

Nurturing talent and harnessing ideas

In urging a programme of concerted action to promote and support the development of the Creative Industries, the Chief Executives' Forum and the Institute of Directors call for a more considered, strategic approach to nurturing talent and bringing attendant intellectual property to market.

In an increasingly challenging world Northern Ireland needs to recognise and nurture its wealth of creative, talented, skilled and gifted individuals. Their abilities and flair can find economic expression in one or other of the Creative Industries. This term, the Creative Industries, here refers to a set of interlocking industry sectors that focus on creating unique property that did not previously exist. They include: advertising; architecture; arts and antique markets, including restoration; crafts; design and designer fashion; film, video and photography; software, computer games and electronic publishing; music and the visual and performing arts; publishing and television and radio. These industries are collectively and increasingly an important part of the Northern Ireland economy. They are though sometimes viewed as being somewhat peripheral to the main economy.

Growing the economy is Government's number one priority as set out in *Building a Better Future: The Northern Ireland Executive's Programme for Government 2008–2011*. Within that Programme the Executive has a set a target of up to 15% growth in the contribution the Creative Industries make to the economy by 2011, the baseline figures being £500M annually from 2,500 or so creative industry businesses employing some 35,000 people. Recent work for the Department for Employment and Learning on a new skills strategy, *Forecasting Future Skill Needs In Northern Ireland* (April 2009), by Oxford Economics has also identified the potential of the Creative Industries for wealth creation and the promotion of design and STEM¹ subjects being key.

This initiative is the result of a continuing dialogue between the public and private sectors as represented by the Forum and the Institute. The analysis of a number of creative business and public sector leaders reflects a common interest in growing the economy.

¹ Science, Technology, Engineering and Maths

In choosing to focus on the Creative Industries, the Forum and the Institute recognise implicitly their potential for growth and higher than average returns on investment. As reported by Nesta in its February 2008 report, *Beyond the Creative Industries: Mapping the creative economy in the United Kingdom*, "the creative economy accounts for over 7 per cent of UK employment consistent with official estimates [and] creative employment has grown strongly over the long run". Nesta also reported that: "Creative incomes are higher than average: by approximately 37 per cent than in the UK economy as a whole in 2006". The question is: Are we doing enough when we consider, for example, spending on the arts in Scotland which in each of the three years to March 2009 has been significantly higher per head of population as that for Northern Ireland?

Our aim

The aim of this partnership approach by the Chief Executives' Forum and the Institute of Directors reflects that of the Programme for Government and its Key Goals with respect to developing the economy: specifically, Goal 6), "growing the creative industries sector by up to 15% by 2011".

Considerable work has been done by a number of Northern Ireland Executive departments and agencies, the private sector and organisations such as Arts & Business, which acts as a translator explaining the arts to business and business to the arts. This work has provided opportunities for the arts and businesses to engage. At a more general level the message is that creative people need to become more business-like, while creativity and innovation need to be reflected in the business models of conventional businesses and impact the bottom line.

The October 2008 interim *Strategic Action Plan Creative Industries in Northern Ireland* was a step in the right direction. Its primary purpose has been to establish the framework within which the Creative Industries Innovation Fund and the objects of the Fund can focus on developing sectoral knowledge and infrastructure in a sector that contains a large number of very small businesses. Furthermore, it is worth noting that the £5M Fund, which is administered by the Arts Council of Northern Ireland, is relatively small; so the impact is likely to be widely diffused and limited. Indeed the Fund has been oversubscribed, which suggests a latent demand for incipient support to nurture emerging talent and

marketable ideas. In the first round the Fund awarded 85 projects £2.5M from a total of 350 applications. In the second round there were 167 applications chasing a similar amount of funding.

We recognise that the barriers between business, the public sector, and the arts—more generally creative people not in business—are beginning to come down as mutual benefits are increasingly being recognised. Given the opportunity, suitable exposure and a fair wind, creative individuals and organisations have shown that they can develop a business outlook and become business-like. Furthermore, creative talent can be found inside as well as outside successful business organisations. It can certainly be developed and exploited wherever it is found; but its commercial potential does need to be recognised and its artists and artisans encouraged.

In order to build on this obvious potential for growth, we have suggested some intermediate goals that would stimulate the process necessary to attain the Programme for Government goal.

Industry notes

Part of the conversation between the Forum and the Institute has involved several of the Creative Industries mentioned above. These conversations have been condensed into a number of noteworthy and actionable points as follows.

