

**FINAL**

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# Thematic Group Report

## Business Networks



## Table of contents

<b>Table of contents</b>	<b>2</b>
<b>List of figures</b>	<b>2</b>
<b>List of tables</b>	<b>2</b>
<b>1 Definition of the theme</b>	<b>3</b>
1.1 General definition .....	3
1.2 Specific sub-themes .....	5
1.3 Importance of the theme for the creative sector .....	5
<b>2 Thematic Working group</b>	<b>5</b>
2.1 Objectives of the TWG.....	7
2.2 Work process .....	7
2.3 TWG members .....	8
<b>3 Examples of good practices</b>	<b>8</b>
3.1 Choice of good practices .....	8
3.2 Practices overview .....	9
<b>4 Recommendations</b>	<b>13</b>
<b>5 Conclusion</b>	<b>14</b>
<b>Bibliography</b>	<b>15</b>
<b>Annexes</b>	<b>16</b>

## List of figures

## List of tables

# 1 Definition of the theme

## 1.1 General definition

For the purposes of the Creative Growth Thematic Working Group (TWG) activity, the term Business Networks is used to describe informal and formal groupings of creative individuals who share a common goal of enhancing business potential and performance through mutual support activities.

The concept and practice of networking is well-established in other economic sectors; although the aims may be the same, however, functions and process are often different from networking within the Creative and Cultural Industries (CCIs). With such small business entities - a significant proportion of which are home-based - creative industries networking often does not include or require physical or geographical co-location, whereas for other industries the benefits of clustering are well documented<sup>1</sup>.

The subsectors of other industries are largely homogenous, with similar structures, methods and aims; subsectors of CCIs, however, operate in different markets and spheres of creativity. Design, for example, links directly to manufacturing; craft workers supply the heritage industries; computer arts often aim for youth oriented markets; music, drama, writing and performance operate within the experience economy. The Creative and Cultural Industries, therefore, are an aggregate of many industries whose dynamics and interrelations are unique (Power and Neilsen, 2010).

CCIs are difficult to evaluate in terms of economic performance, and in terms of innovation; they differ in so many ways from other industries (for example, copyrights, rather than patents and trademarks, are more often exploited). The EU's annual European Innovation Scoreboard provides a comparative assessment of member states, investigating a range of activities and characteristics that promote innovation in firms. However, such performance indicators are not pertinent to most of the Creative and Cultural Industries - although these are the very industries for which innovation is a key driver - and CCIs are not included in this influential report.<sup>2</sup>

CCIs business networks in the Creative Growth partner regions take several forms and vary in size from small local groups to large-scale online communities

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<sup>1</sup> In setting the parameters within which the group would undertake its work, discussion has taken place on the difference between a network and a cluster. Although both serve to bring together actors for their mutual economic benefit, it is suggested that a cluster be regarded as a grouping of *companies* (ie business entities), while a network is a grouping of *individuals*. In clusters, geographical co-location is one of the most important factors in product development and consequent economic success; although face-to-face discourse is a rewarding and conducive aspect of networking, it is not imperative for a networks' success.

<sup>2</sup> Hollanders and van Cruysen (2009) propose a 'scoreboard' system, similar to EIS, by which innovation in CCIs may be evaluated; despite a detailed and comprehensive list of indicators, the prevalence and value of networks is not included, suggesting that networking is not yet recognised as an important factor in success.

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where members may only know one another from their online identity. Common to all is the belief that networking is a good idea, but it is not always clear how economic impact can be proved or evaluated, and therefore the type of evidence that is required for public investment and for continued support by members is not easily obtained.

In contrast, the economic significance of networks in other industries is well documented and acknowledged:

There is plenty of evidence of the positive impact [of networks] on national economies. Interest in networks has world-wide grown because they are a leverage point for action, not just a description of economic reality. Policy makers world-wide have turned to network policy because of a shift in priorities from macro- to microeconomics. Networks turn out to be a useful way to organise these efforts and launch effective action initiatives. (Meier zu Köcker *et al*, 2008)

As has been noted, business processes and methodologies within these sectors are distinct from those of the Creative Industries. The approach to Research and Design, for example, is different in CCIs; products frequently stem from a creative impulse, rather than process analysis or economic opportunity. While other industry sectors may take price point as the primary incentive to manufacture, actors within some areas of the Creative Industries (craft, art, music, etc) often leave calculations on pricing until their work is complete and ready to be sold. Where manufactured output is targeted on the experience and leisure economies - aimed at attracting clients' disposable income - pricing is fluid and discretionary, depending on social, geographic and cultural factors, as well as the maker's reputation and the vagaries of fashion.

It has been pointed out in TWG meetings that some creative actors have limited understanding of the principles of entrepreneurship and, indeed, each region can give examples of network members who are only interested in advancing their creativity; for them, selling the result of their labour is a 'lucky break', instead of the result of a formal marketing strategy. Although this attitude certainly exists, it is generally believed by members to be diminishing.

Creative Industries networks should, of course, inspire and encourage creativity; they are a catalyst for innovation in the artforms they represent. Equally importantly, they should promote enterprise; this can be achieved through enabling strategies, such as training events, and through bringing together people who have different skills and a common goal.

Recognition and enabling of networks varies across CG partner regions. In many of the regions, associations - rather than networks - are the prevalent cohesive groups for industry sectors. These generally differ from networks in that members are engaged in similar areas of industry, with little scope for complementarity and mutually beneficial activity. Associations often take a lobbying role, acting as a unified voice for their specific industry. While associations usually do receive some kind of governmental backing, little evidence has been produced of policies that provide the kind of support given to other industrial sectors for networking. With such limited activity, and given the wide definition and remit, compiling a body of good practice has not been straightforward. However, detailed studies of innovative, dynamic networking in

some regions have been undertaken, allowing members to identify and recommend activities that have an impact on stakeholders' economic performance.

## 1.2 Specific sub-themes

The TWG began by defining all of the characteristics, aspects and functions of business networks in the Creative Industries, with a view to building up a profile of 'the perfect network'<sup>3</sup>. This is detailed at 1.5 below.

The second and more detailed sub-theme involved members in reporting on the status of networks in their regions and identifying good practice. Each region was asked to report on one network (or more), looking at size, *modus operandi* and position within the sector. Because of variations in the establishment, acceptance and use of networks, some regions have been able to respond in more detail than others. An analysis of responses is included in this report.

The shortage of available evidence of good practice from CCIs in partner regions immediately suggests a need for policies to support the development of networks. Evidence from partners indicates that the concept of networking as a core business practice (that fully harnesses modern communications technology) has not taken root in many of the regions; there is a need to reinforce this, enabling provision of the communications infrastructure and alerting users to the enhancement of creative skills, economic performance and social capital that can result.

