



## Unit 1:

### Management and Entrepreneurship in CCI

#### Theme 1.1.

#### Understanding CCI. Cross Sectoral Collaborations.

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The training contents at a glance:

## **FENICE Program**

### **Unit 1: Management and Entrepreneurship in CCI**

**Theme 1.1. Understanding CCI. Cross-Sectoral Collaborations.**

Theme 1.2. Creativity and Innovation. Accountability and Ethical Behavior

Theme 1.3. Cultural Policies and Institutions. Intellectual Property

Theme 1.4. New Media, Creative Technologies and Digital Environment.

### **Unit 2: Entrepreneurial Practice – Modelling a CCI Enterprise**

Theme 2.1. Designing a business for the CCI: preparing a business plan and pitching business

Theme 2.2. Towards value. Economic, Market and Cultural valuation of products and services in the CCI.

Theme 2.3. Market, Competition, Consumption and Branding in CCI

Theme 2.4. Business models, systems, partnerships

Theme 2.5. Management: team and change management in the CCI

Theme 2.6. Financing. Opportunities and Risks

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# 1 THEME Overview

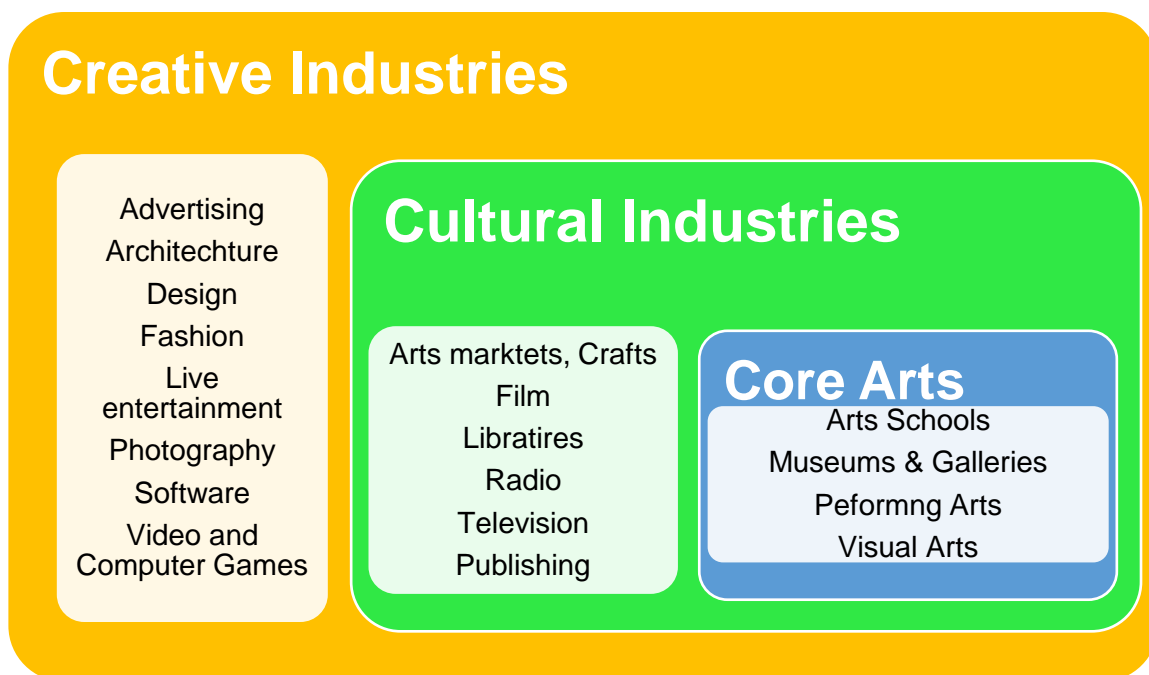
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The theme introduces the essence of the cultural and creative industries (CCIs) and their specifics as a fast-developing area of economic activity that fosters economic growth, job creation and export earnings while promoting social inclusion, cultural diversity and human development, especially at the local and regional levels. Attention is placed on interpreting CCIs as interdisciplinary sectors with high knowledge-absorption potential, which also thrive on local resources and heritage.

## 2 THEME Reader

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Cultural and creative industries are recognized as smart, sustainable and inclusive growth drivers for Europe. Besides contributing to economic growth, they foster social cohesion, nurture innovations, and create jobs at the local and regional level, despite the challenges facing European economies following post-crisis restrictive public budgets. They generate non-technological innovations most effectively bridge the social and economic development priorities. Moreover, there is a distinction among the cultural and creative industries that needs to be considered: the cultural industries are regionally determined, thrive on local resources and bring value to the communities by creating jobs at the regional and local level, while the creative industries refer to the global economy.



