

Development Strategy for
Entrepreneurship in the Creative
Industries Sector for 2015

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1 Development strategy for entrepreneurship in the creative industries sector

1.1 Objectives

Common strategic intent

Finland has been lacking a national development strategy for entrepreneurship in the creative industries sector. One of its key targets is to achieve a common strategic intent. This is equally essential at the national, regional and local level. The objective is to have companies and various development and funding bodies work towards a common vision in the future.

The strategy aims for increasingly better allocation of existing funding and for better utilisation of the EU framework programmes in the future. It will focus on the most essential actions to promote the growth and internationalisation of companies in the creative sector. The objective is to turn this strategy into a process that implements the specified actions and spearhead projects, but also predicts and directs the work according to changing conditions.

Growth and internationalisation of enterprises

The objective of the development strategy for entrepreneurship in the creative industries sector is to improve Finland's competitiveness in line with the Lisbon Strategy. The target is to achieve growth and internationalisation in creative enterprises. Another objective is to discover measures to reinforce competitiveness in other sectors with the business development in the creative sector. For example, the development of marketing communications and design know-how will also promote the growth in business operations of other companies in the future.

1.4 Strategic objectives 2015

The strategic objectives of the development of entrepreneurship in the creative industries sector are:

- 1 To create a favourable operating environment for creative companies, which also encourages inventiveness. Companies need an operating environment at both the regional and national level where their special features are not a threat but an opportunity. That way, new kinds of products and services can be created for various sectors.
- 2 To develop the business operations of creative companies in such a way that even more companies have the opportunity to grow and go international. This requires an ability to identify spearhead companies while investing in the internationalisation of smaller ones.
- 3 In product development, to focus on internationally competitive, high-quality products that also respond to customer needs. The aim is to find new new forms of funding in product development.
- 4 To create a professional producer and manager grade for creative industries, working in an international environment. Companies have multi-sector management experts who can take into account the special requirements of creative processes.

1.6 Strategic focus areas

The development strategy for entrepreneurship in the creative industries sector has the following four strategic focus areas:

- 1 Development of the operating environment
- 2 Growth and internationalisation
- 3 Product development
- 4 Reinforcement of expertise

Improvement of companies' competitiveness is the most important strategic issue in the development of entrepreneurship in the creative industry sector. While the performance of individual companies is boosted, they will improve the competitiveness of the entire sector and consequently the national economy. Co-operation in the Finnish field of activities is the prerequisite for the improvement of companies' competitiveness. Focus areas and the measures to implement them arise from nationally identified needs and the reinforcement of regional strengths. The national, regional and local levels work in co-operation in order to fulfil a common vision. Actors at the different levels must also become international.

Issues and factors related to the development of the operating environment act as facilitators and creators of preconditions to generate and develop entrepreneurship in the creative sector. The objective is to develop foresight, compiling of statistics,

networking within the field, and co-operation with other sectors, as well as to solve problem areas related to copyright and taxation through related measures. Communication and influencing attitudes are an integral part of the development of the operating environment.

Growth and internationalisation are significant for creative entrepreneurship with respect to the future. For the companies to grow and go international, their business expertise must be in order. This will be developed by actors specialised in the field, as well as by traditional developers of the business field.

Improvement of product development expertise is closely connected to finding particularly new forms of funding especially for the production of demos and prototypes. Market research also requires increased funding.

In addition to the good substance expertise of creative entrepreneurs, Finland will need increasingly stronger producer and manager expertise. Know-how and interdisciplinarity related to entrepreneurship will be reinforced.