## 1.3 Importance of the theme for the creative sector

As noted above, networks are widely regarded by their members as being a useful business tool. A high proportion of creative enterprises in the regions are microbusinesses, in many cases operated by individuals<sup>4</sup>; by its nature, creativity can be an isolated and insecure profession and at its basic level the opportunity to share experiences fulfills a human need for reassurance and fellowship.

A successful network is greater than the sum of its parts. When diverse creative minds are brought together in an environment that encourages mutual respect and active discourse, thoughts can combine to produce ideas with enhanced strength and potential. Equally, the level-headed influence of informed network members can keep individuals' more esoteric (and unmarketable) ideas grounded and focused on commercial potential.

Evidence on the social and artistic value of shared creative practice is abundant;

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<sup>3</sup> Appendix 1 is a diagram that illustrates this.

<sup>4</sup> Our report *Creative Growth - Developing Businesses for the Future* shows that a significant majority of creative businesses have 1-4 employees.

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however, because of the transitory nature of activities and the often non-linear value chain, it is difficult to find quantitative or qualitative data that proves the effect of networks in terms of their contribution to sector economic performance. As noted above, actors in all regions welcome networks and value their involvement in them, seeing them as an important part of their artistic and business activities.

2009's European Year of Creativity and Innovation demonstrated that the European Commission recognises the sector can be a potent force for innovation and sustained economic development. While the promotion of culture as a 'catalyst for creativity' stresses the value of partnerships between the cultural sector and other sectors, there is still little formal acknowledgement of the value of creative partnerships that operate solely within CCIs. Governments and arts bodies in some partner regions have contributed fixed-term funding to networks (eg Denmark, Scotland, Sweden) with varying levels of accountability, reflecting the often changeable composition, structure and aims.

Even with such limited formal support, it is clear that networking activity within the creative and cultural industries will continue; online networking for businesses is growing in popularity and effectiveness and will probably become the standard model.

Power suggests that:

Creative and culture activities are knowledge driven industries that are drawn to specialized labour markets and to clusters. Clusters and large labour markets support organizational and project-base scale and scope. (Power *et al*, 2010)

However, evidence from TWG members suggests that the ability to communicate, rather than to meet, is fundamental to the success of networking. A modern, productive communications infrastructure is therefore just as important as physical co-location.

As such, the traditional activities of networking (socialising, exchange of information, making contact) will become entwined with the processes of marketing and production: stakeholders will move smoothly from online meeting to online collaboration and production, sending materials and ideas back-and-forth for contribution and approval. Entrepreneurial creativity is a collaborative process; any methods of facilitating such exchange should be fostered and promoted<sup>5</sup>.

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<sup>5</sup> The European Commission's 'A Digital Agenda For Europe' (the May 2010 initiative stemming from the Europe 2020 strategy) underlines the aim to make high speed internet access a reality for all EU citizens.

## 1.4 Objectives of the TWG

The objectives of the Thematic Working Group are:

- The exchange of knowledge of networking activities amongst group members
- Identifying and studying good practice in regions
- Drawing up recommendations to enable consolidation of good practice in regions
- Drawing up recommendations to enable adoption of good practice amongst partner regions
- Identifying attributes and characteristics of good networks.

## 1.5 Work process

Three meetings of the TWG took place. Minutes and papers stemming from these meetings are attached at Annex One.

### **Meeting One, Brussels, Belgium, 3-4 December 2009**

At the first meeting attendance was low, which, while limiting the depth and range of experience available, presented an opportunity for members to extend and broaden the agenda. Discussion ensued on the current EU view of networking within the sector. Having agreed their terms of reference, members began by asking two questions:

- What do we understand by the term 'business network'?
- What are the characteristics, functions and assets of a 'perfect' network?

The group's discussions produced a map that attempted to cover all aspects of networking, including some less usual ones such as curating and lobbying. Following the meeting the map was redrawn as a diagram (see appendix) and circulated to members. Members were asked to distribute this to actors in their regions, asking them to contribute to the diagram anything they thought should be included, and to rank the characteristics in order of importance. Following this, a standard survey form (as used by the other TWGs) was distributed, seeking identification of good and innovative practice.

### **Meeting Two, Asturias, Spain, 9 March 2010**

The second meeting took place in Asturias, Spain, with new members in attendance. This meeting considered the responses to the survey (from the first meeting), discussing methodologies and practices that had been identified. These are detailed in the minutes of the meeting and recommendations from the day's activities are given below. In the absence of Graham Weir, this meeting was chaired by Eszter Balázs, who compiled the minutes.

The meeting considered the survey on 'the perfect network', collating respondents' views on what were the most important features of a network. These are detailed in the minutes. Examples of innovative practice drawn from responses to the survey were tabled and discussed.

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### **Meeting Three, Vejle, Denmark, 22-23 June 2010**

Following the second meeting, the Chair collated responses to the survey and sent members points for elaboration and clarification in advance of the third meeting. These were addressed during the third meeting, although not all of the requested information was provided. Members made presentations on their chosen networks, suggesting areas of good practice. Discussion took place on the value of online networking, with general agreement that this was becoming the *de facto* standard and the most effective method.

## **1.6 TWG members**

Members of the Thematic Working Group are:

<b>Graham Weir</b> (Chair)	Edinburgh Napier University, Scotland
<b>Eszter Balázs</b>	Észak-Alföld Regional Development Agency, Hungary (Chair of Asturias meeting)
<b>Dr Balázs Varga,</b> <b>Marta Quirós Garcia</b>	Észak-Alföld Regional Development Agency, Hungary IDEPA, Spain
<b>Jeanette Kristensen</b>	Municipality of Vejle, Denmark
<b>Mattias Ahlén</b>	Östsam Regional Development Council, Sweden
<b>Mincho Kazancliev</b>	RAM Central Stara Planina, Bulgaria
<b>Nayden Valchev</b>	RAM Central Stara Planina, Bulgaria
<b>Eva Lundgren Stenbom</b>	LASSO, Sweden
<b>Staffan Lind</b>	Sweden
<b>Arunas Karlonas</b>	Kaunas County Governor's Administration, Lithuania
<b>Patricia Martin</b>	CEEI Asturias, Spain

## **2 Examples of good practices**

### **2.1 Choice of good practices**

With no standard means of evaluating the effectiveness of creative industries networks in enhancing business performance, the identification of 'good practice' has been difficult. Members reported on their local networks, suggesting functions and methods that they felt were notable and which may merit adoption elsewhere.

