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for James

**From:** Barbara Orton [barbara@truetvandfilm.co.uk]  
**Sent:** 27 September 2004 15:47  
**To:** info  
**Subject:** Re the September consultation - from Barbara Orton[Scanned]

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Dear Commission,

Just to contextualise my interest and contribution to the cultural commission, I am an independent producer and documentary maker for broadcast TV, festivals and cinema, with an independent production company (True TV & Film Ltd), based in Glasgow. I am also PACT Scotland Affiliate Companies rep. PACT is the trade association for independent production, and they endorse these views.

I would like to submit a couple of pages to suggest a re look at the development of the cultural industries 'micro' business sector. It's about time the Scottish Executive got excited by the effective development of this particular cultural media production sector in addition to the industry model for development it now primarily follows, as do it's agencies.

The two pages argues for more constructive thinking than the current, which seems to amount to 'if media companies are any good they will grow much bigger, if not they will go to the wall, and that will be good for Scotland, because the market is too small for too many big companies'. Defeatist thinking , or what?

These two pages gives an intro argument for a different vision, and some detail of suggestions of how it can be different , and additional to what's going on at present. What is being said can also apply in the main to other cultural industry models in addition.

Best regards,

Barbara Orton.

## **Innovative ideas for the Business Development of small (micro) Creative Industry Companies.**

**Context:** Lots of effort by public and private agencies in Scotland has gone into supporting large companies grow successfully, to get the big production building blocks in place. Then it was acknowledged that 'new' talent initiatives needed to be set up to feed in to continually re new the infrastructure.

These are all underway, time now for some new thinking re the small companies – to get beyond the notions of small companies will grow into big ones if they are any good, or 'go to the wall'. This thinking is unconfident thinking, and a waste of some tremendous creative and entrepreneurial talent, especially in the creative industries. Time now to come up with some innovative development strategies for small to micro companies (the reality in small countries) for some of the diverse and entrepreneurial companies who are not necessarily going for the big company business model, but who want to grow. Some companies are at present falling out of the 'loop'. Taken together they have great potential as a creative industry micro 'sector'.

### **What loop, how?**

- **Turnover criteria:** the familiar fluctuating turnovers small companies experience means they are missing out on current opportunities for company development investment and likewise, qualifying criteria for market attendance support (Scottish Ent Export depts)
- **Training that gets results - eligibility criteria :** because of eligibility criteria like the above, small companies fall out of the current training initiatives that are under the broadcaster 'wings' (ie the ones that broadcasters have an investment in seeing work to bring in new talent, not necessarily 'new entrant' talent). These initiatives develop skills, knowledge, important relationships, broadcaster commitment, market intelligence for participants. Broadcasters want experienced, trusted talent, local producers can only match up if they go on their recognised courses or supported initiatives and meet them.
- **Alliances:** Many Scottish companies are trying to forge alliances with other companies to grow or access more markets, in line with public and private agency policy expectations. Relatively few small companies seem to be making them work. Is it too narrow and prescriptive a vision for growth in Scotland? Have small companies got different innovative visions and strategies? (nb Is there data on how 'alliances' or Clusters work larger scale? There are new business models, for eg **working micros globally networked**, linked as working and regular co-production partners.

Most ambitious small Scottish companies want to grow, but how big? Can companies making business decisions to stay small and 'lean', who are developing new business models be taken seriously as significant players if seen as a sector? Can they stand for *diversity* amid the bigger players, but feed into the freelance local talent pool for the benefit of the bigger players as 'hires', while for their own benefit, increasing their own company income streams. Could they grow into 'mortar' companies to cement in the bigger building block companies now? (Yes)

### **Who are these companies?**

The following are 6 successful small Scottish Companies following different business models and strategies to achieve their goals. Interestingly, 5 out of 6 have International market strategies - co-financing, selling making necessary relationships for 3-5 years. There are more.

**Posh Pictures** – has just won the Emmy for Best Doc 2003. Now diversifying into developing drama, fiction and feature films.

**Taylorod Productions** – recently delivered a £300k + International documentary co- production 'Hell and High Water. Also developing fiction.

**Colour TV** – 'started' with BBC Choice, has had some success with network commissions, especially through previous broadcast relationships.

**Autonomi** – Innovative, experienced Dir/Camera and new Producer coming out of the Research Centre researcher training initiatives. International track record, factual output from documentary to (Ch4) News. Diverse production.

**Umbrella Productions** – award winning, specialise in internationally co-produced drama and features. Small 'partner' company.

**True TV and Film** – award winning documentary films, part of an international network of producers and distributors producing and selling for UK and international markets.

All these companies significantly employ freelancers, rather than FT people, from a growing pool of talented professionals in Scotland (the aim of the new talent training initiatives?). Their business strategies do not necessarily aim to build up permanent staff and/or looking to low budget, high volume returnable series for UK television to keep them employed, or for 'consolidation'. Their business models in general are about low overheads, **networks**, entrepreneurial and risking innovation, and seeking bigger markets. They attract freelance work and finance to Scotland. More work is good for everyone.

**It is suggested that in the efforts to develop the larger companies, these successful smaller companies have fallen off the policy agenda.**

Over the last few months, mainly through PACT membership meetings, 'Pact Lunch' discussions, pub gatherings, general opinion gathering and written information has resulted in a number of suggestions to take forward to give small micro companies innovative leg ups.

- the idea of a junior company development scheme, designed to meet their business vision and growth plan, with the relevant agencies be taken forward (who by?).
- more accessible qualifying criteria agreed for financial support towards market attendances, London business trips etc, for smaller companies. Track record rather than turnover criteria could be used for eg.
- The Research Centre and relevant agencies can be lobbied to develop 'a broadcaster backed producer training scheme for talented, but 'unrecognised' by the London media Scottish producers to develop their skills producing for network and series (in addition to the existing Exec Series Producer scheme). Their own report 'Risky Business' identifies, unless there are relationships and recognised experience in place by the broadcasters in their commissioning and business affairs depts (which can be done through training programs like these), Scottish based producers will not get the jobs.

Every company has it's own business strategy for it's own market. Research shows small and large companies alike relationships are crucial to broadcast commissions. (ref Risky Business)

Staying 'small' is going against current market trends, however small to medium are under threat because of their overheads. It can be argued of all the 'smalls', small to micro – the most common in creative industries, has more mileage currently, because of their tiny overheads – many work out of their homes. Staying small does not mean they don't think BIG.

Staying small, thinking BIG. These development suggestions could go towards adding another vibrant, diverse and innovative layer to the Scottish production sector, allowing (training) the 'smalls' to think big, instead of writing them off with negative sink or swim thinking.

**To develop micros and small companies we need to change the way we think about them, the qualifying criteria for business support, and look to develop policy for agencies to broker and support micros and small companies into their markets.**