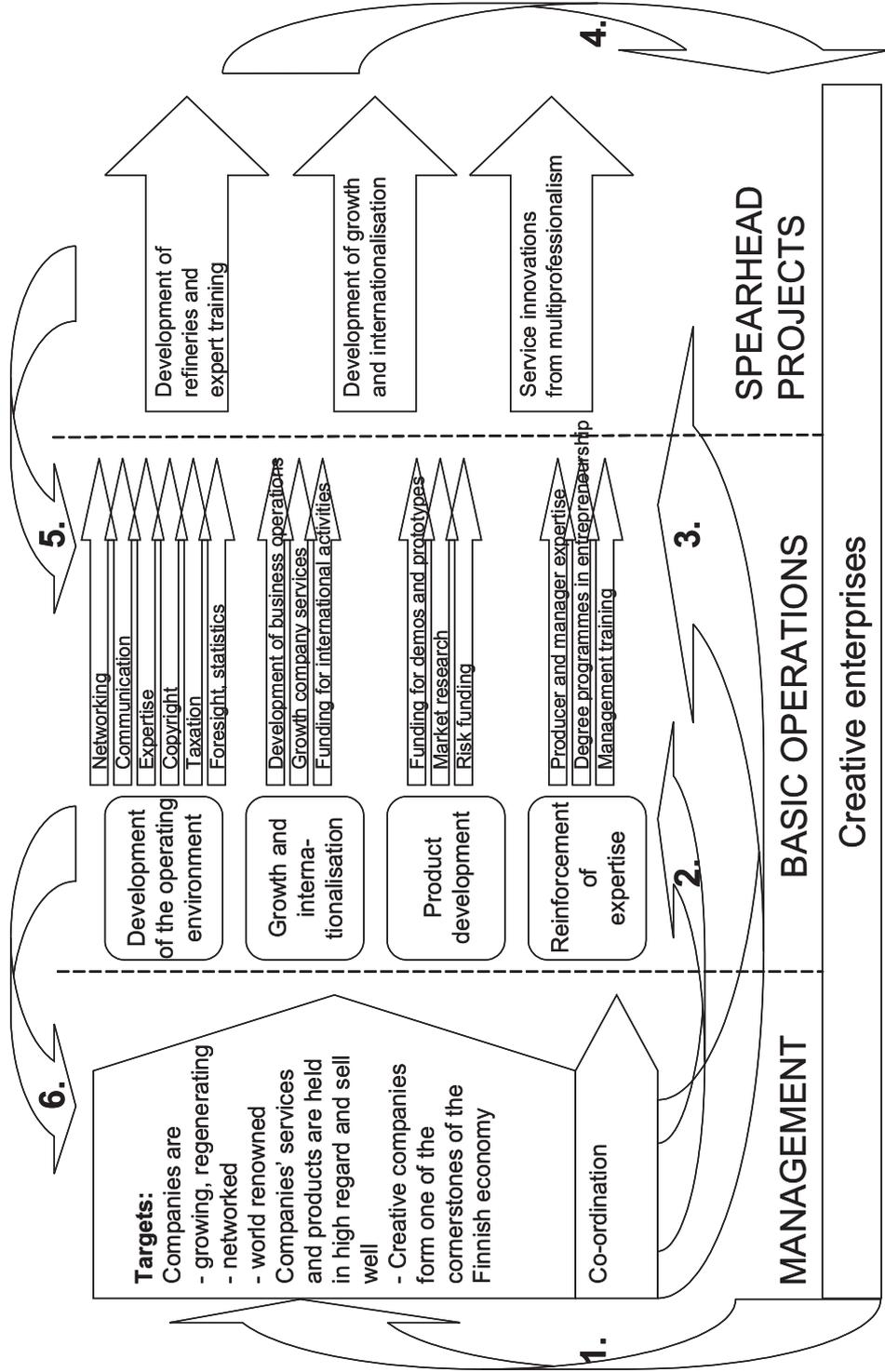
The promotion of all of the strategic focus areas requires good co-ordination of a field that has many actors.

1.7 Development Strategy for Entrepreneurship in the Creative Industries Sector for 2015 – the process aspect

The development of entrepreneurship in the creative industries sector is a continuous process. The objectives set for 2015 are the starting point for its implementation, which is guided and monitored through co-ordination. The most important target of the development work is to improve the business operations of companies. The companies' targets are guided by their needs (1).

Through leadership, the targets direct the four focus areas of basic operations (2), which are the development of the operating environment, growth and internationalisation, product development, and reinforcement of expertise. Targets also have an impact on the implementation of measures in basic operations (3).