1. **The music industry** employs some 120,000 people in the UK. Few are based here. Nevertheless Northern Ireland has a long history of successful performers, songwriters, producers and others associated with the industry. However, much of the business of bringing performers and audiences together is conducted outside of the region; so much of the benefit is lost to the province. By developing a viable infrastructure like that focused on the Oh Yeah music centre in Belfast, a music community of critical mass can be created and, as such, would do much to encourage talented local musicians to stay in Northern Ireland and attract others to come here. Oh Yeah is a social enterprise. Until fairly recently Oh Yeah did not receive any funding from the public purse, but like the music industry itself it has managed to establish itself by being highly adaptive and responsive to the needs of emerging talent and a rapidly changing industry. Its long-term aim is to become self sustaining and run by young people who dominate the industry. As the music sector in the province has become stronger and more developed, people in the industry are more inclined to stay and work here.

2. **The advertising industry** here is more mature. The Institute of Practitioners in Advertising, for example, runs its own education programmes. The industry is inherently innovative and strategically orientated; but it tends to keep its creativity to itself. The Northern Ireland advertising industry is low cost compared to national and international agencies. Local agencies are well placed to help boost emerging talent and to promote creativity in other areas. However, while the agencies do take risks they work in a 'safety first' environment, particularly with Government clients.

3. **Film production** companies have made considerable progress in recent years. They have made extensive use the varied landscape and developed the physical infrastructure by adapting, for example, The Paint Hall studio facility, which was secured and equipped by Northern Ireland Screen. Also ripe for development are a number of indigenous projects that use the talents of local writers and artists. Recent successes have highlighted high returns that can come from investing in the film industry. It is also very welcome that BBC Northern Ireland has increased its network commissions although it was somewhat disappointing that the June 2009 *Digital Britain* report did not extend to Northern Ireland its call to bring forward from 2016 to 2012 an increase in the BBC's production quotas for Scotland.

4. **Digital media** are supported locally by the Digital Circle, the Northern Ireland digital content industry group which has more than 100 member businesses representing about half of the industry group here. Invest Northern Ireland has developed the *Northern Ireland Digital Content Strategy "Building the Foundations"* which was published in January 2008. The digital media grouping covers web, mobile, film, television, gaming (games and training), music, digital animation, and e-learning businesses. Key issues for the digital media sector are:

- Investment
- Skills and training
- Research
- Export/internationalisation

Digital Circle exploits leading edge technologies such as Facebook and Twitter to engage with its members thereby exploiting the nature of the industry itself. The potential for growth in, what is, a digitally connected world is immense as technology has become the principal engine of global growth. The digital industry here has

become adept at spreading ideas and sharing development potential and it provides a simple, distance-shrinking route to internationally competitive markets. Interests from Silicon Valley have looking at the Digital Circle model and Apple Inc. has shown a great deal of interest in applications of digital technology being developed here.

5. **More generally**, one of the characteristics the Creative Industries have in common is that of scale: they represent individual talents, small groupings of talent, small workshops and firms. Also being small with often novel and untested market potential, they by and large have limited access to capital and business development finance. Even established individuals and business entities now find access to finance greatly restricted in that they have tended to rely to a significant extent on local banks. Since the credit crunch, this is no longer so readily available so that private investment is likely to be required to fill funding gaps. However, local firms tend to shy away from external investment, and while a number of venture capital funds do exist and there is a small but growing network of business angels, the scale of the investment opportunities presented by local firms seem unlikely to attract interest from major funders based outside the province.

6. **The science, technology and R&D based industries** are not considered for the purposes of this paper to come within the ambit of the Creative Industries, although there are some disciplines that are common to both these sets of quite disparate industry groupings. Nevertheless, those looking to their strategic development and the maximising of their economic potential face similar issues. For the science-based industries MATRIX, the Northern Ireland Science Industry Panel, advises Government on the commercial exploitation of R&D, science and technology in Northern Ireland. It is concerned with the development of Northern Ireland's future knowledge-based economy. Notably, it also represents a unique partnership between business, academia and government where it has been agreed that business must lead, academia must provide inspiration and government must facilitate. The Department of Enterprise, Trade and Investment (DETI) and InvestNI are providing support to companies working in collaborative arrangements—notably through InvestNI's Collaborative Networks Programme and the newly developed Centres of Competence Programme. As a result, new collaborative business opportunities are now being developed in areas such as Renewable Energy; Smart Grid Technologies; Composite Technologies; and Connected Health – with others also starting to break through. MATRIX has provided an ambitious plan of action to

position Northern Ireland among the most successful high-technology economies over timelines of 2, 5 and 10 years. Again worth noting is that the overarching MATRIX recommendation that, if Northern Ireland is to secure its share of global market opportunities, the province needs to create cross-sectoral and cross-disciplinary industry-led 'Innovation Communities' (IICs) actively supported by government and academia. IICs represent a new kind of business-led collaborative enterprise which allows small and medium-sized enterprises to trade in key niche global markets of the kind MATRIX has identified for the science-based industries.