Source: Tomczak, Paulina & Stachowiak, Krzysztof. (2015). Location Patterns and Location Factors in Cultural and Creative Industries. *Quaestiones Geographicae*. 34. 7-27. 10.1515/quageo-2015-0011.

In the previous four decades, CCIs have experienced extraordinary development becoming one of the most dynamic sectors with huge possibilities for further development both laterally and in size.

The definitions of the cultural and creative industries are various. Herewith we shall focus the mainly on the ones that are applied in the European context – the ones of UNESCO, European Union and some European countries with most articulated policies in CCIs.

The creative industries definition from the UK Government's Department for Culture, Media and Sport is: "Those industries 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".

The European Union considers the CCIs all industries (groups of entities - enterprises and businesses) that belong to the cultural and creative sectors (CCSs). Further, the CCSs are defined as all sectors whose activities are based on cultural values, or other artistic individual or collective creative expressions (Proposal for a Regulation of the European Parliament and of the Council establishing the Creative Europe Program (2021 to 2027)). It is recognized at the highest policy level that the CCIs in particular and CCSs in general have a very high economic value besides strengthening the notion of European identity, values and shared heritage as they are knowledge- and talent intensive, generate innovations and high growth, and provide a niche for entrepreneurship and self-employment especially for the young people.

When talking about CCI in Europe we have to consider that the cultural and creative sectors in Europe accounting for 4.4% of the EU's GDP, that they are making up 12 million full-time jobs and €509 billion in value added to GDP (Impulse paper on the role of cultural and creative sectors in innovating European industry. Available online: <https://op.europa.eu/en/publication-detail/-/publication/cd264783-3977-11e9-8d04-01aa75ed71a1/language-en/format-PDF/source-119795248> )

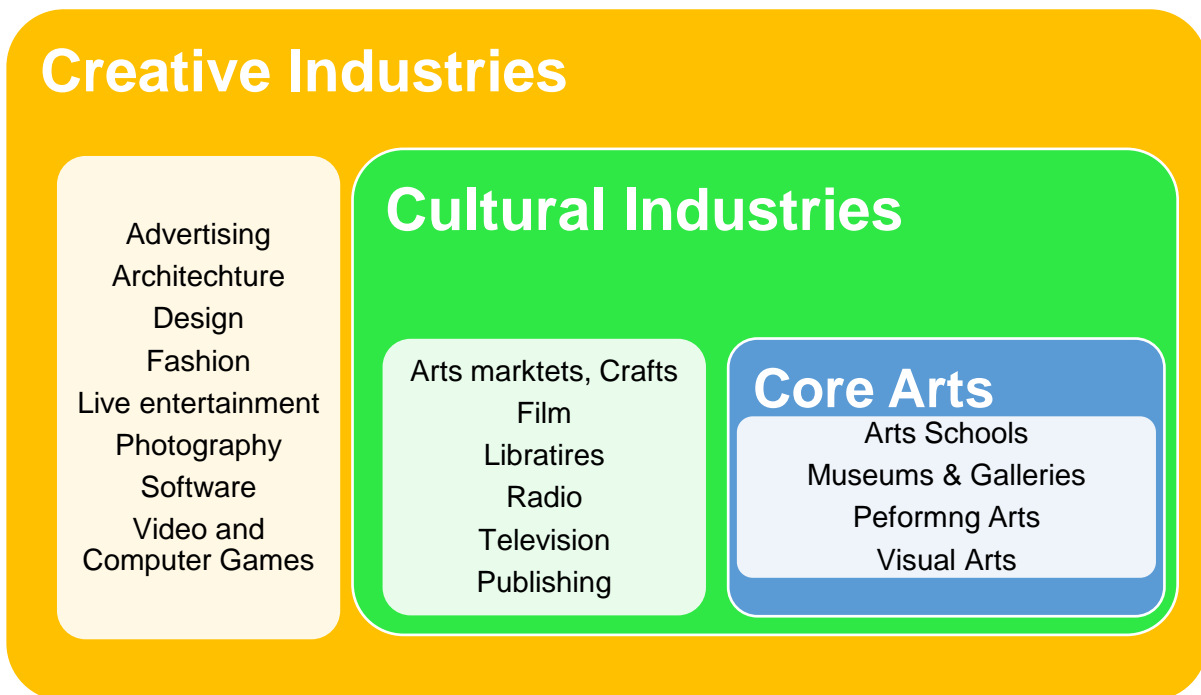
What is it that makes the CCI such a nimble and dynamic sector of the economy? Above all, it is the interdisciplinarity which allows the CCIs to stand on their own, but also to latch themselves to any other sector that is growing and by fostering the other sectors they also grow themselves.