Prioritised development measures are implemented by spearhead projects. The implementation of spearhead projects promotes the business operations of companies (4). In future, they will also shape the redirection of focus areas and measures (5), which will have a further impact on the targets (6). The spearhead projects will promote new and innovative activities in the future.



2 Finland's competitiveness is reinforced by creative enterprises

Creative entrepreneurship is seen as a globally growing area. According to the Economy of Culture report, commissioned by the European Commission in 2006, creative industries and culture are deemed to drive economic and social development, as well as innovations and cohesion. They also promote the economic activities of other industries, especially in the ICT sector.

According to the Economy of Culture report, the value of the cultural and creative industries sector in 2003 exceeded EUR 650 billion in the EU region, outweighing the motor industry or the ICT sector. In 2004, the sector employed 5.8 million people, which accounts for 3.1 per cent of the total working population. It grew 12.3 per cent faster than other economic sectors. According to PriceWaterhouseCoopers, more growth is forecast especially in content production related to the ICT sector.

2.2 Current situation of creative enterprises

2.2.1 What are creative enterprises in Finland?

Different countries have given various definitions to creative industries. For the time being, there is no coherent, global definition because every country has specified the industries from their own starting points. Almost all publications on the industry published in the past ten years have drawn attention to this definition problem.

However, national definitions have been made throughout the world. According to the widest view, creative industries include all those that create copyrights, patents or trademarks. They are therefore seen as business operations based on the commercial utilisation of intangible assets. The term of creative industries has similarities with, for example, the following concepts: the cultural industry, the experience industry, content business operations, and the copyright sector. Of these, the concept of the copyright sector is largely consistent with the definition of creative industries. It also covers the software business, which has a lot in common with the creative industries.

For the purpose of this strategy, definitions from various parts of the world have been examined; from Australia, the Netherlands, Great Britain, Canada, Sweden,

Singapore, Denmark, New Zealand and the United States. The definitions are based partly on online material, partly on printed sources. Publications published at the end of 2006 have also been studied; Kulttuurin arvo? (The value of culture?) published by the Ministry of Education and the Economy of Culture report published by the European Commission. A summary of various definitions is enclosed in Appendix 1.

In connection with the development strategy for entrepreneurship in the creative industries sector, the definition is based on international models applied to the Finnish conditions. The Finnish definition has been compiled by a working group that carried out the strategy work. The objective of the definition is to specify creative enterprises in Finland. The definition is open for the time being because creative industries are constantly changing and developing. Due to rapid technical development, they may include fields, which are not yet identified in Finland or which are currently marginal.

Creative industries in Finland include the following sub-sectors and are examined in this development strategy from the aspect of entrepreneurship:

