

# Introduction to Creative Industries

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# Presentation Contents

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## **The Creative Industries**


- What are they?
- Why do they matter?
- How can they be supported?



# Part One

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## Definitions and Overview



# Creative Industries: a Definition

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“...those activities which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.”

(UK Government, Department of Culture, Media and Sport)



# Sub-Sectors

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- Advertising.
- Architecture.
- Crafts, designer furniture.
- Fashion clothing.
- Film and video production.
- Graphic design.
- Leisure software (computer games).
- Live and recorded music.
- Performing arts and entertainments.
- Television, radio and internet broadcasting.
- Visual arts and antiques.
- Writing and publishing.



# Four key elements

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## Creative Industries..

- ..are based on individuals with creative arts skills..
- ..in alliance with managers and technologists..
- .. making marketable products..
- ..whose economic value lies in their cultural (or 'intellectual') properties.



# Supply Chain

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- Origination - creation of cultural ideas and artefacts.
- Production - making of commercially viable products.
- Distribution - circulation via broadcast, records, film etc.
- Consumption - *experience* by the end-user.



# Origination

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- Tangible cultural artefacts.
  - designs, songs, stories, pictures, games, dances, scripts, clothes, decorations and other made objects.
- Intangible cultural concepts.
  - ideas such as styles, fashions, reputations, brand-values, looks, characters, patterns, colour schemes, film treatments etc.



# Production

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- Transformation of cultural raw material into marketable products.
  - items capable of mass reproduction such as films, television programmes, books, records, CDs, CD Roms etc.
  - items for customised one-off production - such as performances, designer clothes, architectural designs, websites etc.



# Distribution

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- Circulation of cultural products from the producers to the point where they are experienced by consumers.
  - Film distribution.
  - Television, radio and internet broadcasting.
  - Publishing and sale of books, CDs, games.
  - Distribution and exhibition or sale of clothes, pictures and other artefacts.
  - Live event production.



# Consumption

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- Supply of the means for consumers to experience cultural products.
  - public facilities: cinemas, concert halls, night clubs, libraries, galleries.
  - public events: festivals, concert seasons, film programmes, exhibitions.
  - personal equipment: televisions, radios, computers, CD players.



# CI Production Process

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- Origination
  - Create the concept.
- Production
  - Open a market niche.
  - Develop the product.
  - Develop a brand.
- Distribution and Exploitation
  - Build a customer base – loyalty, trust and mutual understanding.
  - Sell your product direct – customise within the niche.
  - Licence and franchise to other distributors.
  - Sell third-party products (preferably re-branded).
  - Sell (limited) access to your customers.
- Consumption