Possible actions

To ensure we make the most of the creativity and talents of highly varied Creative Industries sector, a number of actions suggest themselves.

- Developing skills that will help grow and support the Creative Industries such as the music sector including, importantly, the mentoring of young people by those with experience of the industry.
- Finding ways in which fledgling organisations might piggyback on more mature enterprises to highlight and to bring to the attention of young people the potential of Creative Industries here and to help secure the commitment of those already established in the sector.
- Providing pathways for artists to live performance and production and post-production facilities and expertise.
- The advertising industry could foster the development of local talent by engaging or commissioning local musicians, artists, designers and technologists. More generally the industry should look to exploit positively what is available locally by buying and commissioning locally and by developing local channels for distribution.
- Fledgling creative industry businesses often need business acumen and would benefit from the injection of expert mentors and shrewd business direction.
- Industry visionaries, particularly when they are young people with no or only very limited experience of business, need

access to advice and support including mentoring to develop business know-how on how to access and supply markets.

- MATRIX and the *Regional Innovation Strategy for Northern Ireland: Action Plan 2008–2011* produced by DETI provide a possible model for developing and taking forward a strategy for the Creative Industries. These initiatives should be considered with respect to the Creative Industries: as to whether a similar approach might be developed and to identify possible synergies between the creative and science industries.
- Information on new and existing lines of support available from economic development agencies and how they are co-ordinated needs to be widely disseminated perhaps along the lines of the extensive Creative Industries Innovation Fund marketing campaign organised by the Arts Council.
- More attention should be given to how local talent can be marketed world-wide and, more generally, Northern Ireland as a creative region.
- A review of education, training and job opportunities should be undertaken in conjunction with the relevant Sector Skills Councils. This should be focused on developing talent and the needs of the Creative Industries. It should also explore the potential for synergistic development and the extent to which the Creative Industries could be mutually supporting.
- 'Arts for art's sake' organisations and other, not-necessarily-for-profit bodies that focus primarily on creativity or innovation in one field or another—on the quality and uniqueness of a product, design or concept brought to fruition—need to become more business-like and/or commercially orientated. They may need help in finding markets for their unique products; or in finding applications or outlets for them, and then having them developed or reproduced in a commercially viable form. Conversely, conventional businesses—those that focus on products that can be replicated or are repeatable—often need to differentiate their products so that they stand out from the competition by being more advanced, less commonplace or otherwise more desirable than those of rival businesses.

- It is the ingenuity of gifted individuals that drives change. In the science and technology-based industries it is when the scientists and technologists and their relentless ingenuity in developing new technologies combine with the more conventional expertise of people with business know-how that change happens. In short ingenuity, talent or creativity is not enough; business acumen and investment are needed to deploy it in ways that consumers want and need. More people with creative backgrounds should therefore be appointed to the boards of traditional businesses; more business people should be appointed to the boards of bodies primarily concerned with creativity and innovation. Further, more young people, and others less inclined to conventional habits of thought and prevailing orthodoxies, should be appointed to both.
- Northern Ireland's economy and its constituent sectors need to achieve critical mass if the province is to attract entrepreneurs and creative people. Creative people themselves need to understand the value of their intellectual property and be encouraged and supported in putting it to commercial use.
- In terms of urban and rural regeneration the Creative Industries are and can be important catalysts. For example, Belfast might consider establishing a Digital Quarter in addition to the already designated 'seven quarters'. Belfast City Council's promotion of music tourism is a good example of how the arts can help stimulate growth in other sectors. The Council has five music products:
 - Weekly music coach tours with an MP3 commentary
 - A music exhibition at the Oh Yeah music centre
 - BelfastMusic.org
 - International showcasing²
 - Marketing

Derry City Council has also a well-developed infrastructure with people and physical assets organised in support of cultural life and the Creative Industries. This approach could be adapted and rolled out elsewhere, particularly in rural

² In partnership with the Arts Council, Belfast Visitor & Convention Bureau, Department of Culture, Arts and Leisure, Invest Northern Ireland and the Northern Ireland Tourist Board

areas. More generally, more thought should be given as to how the Creative Industries can be developed in more remote areas and then harvested and delivered remotely.