UNESCO defines cultural and creative industries (CCI) as "sectors of organized activity whose principal purpose is the production or reproduction, promotion, distribution and/or commercialization of goods, services and activities of a cultural, artistic or heritage-related nature." (UNESCO, 2015). This definition includes not only the final products of human creativity, but also the whole chain of supporting activities that are needed to support the creation, production and distribution of creative products, like crafts, food production, printing, or broadcasting.

CCIs appear in diverse forms:

Creative Industries			
HERITAGE	ARTS	MEDIA	FUNCTIONAL CREATIONS
<b>Traditional cultural expressions</b> art crafts festivals celebrations	<b>Visual arts</b> painting sculpture antique photography etc.	<b>Publishing and printed media</b> books newspapers press and other publications	<b>Design</b> interior graphic fashion jewellery toys
<b>Cultural sites</b> historical monuments museums libraries archives etc.	<b>Performing arts</b> live music theatre dance opera puppetry circus etc.	<b>Audio-visuals</b> film television and radio broadcasting	<b>Creative services</b> architecture advertising creative R&D cultural services digital services etc.
		<b>New media</b> digitalized content software video games animations etc.	

Source: Northern Future Forum: <https://www.nff2015.is/themes/creative-industries-growth-engine-for-the-future/>

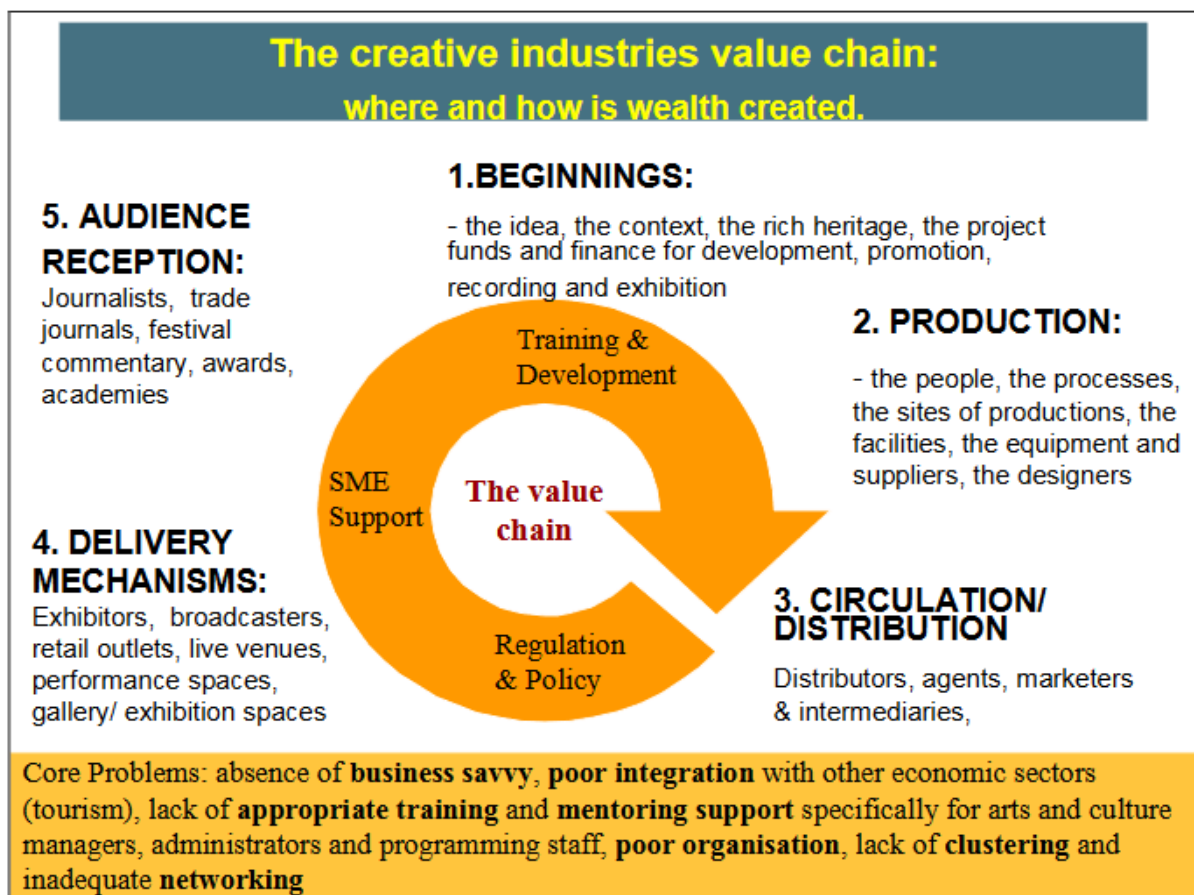


Source: Tomczak, Paulina & Stachowiak, Krzysztof. (2015). Location Patterns and Location Factors in Cultural and Creative Industries. *Quaestiones Geographicae*. 34. 7-27. 10.1515/quageo-2015-0011.