It is possible to see this low level of networking activity as a starting point for recommendations; in other words, networking is so poorly established in some territories that there is a need to enable and support it. This is a view that has been expressed by most members of the group.

In order to meet the brief for the TWG, informative submissions from the following networks have been considered:

- MOTIVA, Spain
- Central Station, Scotland
- 38 Minutes, Scotland
- Lasso, Sweden
- Konstnärns Centrum Syd, Sweden
- Innovækst, Denmark
- Ajtósi Dürer Graphic Artist Association, Hungary

It should be reiterated that two of the principal aims of the exercise have been difficult to attain - firstly in defining good practice and secondly in establishing links between networks. Reasons for this include:

- differences in constitution amongst networks (formal/informal)
- difference in focus
- difference in working methods (online/physical space/mix of both)
- different levels of interest in networking within regions
- lack of standard evaluation methods (difficult to correlate activity to financial success)

## 2.2 Practices overview

### 2.2.1 MOTIVA, Asturias, Spain

MOTIVA is a network of graphic arts professionals, academics and students based in Asturias. Growing from a department of the School of Art in Oviedo, it is now supported by public and private funds, including the local Regional Development Agency and the Ministry of Education and Culture. As well as providing training in graphic arts, the network seeks to motivate business and to encourage public interest in, and appetite for, good graphic design. It also takes a role in influencing regional government policy. MOTIVA has been instrumental in establishing a strong reputation for the region, leading to its national recognition as a professional centre for graphic design.

Annual events include conferences, exhibitions, seminars and workshops, and a series of awards. In addition to promoting good practice in design, MOTIVA takes a strong role in developing well-rounded professionals; it does so through delivering courses and workshops on marketing, advertising, philosophy, ecology, sociology, and so forth. This ensures that professionals are able to locate their creative practice within cultural and professional contexts.

MOTIVA network members share management and organisational responsibilities. Financial sponsors monitor the activities they support, and network members evaluate courses and events both quantitatively (numbers of attendees) and qualitatively (attendees work and outputs).

MOTIVA provides an excellent example of the strength of well-focused networking. Over its thirteen-year lifespan, it has sought to promote and add value to design, building a design culture in Asturias that previously did not exist.

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The region now takes a prominent place in the Spanish design profession, with a remarkable development of activity, both in quality and quantity of orders. Key to this has been the idea of establishing and developing the market; in other words, using the network activities to educate the public to the value of good graphic design and thereby increasing demand.

It is felt that the MOTIVA model is transferable to similar CCI sectors where the end product is produced industrially and involves public consumption, such as design, architecture, print and advertising.

### **2.2.2 Central Station Network and 38 Minutes Network, Scotland**

Only two years in operation, Central Scotland has become an important online network for CCI professionals in Scotland, and it is gaining popularity throughout the United Kingdom. The network is aimed at creative people who are looking for a place to talk to peers, share work and resources, access information and profile themselves. It encourages cross-discipline, collaborative practice and can be used as a 'shop window' for professionals who are seeking work.

The network receives funding from Channel 4 television's 4ip fund and from Creative Scotland (formerly the Scottish Arts Council). With a strong online presence and dynamic marketing, Central Scotland is a very effective showcase where producers and directors can research creative actors and their work before commissioning. The network maintains its vitality and currency through use of all popular online communications tools; in addition to its home website ([thisiscentralstation.com](http://thisiscentralstation.com)) it has an active voice on Twitter, Facebook and Digg, amongst others. Emphasising this dynamism, staff are required to post and repost on these sites throughout their working day. This pervasiveness has led to the network having a sense of presence and of 'fingers on the pulse' within UK creative industries.

The website has distinct areas, including a Bulletin, with the editor's selection of news, insights and members' current work; a Community for exchanging work and ideas; a Showcase for members' portfolios and an Opportunities section with advertisements for jobs. The network also advertises and co-ordinates events. In terms of good practice, the Central Station network's regular updating gives a strong sense of community and of being at the cutting edge of creativity. The emphasis on showcasing further strengthens this, with a vast repository of work drawing in consumers, clients and collaborators; members want to be a part of this activity.

Scotland's other significant online CCI network, 38 Minutes, is built on the Ning platform and, as such, places more emphasis on the social networking model ([38minutes.co.uk](http://38minutes.co.uk)). It has become a successful method of showcasing and obtaining work for its 2700 members, mostly in Scotland and Northern Ireland. The network has a more 'conversational' look and feel than Central Station, with members contributing to blog posts and opinion columns on the latest developments in CCIs in the region. As with Central Station, there are job advertisements and vacancies, and information on training and workshop events. 38 Minutes does not organise events, but its strength lies in being a hub for communication; many groups and subsets have formed as a result of meeting on

38 Minutes. Of particular interest are the Glasgow and Edinburgh Coffee Mornings at which CCI actors meet up to discuss work opportunities, collaboration and so forth. These informal meetings have quickly become very popular, with around 150 members in each city. The coffee morning idea is a good one; it takes place when people are available, before the working day begins, it is sociable and productive. As a result, these meetings have become one of the most important hubs for work opportunities and exchange of ideas.

Both of these networks have prospered despite their informality, or possibly as a result of it; creative professionals enjoy the 'edginess' and liveliness they present. The events that are promoted and enabled, and on Central Station the work showcase, serve not just to move forward the industry, but also to dynamically advance the creative practice.

The Central Scotland model is eminently transferable (indeed, the company behind the network is keen to build its exchange of ideas in Europe); however, success is predicated firstly on having a reliable online communications infrastructure in each territory and, secondly, on having sufficient funding to employ staff who have the knowledge, dynamism, commitment and vision to run the network. Without members, online networks have no value, so in some territories it may be necessary to educate potential members in the value of taking part.

### **2.2.3 Lasso, Norrköping, Sweden**

The aim of the Lasso network is to establish an environment for business development, creativity and culture. The actual Lasso project begins in November 2010 with funding for three years; current activity takes place as part of a feasibility study.

The network offers tools and a platform for collaboration: newsletter, website, workshops, maxim cards. Within the feasibility study there are 15 members, from a range of CCIs; they are already recognising the benefits through embarking on joint enterprises and projects. The study has 50% funding (for the project leader) from ERDF. Members share a common goal, of enabling the development of enterprises within the creative and cultural industries. Each brings a range of skills to the project, on which others may call, depending on their business needs. Members' skills and attributes include:

- ideas development
- workshops
- education
- problem solving
- logistics
- sustainability and environment
- psychology
- IT/web/print

Key to the process is the provision of physical networking space. Lasso will use

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premises in the two main cities in its region, giving opportunities for one-to-one interaction, group events, workshops and exhibitions. The current 15 members believe strongly in the project and its potential. They recognise the advantages to themselves in terms of their business development, but they also believe in the network as an entity and its ability to succeed.