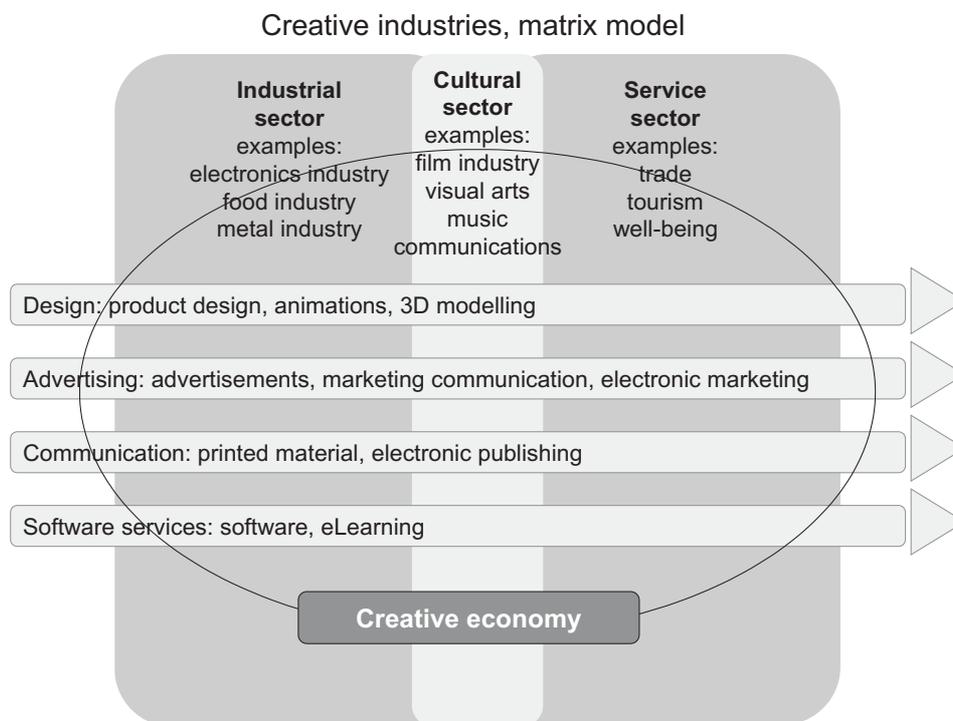
- animation production
- architectural services
- film and TV production
- visual arts and art galleries
- handicraft
- sports and experience services
- advertising and marketing communications
- design services
- music and activity services
- games business
- radio and sound production
- art and antique trade
- dance and theatre
- communication

Most of the above-mentioned sectors are also related to the distribution of products and services, which is, due to digitalisation, undergoing a transition with digital distribution channels taking over traditional forms of distribution.

It must be taken into account in the definition that the business operations in the creative industries are closely connected to almost all industrial and service sectors, especially with respect to design, advertising, marketing communications and animations. The significance of this point of convergence will grow because an in-

creasing number of product and service entities based on copyrights will be sold in the future, and they are created with business operations in the creative industries.

Traditional creative sub-sectors, such as the visual arts, music, dance and theatre, will also gain an increasingly significant role, for example, in the new service products and concepts in tourism and welfare. Sports and exercise are part of the development of leisure and experience services.



Picture 2. Business operations in the creative industry are a significant part of both the industrial sector and the service industries. Together they form a field of creative economy in Finland.

2.2.2 Creative entrepreneurship in Finland

Statistics Finland publishes every other year a publication called the Cultural Statistics, which deals with, for example, companies and places of business in culture, mass media and leisure. According to the statistics published in 2005, in 2004

there were a total of 14,517 companies in the culture, mass media and leisure industries with a total of 62,937 employees and a turnover of 12.6 billion euros.

In the report entitled *Onko kulttuurilla vientiä?* (Staying Power to Finnish Cultural Exports) published in 2004, Statistics Finland studied the economic significance of cultural production in Finland. The report states that according to the Business Register of Statistics Finland, in 2002 there were 14,263 Finnish companies operating in the cultural sector, which is six per cent of all companies. This figure includes sectors related to the arts, artist activities, mass media, design, advertising, entertainment electronics and certain leisure services. In the same year, the share of cultural production companies of the total turnover of all companies amounted to 11.7 billion euros, or 4.3 per cent. For example, the games industry is not included in the figures.

For the time being, the total share of creative entrepreneurship of the Finnish gross national income has not been reported because the gathering of statistical material is challenging with the lack of sector definition. However, various indicative studies have been conducted. The Media Unit of the Turku School of Economics has investigated the number and development of Finnish companies for 2000–2005 for the Economy of Culture in Europe research. The Ministry of Education together with Statistics Finland has launched a satellite study on the economy of Finnish culture, to be completed in 2008.

In the structural fund programme period of 2000–2006, a total of some 65 million euros of various project funding were spent on creative entrepreneurship. The number of projects was high, 158 in total. The figure is indicative because due to the concept definition it has been impossible to make an accurate definition of the projects. Some of the projects have included measures aimed at the development of several sectors or only part of the project contents has focused on the development of entrepreneurship. On the other hand, it has not been possible to clarify all of the projects, and therefore projects aimed at creative entrepreneurship may be missing from the figure.