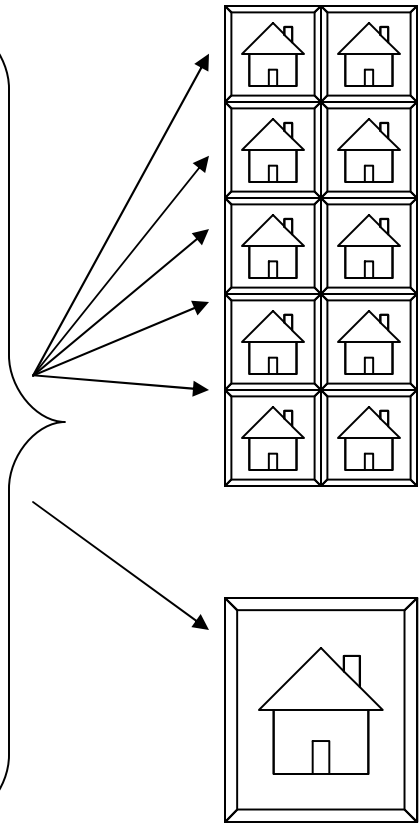
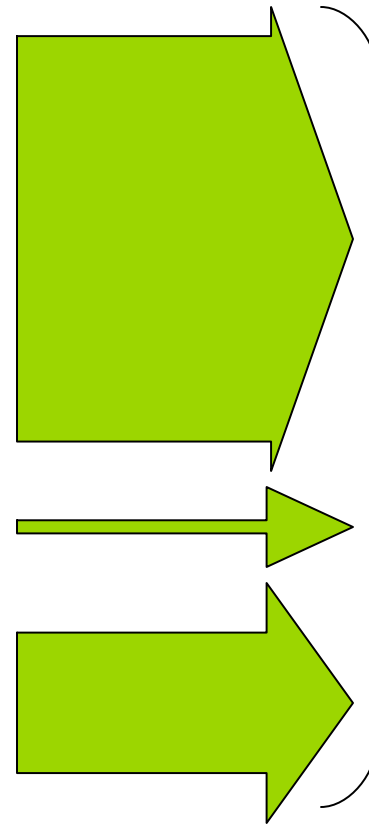
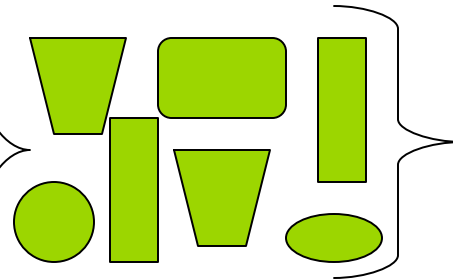
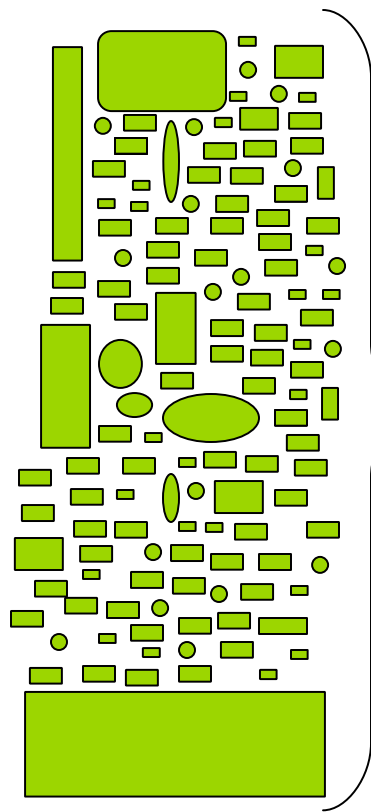
# Creative Industry Structure

Origination

Production

Distribution

Consumption



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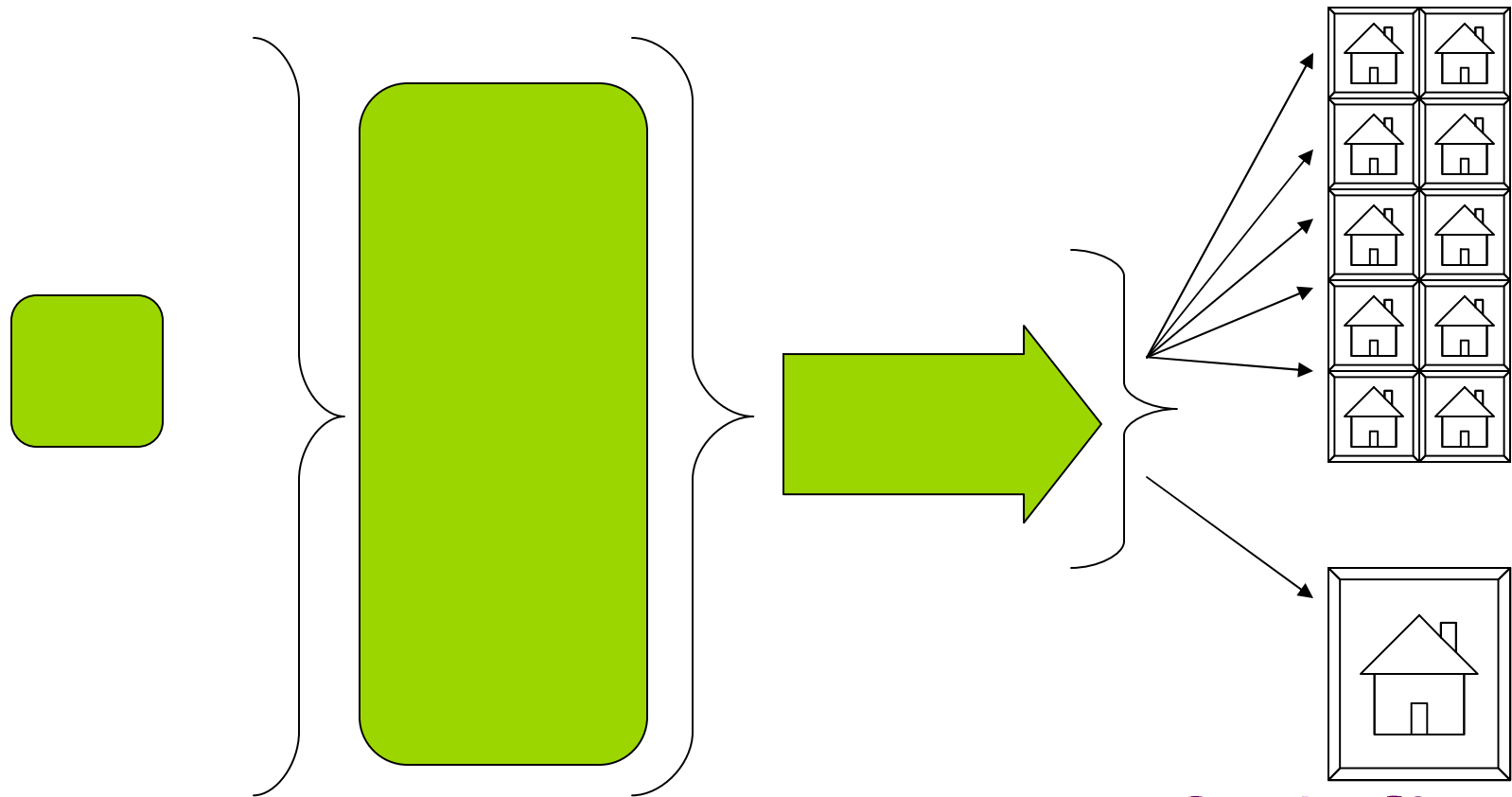
# Industrial Economy Structure

