who has limited funds, can benefit from a personal curator. There is a continuum of preference on the part of collectors for advice – ranging from the «Advisor Dependent» all the way to the «Do It Yourself.»

Indeed, in the words Franz-Josef Sladeczek, from Artcurators, the core questioning is: «what should I do with my collection? Sell it? Pass it on to my children? Give it as a legacy to a museum? Create a foundation of my own and build a collector's museum?». These questions are mostly ignored to focus on the acquisitions.

Delivering: accompanying the act itself

This perspective is far from the typical gallery-dealing-auctioning triptych. As explained by Marcus Jacob, conservator-restorer at Kendris art management, a Swiss consultancy dedicated to tax, legal and administration services, «building an art collection is a mix of multiple capabilities and operational steps: sourcing art-

work, negotiating purchase/sale, contractual agreements, tax issues, insurances, transports and customs clearance, storage and security, conservation and restoration, as well as keeping inventory».

«In choosing whom to put in charge of the collection management, a number of points are to be considered: the cost of an in-house curator vs. outsourcing? Can the collection be managed by a single person or would a diversified team be more suitable? When opting for an external advisor, does this create conflicts of interests?» continues Marcus Jacob. Natasha Pearl completes that «at least initially, the curator can offer confidentiality and discretion compared to a direct purchase by the collector. The curator can conduct additional research to make more educated decisions. He assists and in some cases directs and implements the research, negotiations, purchases, shipping and insurance, appraisals, hanging, lighting, restoration, cataloguing – essentially all of the activities related to art». The usual degrees are in conservation-restoration or art history, «and of course a lot of practical experience in the art market as well as in museums», adds Marcus Jacob.

Indeed, fine art management has become an organized business. Deven Golden, Head of Sales of ArtSystems, explains that his art management software not only tracks inventories, helps curators, dealers and art galleries, but is also a support for appraisers and to evaluate collections for tax statements. «In that respect, the art world has undertaken a monumental change over the course of the last 30 years», explains Deven Golden. «Art used to be perceived as a luxury product and dealt in a very relaxed way. Now, anyone needs information to base a judgement: condition, history, factors of valuations, etc. Private curators use software to help advise their clients how to free money to upgrade their collections, because it has become an information marketplace.»



Growing: building up the value

Documenting the acquisitions, structuring archives, and indeed materializing the inventory are paramount to unlock the value of the collection. This process supports the owner in facing a wide variety of situations such as dealing with damages, heritage or stolen pieces. Tracing the origin of the pieces is very important to avoid falsification, and increase the chances to sell at the best price. «Only once this has been done, the collection can potentially go to the market – or not», explains Franz-Josef Sladeczek. Of course, «the easiest way would be to sell it in auctions. But what if the collector doesn't want this?», asks Franz-Josef Sladeczek. On the opposite, not every collection should give birth to a museum (notably due to the associated costs). As stated by the CEO of Artcurators, one of the key aspects of managing a personal collection is hence «accompanying the collector (or the relatives of the collector) after the act of collecting as such».

Franz-Josef Sladeczek, author of a compendium of private collections in Switzerland, has a precise view of the stakes in personal collection management: «collecting professionally needs time. Everyone is busy helping to build up collections, but there is no support when the time has come to offer a sustainable future to the collection». Making sense of the collection is an important step in the value creation of the collection. The focus is hence on «personal collection management»: according to Amber Noland, CEO of Art Collection Management, «a curator provides access and information on artworks for purchase. A manager is one who advises on the overall investment and how to protect it. When a collection has reached a certain level of maturity, it is necessary to make sure that the hands involved in caring for this collection are aware of the different protection protocols. When a collection is passed onto the collector's heirs, an aftercare plan is one of the most important proofs of efficient standards being in place.»

The value of personal collection management advice

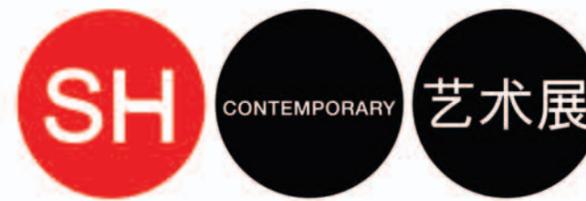
Indeed, increasing the value of the collection is related to the mission statement of the project. Natasha Pearl states that it «is essential to guide the family and advisors in the acquisitions. [The process] includes criteria for artworks to be acquired as part of the collection, and decision-making strategy when potential acquisitions are considered. The personal curator then becomes the «enforcer» of the CPS and makes the collector's time and efforts more efficient. The advantages, assuming one has an

objective and knowledgeable resource, are strategic focus and efficient use of the collector's time. Another, assuming the curator is a good negotiator, is cost savings».

The business model of personal curation is «either a special task or a regular activity, a bit like how gardeners work», explain Franz-Josef Sladeczek. Natasha Pearl adds that «for collectors who own more than a few works of art, a personal curator is extremely helpful to ensure that a strategic direction is followed and collecting objectives are met. However, not every collector requires a full-time individual in that role. Fortunately, there are opportunities to engage a personal curator on a consulting basis». The break-even point comes when a collection counts more than 30 significant pieces according to the experts. When the collection reaches 50 pieces, it is necessary to carefully document the collection.

Marcus Jacob explains that as soon as «the collection represents a substantial part of assets (according to Cap Gemini/Merrill Lynch's World Wealth Report 2010, art represented 25% of ultra high net worth individuals' passion assets), especially as regard to estate planning and international locations or potential for art lending», it makes sense to require the help of a specialist.

According to Natasha Pearl, already 5 to 10% of the art collectors use the services of a personal curator. The potential could be, including high net worth individuals who are not yet seen as «art collector», of roughly 25% of all collectors potentially using the services of a personal curator. The Global Wealth 2011 report from BCG evaluates the number of millionaires at 12.5 worldwide. On average, 86% collect art. Of the roughly 2.7 million potential customers for personal curators, 0.5 to 1.1 million are advised. Hence, a promising but difficult work in progress: personal curation has still to become an «art de vivre l'art». ■



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