2.2.3 Strengths, weaknesses, possibilities and threats

It can be deemed that creative entrepreneurship has various strengths, weaknesses, possibilities and threats. These have been outlined with a swot analysis, a more extensive description of which is enclosed in Appendix 2.

The weaknesses of creative enterprises include the heterogeneity of the business sectors and the diversity and incoherence of the developer network, which is partly

due to a lack of national co-ordination and strategic expertise. Most companies are micro-companies with poor business management skills. The domestic market is small, the distribution channels are poor and the value chain is uneven.

The strengths in creative enterprises include the high-standard creative training and substance expertise of entrepreneurs, as well as good products. Finland has a good reputation throughout the world, its national economy is in order and its technology know-how ranks among the best in the world. Some sectors, such as the music and the games sector, have gained success in exports.

It is a threat to creative enterprises that entrepreneurship is not attractive to experts and companies do not want or they are not able to grow and go international. Another threat is the fact that the business opportunities in the creative sector are not understood at various levels of decision-makers, which means that the companies in the field do not receive sufficient development support. Moreover, unresolved copyright issues make it difficult for companies to grow. Another threat is the fact that it is easy to copy contents.

Creative enterprises have a lot of opportunities. One of these is the creation of a strong common strategic intent between companies and various developers. There is more and more demand for products in the creative sector, for example, due to changes in leisure-time activities. The best possibilities are in the development of existing companies and in the strengthening of their business management skills. Strengthening of innovation processes between sectors, utilisation of multi-professionalism and networking also create opportunities. Creative opportunities must be opened for various developers. There are also possibilities in the improvement and internationalisation of producer and manager expertise and in the increase of exports. There must be better utilisation of funding instruments and new distribution channels.

<p>Strengths</p> <ul style="list-style-type: none"> • High-standard education and substance expertise in the creative sector • The products are good • Functioning domestic market • Standard of technology expertise top of the world • Export as a possibility • Finland's good reputation • Strong cultural heritage • Finland's economy is in order 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Business field is heterogeneous and incoherent • Developer network is diverse and inconsistent • Poor business management skills • Small domestic market • Weak distribution networks • Uneven value chain • A lot of micro-enterprises • Lack of strategic planning • Developers of entrepreneurship have too little information about the sector Funding instruments are not suitable for the development of creative micro-businesses and SMEs • Contents and technology do not meet
<p>Possibilities</p> <ul style="list-style-type: none"> • Common strategic intent • More and more demand for creative products • Development of existing enterprises • Taking the customer perspective into account • Improved business management skills • Utilisation of multiprofessionalism • Networking • Opening the possibilities of the creative sector to business developers and decision-makers • Improvement of producer and manager expertise • Internationalisation and increased exports • Utilisation of funding instruments and their development 	<p>Threats</p> <ul style="list-style-type: none"> • Risks in entrepreneurship are not attractive • Contents are easy to copy • Possibilities of the creative sector are not understood by various levels of decision-makers • Enterprises remain in the domestic market • Unresolved copyright issues restrict growth • Funding is not allocated to a sufficient extent • Companies do not want to grow • Companies do not network • Finland cannot keep up with the international competition of creative sectors •

2.3 Change factors and weak signals having an impact on the future

The creative sector is more sensitive to identify change factors and weak signals than the other sectors. Often, weak signals come from the creative sectors because the actors are trend-conscious and constantly seek something new. Other sectors could benefit from this.

2.3.1 Foresight

The operating environment of companies is changing at an ever-increasing pace, and therefore various change factors do not necessarily define the future in the same way as before, like with megatrends. However, they do still exist as a phenomenon or an entity of phenomena, which can be seen to have an identifiable direction. This will also continue in the future, based on the development so far.

The objective of the FinnSight 2015 foresight project, produced by the Academy of Finland and Tekes, the Finnish Funding Agency for Technology and Innovation, was to create opportunities to build areas of expertise important with respect to science, technology, business and industry, and society. In this work, the key change factors identified were globalisation, population changes, and science and technology acting as an agent of change. Other change factors included changes related to expertise, sustainable development, work and mental resources, control and safety, and the cultural environment.