As the project proper only begins in late 2010, no evaluation has yet taken place. Funding arrangements are not known at the time of writing.

In terms of transferability, the project leader feels that the whole network model is transferable and, indeed, some similar projects already exist in other regions.

#### **2.2.4 Konstnärns Centrum Syd, Sweden**

The KC Syd association is a network for artists, developed to attract commissions for public artworks (in buildings, on highways, etc). Sweden has a widely-accepted recommendation that 1% of the costs of public and commercial buildings be given over to commissioned artworks.

KC Syd is more an association than a network, but its lobbying for business makes an excellent model that could be transferred to networks. The success of such lobbying, however, depends entirely on regions promoting a similar funding policy (or recommendation, as it is in Sweden).

#### **2.2.5 Innovækst, Denmark**

Innovækst is not, strictly speaking, a business 'network'; rather it is a series of seminars, courses and events that aim to increase business innovation through networked, collaborative activity. It illustrates clearly the benefits of structured, symbiotic development in business and gives a good example of the types of support activities that networks should undertake.

The innovækst process draws on the Danish Center for Ledelse's 'Seven Circles of Innovation'<sup>6</sup>, a model for the management of innovation as a process. In developing both business and personal skills, it takes participants through a series of 'circles' - discrete areas of the innovation process - bringing ideas to fruition and ultimately to market. The Innovækst process benefits from its structured approach; delivered in conjunction with Higher Education (in this case the Aarhus School of Business) and promoting synergy among businesses, drawing on disparate skills to mutual advantage.

Being a structured and monitored process, it lends itself well to evaluation; the project reported high percentages of success for companies and individuals, many of which continued with the process after the event. Innovækst is a form of structured intervention that could be adopted by networks in all partner regions.

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<sup>6</sup> [www.sevencirclesofinnovation.com/Seven%20Circles%20-%20Complete%20Edition.pdf](http://www.sevencirclesofinnovation.com/Seven%20Circles%20-%20Complete%20Edition.pdf)

## **2.2.6 Ajtósi Dürer Graphic Artist Association, Hungary**

A network of graphic arts professionals based in Debrecen, Hungary, Ajtósi was created in 2000 and has continued to grow since then. The main aim of the network is to maintain and sustain the tradition and craft of graphic arts in the region. Festivals and exhibitions are regularly organised, showcasing members' work; in addition, the network has developed partnerships nationally and transnationally, reaching as far as Japan.

The network meets fortnightly, organising its events and promoting creative co-operation between members. Members take part in seminars and deliver lectures to local University students. Assessment and evaluation are regularly conducted through questionnaires and feedback, allowing network organisers to see if aims are being achieved.

Members recognise that the network has had an impact on the development of graphic arts in the region through education, through creative collaboration and through raising awareness. Marketing, artist exchanges and publicity have ensured that the region is recognised as a centre of excellence nationally and abroad. Financing for the network and its organiser/leader has come from public funds and from membership fees

This is a good example of a network that is able to carry out a number of functions due to the mix of funded management and enthusiastic members (who pay fees). With 32 members, the network is a good size; big enough to be manageable and to limit internal competition, while having enough resource to contribute to the development of the artform through contributing to education and cultural events.

## **3 Recommendations**

The following recommendations are made:

### **3.1 Evaluation of networks**

There is currently no standard system used to evaluate the success of networks. Without some formal, empirical demonstration of qualitative and quantitative performance, investment in networks is unlikely. An extensive study should be undertaken, looking at structures, financing, size and so forth, mapping these against economic, creative and social performance indicators. Comparison should be made of online and physical networks, with a view to determining the most effective models (see 1.2 above).

### **3.2 Enabling physical networks**

In recognising the value of networks, policy makers should enable mechanisms for establishing them. These mechanisms could take several forms, for example:

- providing funding for staff
  - providing premises
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- supporting the development of a 'chamber of commerce' model
- working with universities, RDAs and professionals to support network development and activities (as with MOTIVA above)

### **3.3 ICT infrastructure**

Governments should invest in high bandwidth, high capacity, reliable internet to ensure business competitiveness. Once this is in place, networks similar to Central Station and 38 Minutes may flourish, with similar economic and cultural gains.

### **3.4 Recognising the value of networking in CCIs**

At European level, government and policy makers should acknowledge the value of networks as a key tool for business success in CCIs. This will remove the disparity seen across the regions, where networking can range from fully established to non-existent. Networking is still an informal, sideline activity promoted by interested parties, with very little support from the centre. Formal recognition and promotion would change this. The group suggests that municipalities and regions should fund culture officers whose job is to motivate stakeholders to form networks.

### **3.5 Enabling exchange of ideas**

Funding should be made available to allow exchange of ideas between regions.

## **4 Conclusion**

Throughout the creative and cultural industries, networking is viewed as an indispensable component of creative and economic success. A high proportion of the actors interviewed and the working group members noted that this is a view not often shared by policy makers and governments. The revolution in communications technology and social networking has brought about dynamic changes in the way creative actors conduct their business, particularly in the areas of collaboration and marketing. Where the artforms can be demonstrated online, this, too, quickly recasts the aesthetic and cultural boundaries, capturing and educating audiences at the same time. Creative professionals, particularly the younger ones, catch on quickly to the operation and potential of new technologies, but there is a feeling that governments, legislators and funders lag behind.

New technologies can often seem like the solution to all problems, but in the case of creative enterprise, they are not the only one; there is still a lot of value in face-to-face discourse. The chamber of commerce model for creative interaction, and for training and marketing was thought by group members to be a useful one for CCIs. Given the nature and scale of businesses in the sector, such networks would require support from public funds.

This TWG exercise has shown the wide range of activities that are regarded as 'networking'. Some are more effective than others in terms of business success,

but all demonstrate a willingness for creative actors to share ideas in pursuing their goal; this is not always reflected in other sectors. All involved speak with enthusiasm of the kinds of activities offered by networks; it is to be hoped that policy makers recognise the social, economic and cultural value these bring to the regions.

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# Annexes

## **Papers from Group Meetings**

- 1. 3-4 December 2009**
- 2. 9 March 2010**
- 3. Questions for members**
- 4. 22-23 June 2010**



## **THEMATIC WORKING GROUP: BUSINESS NETWORKS**

### **Notes From Meeting in Brussels, 3-4 December 2009**

The following people attended the first meeting of the Business Networks Transnational Work Group (TWG).