CCIs have a major role to play in the fourth industrial revolution and the Internet of things that have resulted from the digital transformation of modern society (known as Industry 4.0). This connotation is even more important in the context of the experience economy in which the good and services are valued based on the experiences they create for the customers (Pine and Gillmor, 1998). The value-creation chain in the CCIs defines to a large extent the process of monetisation of a/the results of human creative activities and turning them into marketable products whose consumption is very much dependent on the involvement and interpretation by customers (i.e. on the created experiences).

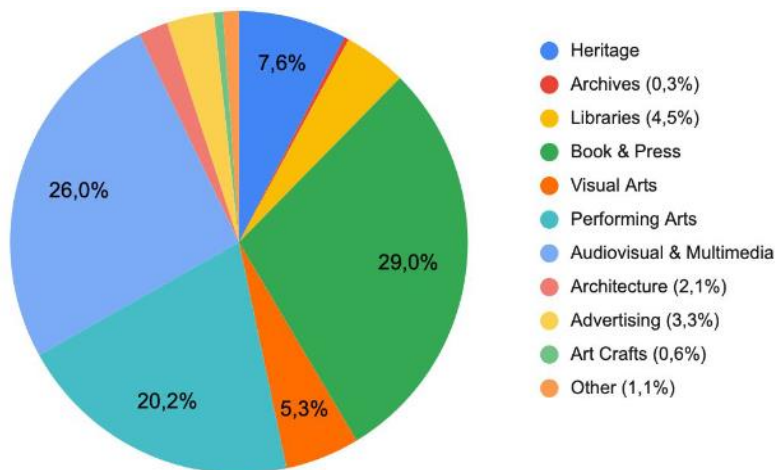
The complexity of CCIs makes defining them a challenge, especially when defining typical processes in the industry, typical teams, or typical output goals. That is why it is critically important to understand the particular branch of creative industries in which one wants to get involved, to be able to also successfully develop the business side of the endeavor.

CCIs provide platforms in which artists implement their creative ideas, often combined with other creators, in order to produce a cultural product, or service that has added value for the consumer/customer. This means that creative production needs to be accompanied with business sense, integration with other sectors (e.g. hospitality), good organization and adequate networking.



Source: Value chain analysis used in Gauteng 's Cultural Industry Development Framework, SA, 2005

## Number of CCI Related Organizations per CCI Sector



Source: SACCI analysis of the European Transparency Register 2019: <https://ec.europa.eu/transparencyregister>, checked on 11/22/2019.

Efforts to build a smart economy in Europe are aimed at improving competitiveness, while maintaining the model of social market economy and efficient use of resources. The main part of efforts to encourage innovation is focused on utilization of the existing potential for innovation in the EU. Firstly, it's a huge domestic market, but also highly qualified researchers, entrepreneurs and companies and unique advantages in terms of values, traditions and diversity.

Industries diversify and develop in parallel with the new challenges to meet the increasingly fragmented needs and desires of modern humans for individual forms of communication, relaxation and recreation, empathy with nature, for consuming cultural values and heritage, exploring new cultures and territories and so on. Organizations with different competences increasingly rely on the services and cooperation with creative companies to upgrade their products and services and acquire a new approach to their customers and partners. Hence the interconnectedness of the CCIs with the sectors of communications, travel and tourism, education, research and so on.

Creative industries are not only innovative in themselves, but they are an important driving force of innovations in non-creative industries. The support for including companies from the creative sector in experimental projects frequently leads to further innovations. This is so because the providers of creative services tend to help companies develop more market-oriented and customer-oriented products and services

The main features of the CCIs that make them indispensable for the development of the modern societies refer to the following:

- Based on art and culture and not utility-based
- Rely on creativity, creation and co-creation – this makes them highly resistant towards automation and the jobs that exist in this industries are likely to prevail parallel with the automation of the other areas of life;



- Occur in the form of ad hoc partnerships among individual creators – this makes the creative partnership versatile and highly productive of new ideas and works, but very vulnerable from an organizational and economic perspective as well since project-based work prevails;
- Spin-off new solutions/innovations in the other sectors of the economy;
- Rely on networking, sharing and clustering;
- Promote social cohesion and inclusion being based on shared values, attitudes, knowledge, beliefs, and so on;
- Create experiences and individual personal value and sensation for every consumer;
- Permeate all other sectors of the economy – both with and without digitalization;
- Are most directly connected to tourism (as they often generate the core of the tourist products), recreation and education, however with the advancement of VR and AR and the internet of things, they intertwine everywhere;
- Are expected to drive solutions to the global, regional and local challenges that modern societies face.

### 3 References

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