There are a number of change factors having an impact on the business operations of creative companies. The impacts of globalisation can mostly be seen as positive because the markets opening for Finns that way are more extensive than before. Creative enterprises do not transfer their operations from Finland as easily to countries with cheaper manpower as companies in basic production because their business operations are based on individual skills. Globalisation increases competition, which is impacted by, for example, the current development of mobile content in Asia. However, the Asian market is growing for creative enterprises. With globalisation, the significance of the management and use of trademarks and incorporeal rights is increasing. Utilisation of electronic marketing media and making their purchase easy are gaining competitive advantage. With respect to creative enterprises, this means change especially in advertising. When Finnish companies in marketing communications master the branding of trademarks and the new marketing media, they can also gain competitive edge for companies in other sectors.

As far as population changes are concerned, population growth on the global scale and the ageing of the population in developing countries are significant with respect to creative enterprises. The consumer habits of the population change along with age. The baby boomers will have retired by 2015, having more money to spend than the older generations. As the population ages, the need for health care and nursing services increases. Creative enterprises can provide growth opportunities for health-promotion and preventive services.

The availability of information is growing at a phenomenal rate. Complicated reciprocities increase the need to analyse and understand information in a new way. These may create an opportunity for new products and services produced by creative companies. Learning is moving outside formal education to an increasing extent. Technology enables the omnipresence of learning. This will create opportunities for many new products and services.

Sustainable development is related, for example, to an increased global environmental responsibility. With its increase, the consumption of conventional consumer goods in the developed countries may move towards the purchase of services that are more environmentally benign. The environment may also become a luxury commodity, which may be a positive thing, for example, for Finnish experience tourism.

Work and people's mental resources are subject to changes. The significance of experts and the need for multiple skills also grow in creative enterprises. People have more leisure time, but it is distributed more unevenly than before. This will provide growth opportunities for creative enterprises. On the other hand, it will also bring challenges because those with the most purchasing power are busier than ever.

Changes in the cultural environment play a key role for creative enterprises. Cultures become more diversified which means that homogeneous cultures and customer target groups become fragmented. Creative products and services are directed at increasingly targeted, smaller sub-segments. People seek more and more entertainment and experiences, which is a significant enabler of growth in creative enterprises.

2.3.2 Weak signals

Weak signals are ideas or trends that have an impact on companies or their operating environment. They are new and unexpected from their recipient's point of view. It is sometimes difficult to identify them amongst other signals. They may be

both threats and possibilities for enterprises and they may often be underestimated. It takes time for them to join the mainstream, but they represent an opportunity to learn, grow and develop.

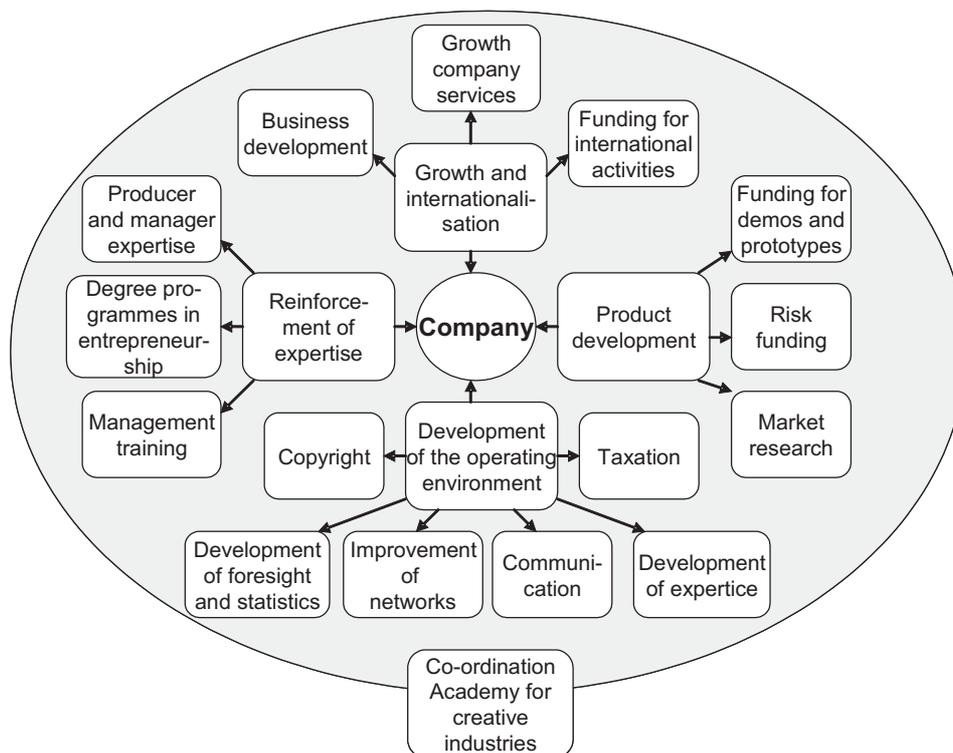
The objective of Tekes's Signals 2006 project was to find new development paths to make reforms in trade and industry. It is interesting that the responses received through the project indicated that competition and co-operation are deemed to be close to one another. Technology and the environment were also connected in the responses.