Graham Weir	Edinburgh Napier University, Scotland
Eszter Balászy	Észak-Alföld Regional Development Agency, Hungary
Eva Lundgren-Stenbom	Lasso Network, Norrköping, Sweden
Staffan Gunnarsson Lind	Sculptor, södra Småland, Sweden
Mincho Kazandzhiev	Chair, RAM Central Stara Planina, Bulgaria
Nayden Valchev	RAM Central Stara Planina, Bulgaria

The group began with members introducing themselves and describing their involvement in creative industries (CI) networks in their home territories. A range of experience was evident, and a range of levels of support within partner regions.

The group looked at three Scottish networks for creative industries professionals, considering the pros and cons of different operational methods, structures and constitutions.

A short discussion on current EU policy on business networks followed. It was noted that although there is very little policy specifically targeting creative industries networks, a number of reports and minutes that stem from the Year of Creativity and Innovation point to increased recognition of CI as a distinct and valued business sector.

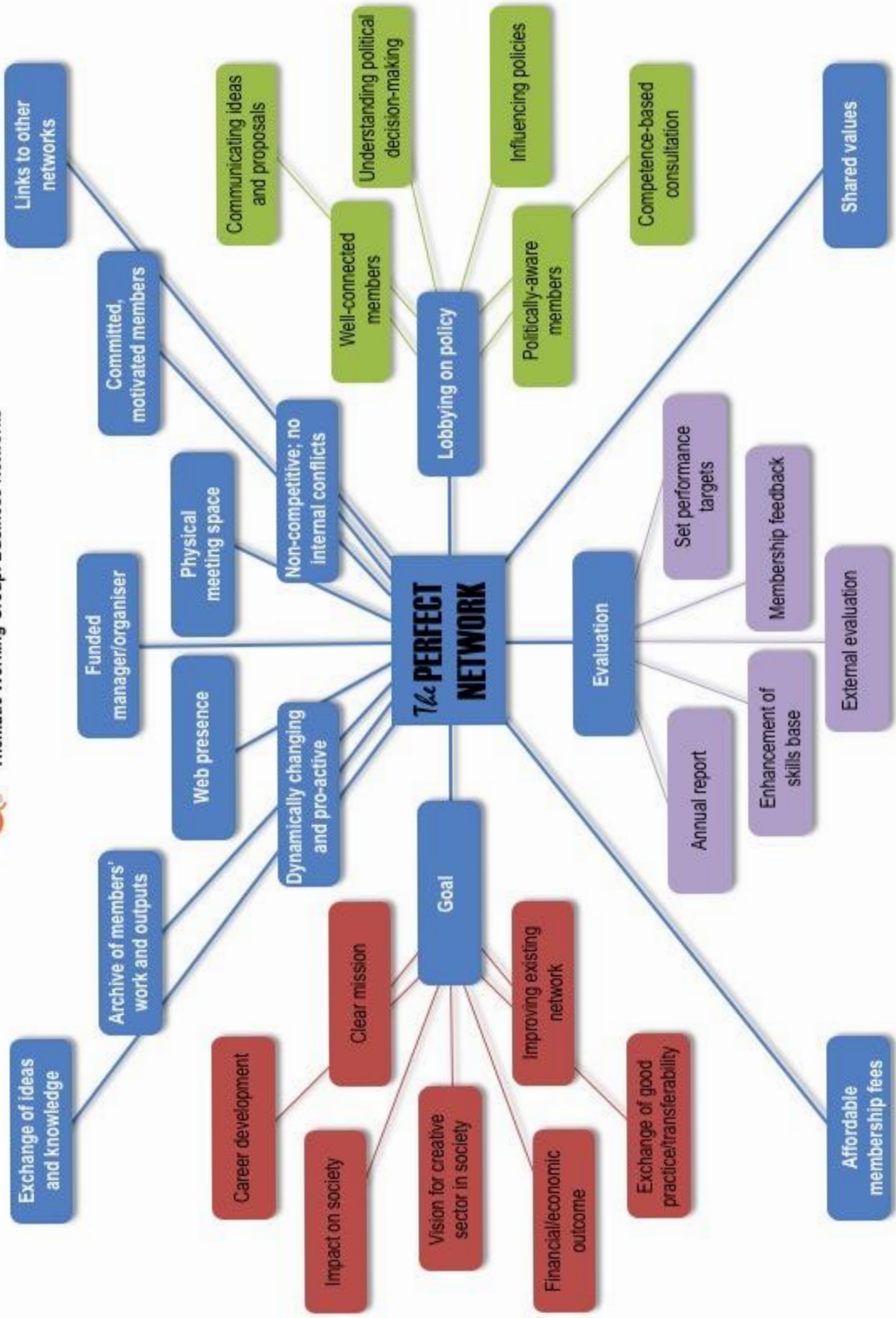
The group discussed ways in which municipalities support Chambers of Commerce, considering whether that may be a good model for CI networks, or whether Chambers of Commerce may even set up and administer such networks.

This brought the first day to a close.

On the second day, the group looked at the functions and structures of networks within the creative industries, posing the question 'What does a perfect network look like'. Over the next three hours, delegates explored all aspects of networking, constructing a series of mind maps to illustrate their ideas. It was agreed that the mind maps would be redrawn and used as the basis for further research into good practice, in keeping with the group's remit. Further details are given on the following pages.



## Thematic Working Group: Business Networks



### **Next Steps For Thematic Working Group – Business Networks**

The preceding diagram illustrates the group's first thoughts on a 'perfect' network for Creative Industries. In terms of scale, it was felt that the Chamber of Commerce model was appropriate, *ie* metropolitan and local, rather than nationwide. Group members and other interested parties are asked to use this as a basis for their investigations into existing good practice and for their subsequent recommendations. Before setting out that exercise, however, the table below gives further explanation on some of the attributes within the diagram.

#### **Non-competitive; no internal conflicts**

Members should be fighting for common aims, even if they are in competition for the same work opportunities; conflicts should be left at the door.

#### **Funded manager/organiser**

This was thought to be one of the most important characteristics of any network.

#### **Archive of members' work and outputs**

The network should have a curatorial role recording members' work in an archive. The archive would be available for education, evaluation, identity, etc.

#### **Goal**

The Network should have a goal that is clear to members and non-members; this could include:

- A mission statement
- The development of members' careers
- An impact on society (public recognition of the network)
- A vision for the place and value of CI in society
- The network should impact on the development of the creative economy within its region.