Origination

Production

Distribution

Consumption



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# Part Two

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Why are creative industries  
important?

# Why are Creative Industries Important?

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- Social reasons
  - Access to resources: knowledge is power.
  - Access to users: viewers, consumers, citizens.
  - Creativity is no longer the specialism of the professional artist.
- Economic reasons
  - New high-growth economic sector.
  - Supports social and urban regeneration.
  - Entry to global markets.
  - Lessons for the knowledge economy.



# Changing Role of the Artist

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- Diminished role for state patronage.
- Cheap technology makes art easier.
- More artists, more art.
- 'Consumers' (experiencers) become more demanding (and discerning?).
- The public participates, becomes creative.
- Creativity is not seen as magic, art becomes a common human activity.
- Artists re-focus: on context, process, experiences and values rather than on products with meanings.



# Social and Urban Regeneration

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- Creative industries help neighbourhoods, cities, regions and nations shape and communicate their identity.
- Cultural activity (buildings, public art, animation) builds citizen confidence.
- Participation in creative and cultural activity motivates and empowers people.
- Cultural business introduces new approaches to new urban problems: alienation, integration of minority communities, drugs.



# New Approach to Business

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- Service.
- The sale of knowledge.
- New employment patterns.
- Design and presentation.
- New management skills.
  - Goods: intellectual property.
  - People: a motivated and trusted workforce.
  - Sales and marketing: global niche markets.



# Digital Convergence

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- Change from analogue to digital media.
- Historically separate industries overlap.
  - Computer industry, telecommunications, media production.
- Material produced for one medium can be (re-purposed and) distributed via many others.
- Technology re-skills producers, up-skills consumers, de-skills traditional intermediaries.
- Mass access leads to increased demand for creative content.
- Market power is concentrated at the point of contact with the consumer: distributors.



# High Growth Sector

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- Fast-growing new economy sector
  - EC sub-sector growth rates: 5-20%.
  - New, high quality sustainable jobs.
- The world's most profitable companies
  - in 1950, industrial manufacturers and raw materials suppliers: Ford, Standard Oil, General Electric.
  - in 2000, some completely new players: television broadcasters, entertainers, publishers, software designers: AOL Time Warner, News Corporation, Microsoft, Disney, Bertelsmann.



# The Information Society

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- A new factor of production.
  - Industrial economies: land, labour and capital.
  - Now: + information.
- Information: a raw material.
- Knowledge: useful, timely information.



# Part Three

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How can creative industries be supported?



# The Development Process

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- Audit – list all the cultural resources:
  - In public and private ownership
  - Buildings, people, events, reputations
- Vision – inspirational, distinctive, local.
- Strategy – linking projects to vision.
- Action plan – independent, measurable, specific, time-limited, achievable projects.