Conclusions

While not all of the very disparate Creative Industries have been involved in the conversations which gave rise to this paper, our discussions have been critically well informed. They have led us to some broad conclusions about the economic potential of the sector and what can be done to promote and better harness its potential.

The potential of the Creative Industries is not sufficiently well recognised or appreciated in either policy or business circles. More needs to be done to stimulate new ideas and new thinking. More needs to be done to ensure that emerging talent, in whatever sphere, receives recognition, encouragement and support.

The sharing of ideas, knowledge and experience based on well-developed, open channels of communication, support networks and partnership working is the key to success in making meaningful progress towards some sort of tipping point and the onset of a self-sustaining period of organic growth for Northern Ireland's Creative Industries. This is a challenge for both policy makers and the Creative Industries themselves. Together they need to do more. For example, with respect to the science-based industries, DETI and InvestNI are working with other government agencies³ to create a new 'Innovation Gateway'. This will be a "first stop shop to government support", drawing together the various strands of public support available into a single, easily navigable point of contact. This measure will draw together existing support in a more efficient and manageable way. Northern Ireland also needs for its Creative Industries a strategy that works. It needs an architecture that will support the development of policies and programmes that are interlocking and mutually supportive. It also needs a set of processes that can, realistically, deliver what is an ambitious Creative Industries Programme for Government target of up to 15 per cent growth by 2011.

As indicated above a key challenge will be to develop an effective, action-orientated strategy that will counter innate conservatism in

³ The Department of Employment and Learning; the Department of Agriculture and Rural Development; the Department of Health, Social Services and Public Safety, the Department of Finance and Personnel, the Agri-Foods and Biological Sciences Institute, InterTradeIreland; plus a number other interested departments and agencies.

institutions both public and private—institutions that are instinctively risk averse. Formulating a policy that will encompass a diverse set of industries and a wide-ranging group of stakeholders will not be easy; but it can be done.

This is where the Forum and the Institute can help. They can help build a consensus as to what can and should be done. We start with a conviction that the prime movers should be the Creative Industries themselves. Working closely with Sector Skills Councils they can set about articulating where their industries want to be, and how they would see themselves getting there. A simple statement from each industry would be a positive start. One along the lines of that produced by the Digital Circle for its industry as set out in the Annex to this paper is what we have in mind.

Government should consider the policy framework within which these industry ambitions properly articulated could find support. It should also develop a coherent set of inducements that will encourage and support creativity and the development of talents that have commercial potential. This would involve the key Government departments—the Department of Culture, Arts and Leisure which leads; DETI; the Department for Employment and Learning (DEL); and the Department of Education—in the first instance. They would not be starting from scratch; there is a considerable amount of imaginative thinking and deliverable policy initiatives to build on: *Unlocking Creativity: A Strategy for Development; think | create | innovate the Regional Innovation Strategy; Success through Skills the Skills Strategy Programme for Implementation; Preparing for Success: Careers Education, Information Advice and Guidance Strategy and Implementation Plan*; and in addition to the other Government initiatives and strategies mentioned elsewhere in this paper, the *Programme for Government* itself.

Furthermore there are opportunities for the industries themselves to build on best practice through organisations such as the Arts Council, Arts & Business, Craft Northern Ireland, Creative Youth Partnerships, The Nerve Centre, Oh Yeah and many others.

Next Steps

1. Establish a set of interlocking fora for the Creative Industries which would advance the development of individual sectors using actual and virtual networks of support.

2. Make a joint Chief Executives' Forum/Institute of Directors submission to the Cross Sector Advisory Forum established by the Office of the First Minister and Deputy First Minister outlining a strategy for developing the Creative Industries at large and across Government by:
 - a. Strengthening education, skills and training from school to university and beyond using the successful Future Skill Needs DEL model already used for software and tourism through the further and higher education work with the Sector Skills Councils to deliver sectoral strategies.
 - b. Generally strengthening infrastructure support for the Creative Industries, which could involve local government and the economic development agencies building on Belfast's Cathedral Quarter concept to develop a Digital Quarter. This cluster approach could be used elsewhere, for example creative quarters in other cities and crafts in rural areas. It could also involve marketing Northern Ireland as a creative region in the form of, say, Creative Industries Northern Ireland with the aim of both retaining and attracting talents. Further, the concept of Creative Industries Northern Ireland might also be developed along a path similar to that taken by the science-based industries and their MATRIX initiative.
 - c. Co-ordinating the seedcorn and other support provided by the economic development agencies, both regionally and locally based, and by the Arts Council.
 - d. Raising the profile of the Creative Industries through the organisation of a Creativity Week in early 2010. This would include all industries and incorporate the use of leading edge digital technologies to extend its reach. It could also be used to embrace high-profile international speakers, practitioners and performers.