#### **Lobbying on Policy**

Members should understand the political process, should be well connected and aware of the political situation in the region. They should seek to influence policy and should be a first stop for consultation on new ideas

#### **Evaluation**

The network should be open to evaluation (particularly if public funding is received). As well as the usual annual report, auditing and member feedback, performance targets could be set, in which members have to show that they have taken part in activities, such as:

- Contributing to online forums
  - Attending network events
  - Submitting material to the archive.
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**Exercise**

Group members and project partners are asked to undertake the following three tasks:

- 1) Contact professionals in your region who are active in a CI network and, with reference to the diagram and notes above, identify any areas of good or innovative practice. Prepare a report on these for discussion at the next meeting in March.
- 2) Circulate the document 'Creative Growth Networks Survey' to professionals in your region who are active in a CI network, asking them, with reference to the diagram and notes above, to rate in order of importance the attributes in the table (illustrated below). Respondents can suggest other attributes that they think should be included. Completed documents should be emailed to Graham Weir or brought to the March meeting.

<b>ATTRIBUTE</b>	<b>ORDER</b>	<b>Example</b>
Exchange of ideas and knowledge		3
Archive of members' work and outputs		8
Funded manager/organizer		1
Committed, motivated members		7
Links to other networks		5
Web presence		6
Physical meeting space		4
Dynamically changing and pro-active		9
Non-competitive; no internal conflicts		10
Affordable membership fees		2
Shared values		11
Goal		14
Lobbying on policy		13
Evaluation		12

<b>Other suggested attributes:</b>	<b>ORDER</b>	

**Other suggested aspects of 'Goal'**

**Other suggested aspects of 'Lobbying on policy'**

**Other suggested aspects of 'Evaluation'**

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## MINUTES

### Business Networks Thematic Working Group

Date: Tuesday, March 9, 2010, 11.15-16.15 pm.

Place: FENA BUSINESS SCHOOL FONCALADA  
Alfonso III El Magno Street. 15.  
33001 Oviedo - Asturias

#### Participants:

Name	Ref	Organization	Email
Balázs VARGA, Dr.	BV	Észak-Alföld Regional Development Agency, Hungary	Balazs.varga@eszakalfold.hu
Eszter BALÁZSY	EB	Észak-Alföld Regional Development Agency, Hungary	Eszter.balazsy@eszakalfold.hu
Marta QUIRÓS GARCIA	MQG	IDEPA, Spain	martaqg@idepa.es
Jeanette KRISTENSEN	JK	Municipality of Vejle, Denmark	jeakr@vejle.dk
Mattias AHLÉN	MA	Östsam Regional Development Council, Sweden	Mattias.ahlen@ostsam.se
Mincho KAZANCLZIEV	MK	RAM Central Stara Planina, Bulgaria	lovech_pp@abv.bg
Nayden VALCHEV	NV		lovech_pp@abv.bg
Eva LUNDGREN STENBOM	ELS	LASSO, Sweden	eva.lundgren.stenbom@gmail.com
Staffan LIND	SL	Sweden	tilolind@swipnet.se
Arunas KARLONAS	AK	Kaunas County Governor's Administration, Lithuania	arunas.karlonas@kaunas.aps.lt
Patricia MARTIN	PM	CEEI Asturias, Spain	patricia@ceei.es
Anna JACOBSON		Östsam Regional Development Council, Sweden	Anna.jacobson@ostsam.se

#### I. Points of discussion:

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**The discussion was around 3 main topics:**

1. The concept of the perfect network
2. The rating of the attributes of the perfect network
3. Presentation and discussion of good practices of the regions

*ELS* has presented the main findings of the first TWG meeting on the „Perfect Network”

Partners have presented their concept of the perfect network: Main ideas that were brought up:

- There shall be a specialization in the network and processes within the network shall also be considered
- *BV* has grouped the creative networks into 3 categories: features related to
  1. internal communication,
  2. external communication,
  3. management
- Members have their own goals that have to be transferred to action.
- The network has a life circle
- The question was raised: what is the difference between a network and a cluster
- *AK* has emphasised the relationship between creator, innovator and customer, he considered the mind map as a perfect business network
- According to some partners the shared value element in the network is not essential and necessary.
- A good network has the customer in mind
- A network is like a vital organ
- Sharing ideas, confidence and trust is essential.
- Creative networks are less business oriented, need support, members do not consider themselves entrepreneurs. Members have a more open attitude.
- Politicians need to listen to the networks, address support policies to the needs
- Certain point they need the market; they shall consider themselves as part of the economy.
- A good network shall put some business to the artist keeping in mind that there are different needs on different markets
- *MA* emphasised that the success of creators in terms of economic value and the artistic value does not often correspond. It is important to keep the culture credibility and not focus on the customers of the market.

**II. The list of attributes:**

Partners have made their choice and named the 5 most important features of a network:

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The followings have received the most points:

1. Goal
2. Exchange of ideas and knowledge
3. Funded manager
4. Evaluation
5. Physical meeting place
6. Committed motivated members

Others features considered to be important:

- Web presence
- Shared values
- Lobbying on policy

Some other additional features were mentioned:

- Putting initiative into action
- Process within the network
- Financial economic outcomes

### III. The following good practices were presented:

Name of network	Region	Description
MOTIVA	Asturias	It promotes design, it create needs in the client, and uses design is various areas. such as education. They teachand motivate graphic design involving different sector of the society. The believe that cultural events and design can dinamise the region and they have succeeded to make design important in the region by organizing conferences, training, events.. New companies based on design were set up.
Lasso network	Norrköping	The workplaces created will consist of several different varieties: traditional offices, free standing desks, coffee tables and sofas (soffices). Lasso will also be a place for various cultural events, workshops, a Living Lab, a cafeteria, conference room and more. <a href="http://www.lassonetwerk.se">www.lassonetwerk.se</a>
FUNK model	Östsam	The model combines research, university, business, company and culture into a meeting place. They initiate meeting on few strategic places to develop the area. They got little finance, they are self governing, and there are some non motivated members. Tourism packages, festivals were already organized
Business	Kaunas	Kaunas has a 3 year support system the incubator

incubators in ICT sector		provides services: seminars, study visits for free to its members.
KC network	Sweden	It is a Swedish initiative to create jobs for artists. They have recognized that there is a gap between artist and client. There are consultants who select artists for a certain work, at the moment more consultants has been educated There is a 1% rule in Sweden: it means that 1% budget of all public investment shall be spent on decoration, it is a good simulation for creating jobs for artist. It is a tradition of Swedish cultural policy.
MODEM	Észak-Alföld	It is the 2nd biggest museum of modern art, which has set up a club, or a friend of the museum, who can do voluntary work for the museum, in return thy got information and lot of events especially for the members.
RAM	Bulgaria	It is a self-financing association with 800 members. They have experts in economic development and marketing who give free business advice. They are continuously updating their information on funding possibilities and they organize trainings and seminars.
INNOVAEKST	Vejle	Questionnaires were sent out fro companies to find out the development stages of it. It has lead to a dialogue and matching of companies. They used 2 models: they used creativity to expand business, They have organised 24 hours seminars to get people to get to know each other and to develop trust and exchange ideas. This helped business to develop business innovation strategy. Network facilitators helped to share good and bad experiences.