# A Creative Industries Strategy

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- Links projects to vision.
  - Agreed priorities.
  - Resources identified and mobilised.
  - Public statement of intent
- Forum for partnership development.
- Consequences.
  - Vision will evolve, needs driving.
  - Feedback mechanisms.
  - Resources for process.

# Start-Up Creative Businesses

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- Project-based.
- Permanent talent pool of freelancers and micro-organisations.
- The entrepreneurs are artist/managers.
- Support needs:
  - Workspace and equipment.
  - Mentoring, coaching, networks.
  - Small amounts of high risk finance.
  - Sales platforms.



# Core Skills

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- Content origination
  - Communication, imagination, innovation.
- Specialist technologies
  - Recording studios, cameras, edit suites etc.
  - Software tools.
- Management
  - Goods: intellectual not physical property.
  - People: influencing through a network, not controlling through a hierarchy.
  - Marketing: meeting need for self-esteem and self-expression, not food, shelter and safety.



# The CI Entrepreneur

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- Generalists in small/micro enterprises.
- Project-based, continuous innovation.
- Key asset is invisible: knowledge and skill.
- Rewarded by money, lifestyle and reputation.
- Global niche markets.
- Entrepreneur creates the market.
- Growth: quality, spinouts and partnerships.



# The CI Development Agency

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- Champions, mentors, networkers and partnership brokers.
- A passion for the detail of cultural business.
- Gate-keepers to public sector resources.
- Able to influence planners and policy-makers.
- Long-term engagement with a city or region.
- Development programmes.
- A role model for creative businesses.



# CI Business Development

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- Serviced premises and shared equipment.
- Seed money – cashflow and small capital items.
- Sector-specific advice and mentoring.
- Access to networks.
- Sales platforms: venues, websites, trade fairs.
- Championship and visibility.
- High quality working environment.



# Managed Workspace

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- Flexible terms and spaces.
- Shared resources and equipment.
  - Specialist equipment.
  - Administrative support.
  - Championship.
  - Sales platforms.
- Teaching and learning.
- Networking – customers, partners, staff.
- Events: visibility to the public, community participation.



# Workspace Business Model

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- Business and arts activity within a non-profit structure.
- Rentals and services pay for business development, training and/or culture.
- Creative 'buzz' attracts more creative and entrepreneurial tenants.
- Capital: one-off private endowment or government grants.
- Low/nil revenue funding requirement.



# Design for Activity

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- The point of buildings is the activity that takes place inside them: soft infrastructure.
  - Training, business support and incubation.
  - Sales, marketing, self-image, reputation-building.
  - Events, commissions.
- The public realm.

# The Next Generation of Entrepreneurs

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- Cultural entrepreneurs do not look the part.
- Identify them one by one, stay with them.
- Build on local strengths.
- Coaching and mentoring.



# Strategy

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**Not a statement but a process.**

**Not a contract but a relationship.**

- Identify and commit the resources.
- Prioritise the tasks – an action plan.
- Establish the delivery vehicle.
  - Allocate resources to process.
  - Grow the partnership through action.



# What Are Your Priorities?

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Because it can't all be done at once.

- Activities and sub-sectors.
- Capital projects.
- Scale and stage of enterprise – start-ups, pre-start-up, relocations.
- Geographical boundaries.
- Type of enterprise: business, arts, voluntary sector, government, FE/HE.



# Key Ingredients

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- People are the key asset
- A mixed agenda: economic and cultural diversity
- Flagship projects
- Networks
- Design for activity
- Local and national reputation-building



# No-one Will Believe You!

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- Competing agendas, languages, worldviews:
  - arts, business growth, inward investment, retail, city marketing, property development, community regeneration, education and training, tourism.
- Most sign up to partnership, but few will compromise their traditional power-base.
- Many benefits take years to appear, and are hard to quantify.
- Many of the most talented and successful will leave.



# Social Context

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- A society that values:
  - Individual creativity and diversity.
  - Risk-taking and innovation.
  - Local and regional distinctiveness.
  - Culture and creative products in all their forms.
  - Freedom of expression and communication.
- Global perspective.



# In Conclusion

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- Creative industries are simultaneously culture, science and business.
- They are based on some of the world's oldest and most low-tech activities: singing, painting, design, telling stories.
- At the same time, they are global high-tech mass manufacturers, at the heart of the knowledge economy.