This tripartite approach involving the public and private sectors and the industries themselves would achieve the connectivity essential to make things happen across the board. The interest shown by the Economic Development Forum and the Cross Sector Advisory Forum, both of which have identified the Creative Industries potential for growth, offers a significant opportunity to move ahead now.

New resources will be limited in the current climate; however this sector has real potential. Properly orchestrated it could use available resources very effectively by creating the synergies that will be required to approach the 15 per cent goal.

If we set out together and take a genuine cross-sector approach to nurturing talent, particularly that of young people and through life, we can harness their ideas and flair to help create the vibrant, innovative economy the Programme for Government aspires to.

Industry Profile

Annex

DIGITAL CONTENT INDUSTRY

Nature of your sector

The Sector is the Digital Content Industry. It is described in the *Invest Northern Ireland Digital Content Strategy*⁴ thus "Digital content includes digital animation and post production, mobile & web content, e-learning/serious gaming and console gaming. Film and TV and music are also 'digital content' ..."

However it is a fast developing sector and since the publication of the Strategy it could be argued that the sector changes and expands with technical development, consumer expectation and skills development.

Current size of the sector

(employment/businesses/turnover, etc.)

There are no recent surveys which provide accurate data on sector size. At the time of the publication of the Digital Content Strategy the authors stated: "Detailed data was obtained for 40 Invest NI client companies. These businesses had an average turnover of £625,000 in 2006 and an average of 10 employees. Sales outside NI accounted for 50 per cent of turnover. All of these companies have received targeted support from Invest NI."

| Number of Companies | Average Turnover | Average Employment | Total Turnover | Sales Outside NI |
|----------------------------|-------------------------|---------------------------|-----------------------|-------------------------|
| 40 | £625,000 | 10 | £25m | 50% |

However, this only takes into account Invest NI client companies at that time. Digital Circle – the leadership organisation for the digital content industry - has membership of more than 130 which

⁴ http://www.investni.com/digital_content_strategy_report_2008.pdf

continues to grow, but we are aware that there is more recruitment to be done. It would be reasonable to assume the majority are small businesses with fewer than three employees.

Potential for growth

There is without question, enormous potential for growth. Most of the businesses are small and agile. Digital Circle is playing a leading role in association with the other stakeholders to create the conditions for business opportunity, skills development and business knowledge through its own activities and aligning with other activities, providing information and providing forums for growth.

Challenges and key issues in achieving growth

- 1 - Business acumen and experience; many of the businesses are strong on development and creative skills but would benefit from mentoring.
- 2 – Marketing and Sales expertise; some businesses will admit that this is not where their strength lies and often marketing and sales professionals do not have an understanding of the creative and digital content sectors.
- 3- Fulfilling innovation; there is a remarkable amount on innovation, but not always focused.
- 4 – Understanding of International markets and Marketing. While distribution for this industry is simpler than most, reaching international markets is a significant challenge.
- 5 – Business credibility. Businesses outside the sector do not have a good understanding of the Digital Content and Creative sector.

Skills development needs

These are being addressed by Skillset⁵. The Digital Circle participates with Skillset.

Support needed from outside the sector

- 1 – Simple access to business finance.

⁵ Skillset is the industry body which supports skills and training for people and businesses to ensure UK creative media industries maintain their world class position.

- 2 – Mentoring on all aspects of business including growth, business development, risk taking, marketing.
- 3- Opportunities for incubation.

Ideas for kick-starting growth/raising awareness/quick

Digital Content Barcamp⁶ session attended by anyone involved in business with show and tell sessions from both DC members and people in other businesses. Perhaps an 'unconference' – a business Barcamp? Barcamp is a way of bringing people together under one roof in several sessions to talk, present, lecture, discuss. It is something used widely in the Creative Industries, but not in a typical business environment. A Barcamp is a place for everyone to speak, listen and learn.

⁶ A BarCamp is an informal, free, and participatory conference style event where the content is provided by the participants.