#### IV. Conclusions:

- Partners have acknowledged that it is very important to develop mutual trust, and that network facilitators need support.
  - Mutual trust is a key element of success
  - Cooperating for creative entrepreneurs is important not only at the beginning but also in the phase of growth
  - The perfect network shall be aiming at selling a product
  - It is important to have contact with the customers
  - Regions are facing with similar problems
  - Creating jobs for unemployed artist is a taboo that shall be overcome
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## **V. Suggestions:**

SUGGESTION 1: culture officers can be appointed on local level, paid by the municipality, their task could be to motivate people and create local partnership

SUGGESTION 2: On EU level the same rule could be applied: 1% or 0,5% of all EU investment shall be spent on decoration or on creative design, it could be a real motivation for the development of the creative sector by providing real financial support for them.

## CREATIVE GROWTH MEETING, VEJLE, 22<sup>nd</sup>-23<sup>rd</sup> JULY 2010

### THEMATIC WORKING GROUP – BUSINESS NETWORKS

Graham Weir, Chair 6<sup>th</sup> June 2010

#### Meeting Agenda

The Thematic Working Group (TWG) aims to identify innovative and good practices in creative industries networks, drawing up recommendations that will contribute to a report, by Creative Growth, to the European Commission.

At the third meeting of the TWG, the aim is to add to and collate the information gathered, agreeing on which good practices should be recommended and why.

Aspects of the final report have been written in draft form (attached with this email), giving the context in which the TWG operates. In order for the report to be completed, the group needs to consider the following at the Vejle meeting:

1. **What criteria are used to choose good practices?**  
*A number of examples have been submitted at the Asturias meeting; the group should discuss these further and decide on the terms by which they are evaluated. Further information is sought from each submitting region prior to the meeting (see table below).*
2. **Are the practices specific to individual regions, and therefore appropriate for dissemination?**  
*The group should ensure that the practices are not already in the mainstream of activity in other regions – this process can take place following the last meeting of the group.*
3. **Identification of missing and desirable attributes.**  
*Using the concept of 'The Perfect Network', the group will detail the attributes that it considers important for the success of networks and how these may be achieved (through regional/EU support, etc).*

#### Activities In Advance of the Meeting

The minutes from the meeting in Asturias include a table that summarises the responses to the questionnaire. Based on these responses, group members are asked to seek further information as detailed in the table on the following page. Information can be submitted in advance to group members via Graham Weir ([g.weir@napier.ac.uk](mailto:g.weir@napier.ac.uk)) or can be submitted at the meeting. Group discussion will take place, using the questions above as a starting point.

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<b>MEMBER/NETWORK</b>	<b>INFORMATION FROM MINUTES</b>	<b>QUESTIONS</b>
Marta Quirós Garcia Patricia Martin <b>MOTIVA</b> Spain	<i>'They teach and motivate graphic design involving different sectors of the society'</i>  <i>'They believe that cultural events and design can dynamise the region'</i>	How is the teaching and motivation funded?  Is there any formal evaluation evidence to show this?
Eva Lundgren Stenbom <b>LASSO</b> Sweden		How did Lasso achieve funding? What is the management structure? How will achievement be evaluated?
Mattias Ahlén Anna Jacobson <b>KRUT FUNK</b> Sweden	<i>'there are some non motivated members'</i>	This is a common problem; is any work being done to motivate (or exclude) these members? Any suggestions?
Arunas Karlonas <b>Business incubators in IT sector</b> Lithuania	<i>'Kaunas has a 3 year support system'</i>	How is this funded? Is it selective and if so what are the criteria for funding? (This may be more relevant to Incubators TWG).
Staffan Lind <b>KC Network</b> Sweden		Are there aspects of this that are specifically networking? Does the network have a link to the consultants or are they independent? Is there evidence that the network's strength keeps the poicy successful?
Balázs Varga Eszter Balázsy <b>MODEM</b> Hungary	<i>'they got information and lot of events especially for the members'</i>	More information is requested – how does the 'club' function as a network, in terms of supporting the development of creative actors' careers?
Mincho Kazanclziev Nayden Valchev <b>RAM</b> Bulgaria	<i>'It is a self-financing association with 800 members'</i>	This sounds like a very active organisation – is it possible to have some more information on the management structure, the constitution, the programmes of meetings, and any evaluation of its results?
Jeanette Kristensen <b>INNOVAEKST</b> Denmark	<i>'they used creativity to expand business'</i>  <i>'This helped business to develop</i>	How did this function? What was the result?  Is it possible to have some

	<i>business innovation strategy. Network facilitators helped to share good and bad experiences'</i>	published information (translated for TWG)?
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In addition, the TWG will address the following questions:

- **Why do networks fail?**  
*Many networks start with enthusiastic members, but a few years later activities have slowed down; look at the website and the last posting could be several months ago.*
- **Can a network exist as online only?**  
*What are the aspects of networks that are desirable and that can't be delivered online?*

If you have any specific questions you would like the group to address at the meeting in Vejle, please email them to Graham Weir.

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# CREATIVE GROWTH

## THEMATIC WORKING GROUP : BUSINESS NETWORKS

Minutes of the Meeting held in Vjele, Denmark, 22-23 June 2010

### PRESENT:

**Graham Weir** (Chair) **GW** *Edinburgh Napier University, Scotland*  
**Balázs Varga** **BV** *Észak-Alföld RDA, Hungary*  
**Helen Hagglund** **HH** *Southern Småland, Sweden*  
**Eva Lundgren-Stenbom** **ELS** *Lasso, Sweden*  
**Arunas Karlonas** **AK** *Kaunas Governor's Administration, Lithuania*  
**Marta Quirós Garcia** **MQG** *IDEPA, Asturias, Spain*  
**Jeanette Kristensen** **JK** *Municipality of Vjele, Denmark*  
**Mincho Kazancliev** **MK** *RAM Central Stara Planina, Bulgaria*

### APOLOGIES:

**Eszter Balázsy** **EB** *Észak-Alföld RDA, Hungary*  
**Staffan Lind** **SL** *KC Syd network, Sweden*

### 1. Welcome

The Chair welcomed the working group members and tabled apologies.

### 2. Minutes of Previous Meeting

No issues arose; the Chair did not attend the previous meeting and minutes were supplied by Eszter Balázsy, who was not in attendance at this meeting.

### 3. Agenda and Discussion

The meeting agenda was distributed to members in advance, asking them to consider and elaborate on issues from the previous meeting (as listed in the minutes from Asturias), and to address the following issues:

- What criteria are used to choose good practices?
- Are the practices specific to individual regions, and are they therefore appropriate for dissemination?
- Identification of missing and desirable attributes.
- Why do networks fail?
- Can a network exist as online only?

### 3.1 Matters arising from meeting on 22<sup>nd</sup> June

Wide ranging discussion ensued, with all of the issues above overlapping (rather than being addressed separately). Details of the discussion follow.

**MQG:** IDEPA is involved in the **Enterprise Europe Network** ([www.enterprise-europe-network.ec.europa.eu/index\\_en.htm](http://www.enterprise-europe-network.ec.europa.eu/index_en.htm)), an EU-funded organisation for business networking that focuses on getting products to market. EEN has recently established a Creative Industries sector group, following requests from CI actors (EEN had not identified CI as a separate sector prior to this). Members expressed an interest in finding out more for their regions. **Action:** MQG to provide further information.

All members are enthused by the idea of endorsing adoption of **Sweden's** 'policy' (actually a recommendation) that 1% of any building project be used for public art; this is seen as a driver for creativity, as artists and sculptors have a recurring outlet for their work. In Sweden, many artists are consultants to the scheme (networks and associations often take responsibility for selection of works). As this policy does not, strictly speaking, relate to networking, it will not be investigated further by the group.

There was some discussion on the size and lifespan of networks. In **RAM Central Stara Planina**, the network is so large that smaller networks have broken away (such as one for architects). Members agreed that a lifespan, with a set cutoff date, can be a positive attribute for a network. Network members then know they have to take advantage of the opportunity, and it solves the problem of 'failing' networks, where they fizzle out due to lack of interest, or due to the desire for something new.

The issue of Evaluation was discussed; **JK** gave a presentation on the Innovaeskt network from Denmark, which had used empirical evaluation to determine and prove success (68% of companies experienced growth, etc). It was felt that this was a very useful case study for the TWG report. Similarly, IDEPA (Asturias) was able to demonstrate success through the fact that the model for a graphics network had been adopted in other regions, it was the basis of a marketing and awareness campaign, and Asturias has become identified with graphic arts. **Action:** JK to provide further detailed information on Innovaeskt.

The group explored the borders between associations and networks. It was noted that the association model could be useful when adopting a formal structure, but that attractive aspects of networks, such as social spaces and creative brainstorming, would be required to comprise a proper network. JK and HH commented that Danes and Swedes were very willing to start and join associations.

Some discussion took place on the value of face-to-face interaction as opposed to Facebook-style internet networks. It was generally felt that the TWG should focus on face-to-face. Members suggested that network users could be given incentives (tax, etc) to use their space for network events. Regions have different approaches to networks' eligibility for tax relief; in some areas, if a network has an agenda, it is a legitimate business expense and therefore can be offset against tax.

ELS tabled the VRIO method as a useful evaluation tool - Value/Rarity/Imitability/Organisation. If all four criteria are positive, any project has a strong chance of success. **Action:** ELS to disseminate further information on VRIO evaluation.

Members felt that it was particularly important for networks to establish a goal. Potential members need to be able to identify what they are seeking from a network. It was agreed that of particular importance was the need for a funded administrator. The criteria for this

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person could be developed by network members. In addition to the usual skills, a good administrator will have a broad understanding of the members' areas of expertise and, very importantly, will have access to politicians and policy makers. Members felt that it was important to involve influential public sector figures from inception. Members expressed frustration about the common problem of government and council departments not communicating.

### **3.2 Points relating to draft report**

A draft framework for the TWG report had been circulated prior to the meeting; members were asked to consider the layout and suggested content and offer suggestions and comments. These are detailed below.

#### **Para 1.1 General Definition**

In the last paragraph, address difference between networks and associations.

#### **Para 1.3 Importance of the theme for the creative sector**

Expand this to include reference to the work of Richard Florida and to the political and economic situation, with reference to Green Paper, EC reports, etc.

#### **Para 2.1 Choice of good practices**

In order to enable identification and choice of good practices, members were asked to provide the following:

- A paragraph that gives background context, describing how networks work in the region – is it a new idea? Well established? Part of the culture? Government/Council funded?
- A paragraph describing the function of a network in their area, what the good points are, any missing attributes from which it could benefit, size, title, etc.

#### **Actions:**

- HH to decide on network after discussion with SL.
- JK will provide information on three networks: Innovaekst, Green Enterprise and Heartblood.
- MQG to report on graphics network in Asturias
- ELS to report on Lasso
- AK to report on Digital IT network/incubator
- Bulgaria and Hungary to investigate further and report as appropriate
- GW to report on Creative Arts Business Network and/or 38 Minutes network, Scotland

### **3.3 Matters arising from meeting on 23<sup>rd</sup> June**

Members were asked to consider and respond to the following:

- Exploring 'innovative' practice – using social networking for marketing and creativity
- How does the network function in my own region, and is it adaptable to other

regions?

- How do networks involve politicians and policy makers?
- Should networks be respectable and at the heart of business, or do they need to be outside the mainstream?

Once again, discussion was wide-ranging and overlapping. JK felt that the work of Richard Florida should be considered, particularly in the context of creative cities and how location can foster creativity.

All members thought that the use of social networking, particularly Facebook, was crucial to the success of creative enterprise. More business-orientated sites such as LinkedIn were felt to be very valuable too. MQG stated that access to networks and internet was now a basic human right, invaluable as a tool of communication, with an impact that is much greater than the sum of its parts. She felt that the EU should support social networking as a valuable tool. Members strongly believe that the TWG should recommend training in the use of social networking, including in the use of diagnostics and Google Ads, which are vital marketing tools. Many members felt that social networking through phones and computers should be at the centre of marketing activities; this would be even more effective if 'dressed up' as entertainment. **Action:** GW to investigate and commission an appendix for the report, if appropriate.

On the issue of involving politicians in network activities, many members pointed out that that communication is key to success. JK and AK stressed that politicians should be kept involved in activities and events, and should be included in all communications and publicity. MQG stressed the issue of balance – networks can have too much political input, too, which can reduce efficiency and impact.

#### **4. Close and Next Steps**

The Chair closed the meeting, thanking members for their generous contributions. Following submission of the requested information detailed above, the Chair will compile a draft report and distribute it to members for comment.

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