The demand for speed, dynamics and agility and, above all, courage was emphasised. This will provide challenges for creative enterprises because it is likely that the above-mentioned qualities will be required of them to an increasing extent. According to the Signals 2006 project, the threats included a weakening financial situation, such as a rise in the level of interest, the effects of demographic factors, such as ageing, and the development of the political situation in Finland's neighbouring areas.

As a result of the project, weak signals detected included the need for courage and the rise in community values. According to the project, arts are involved in the building of welfare, which means that creative entrepreneurship is gaining strength. Its sub-areas are connected to the arts in many different ways. A lack of stress is also deemed to open new business opportunities, which may mean marketing opportunities for new kinds of experience products in all sub-areas of creative entrepreneurship. The fact that overseas purchasers take innovations abroad, in which case the Finns concentrate on the export of methods and processes, was deemed as a weak signal. This may also be an opportunity for creative enterprises, but it requires expertise in productification of processes.

3 Development measures for creative enterprises in 2007–2015

The focus areas and measures of the development strategy for entrepreneurship in the creative industries sector are based on the improvement of a company's business operations. The strategy aims at this through four focus areas. There are a total of 15 measures to implement the focus areas. The implementation of focus areas and measure is directed by co-ordination. The academy for creative industries supports this co-ordination by developing expertise and identifying the messages of weak signals on the development in the field.



Picture 3. Strategy map – company's aspect

3.1 Development of the operating environment

3.1.1 Improvement of networks

The improvement of networks in creative entrepreneurship is essential due to the network-like process of the business operations and in order to distribute good practices. Networking takes place at different levels; between companies in the field, between developers and between actors in the entire value chain. Internationalisation requires its own networks.

Networking between creative industries and other sectors is important. Flagship companies help to create new kinds of business operations in the multiprofessional interfaces of various industries, such as tourism and welfare services, utilising the products and services of the creative industries. Closer co-operation between the creative industries and technological development is also necessary for the technology of various equipment and content production to meet in a better way. The commercialisation of multiprofessional products and services is essential.

3.1.2 Communication

Communication is essential in the implementation of the development strategy for entrepreneurship in the creative industries sector and in the strengthening of a common strategic intent. Its key target is to have an impact on the attitude change required in the implementation of the strategy. The task of communication is to change the basic attitude to be more positive towards entrepreneurship in the training in the creative industries. Another important task is to have an impact on the identification of the opportunities for the creative industries in Finland. Most creative enterprises are micro-companies with good chances of success when the enterprise development expert services identify these chances and receive a sufficient amount of industry information. Communication also acts as an enabler of closer co-operation between networks.

3.1.3 Development of expertise

The amount of industry information on the creative industries is not sufficient in various expert services aiming at the development of companies. There is also little expertise in the field. To improve these, an enterprise advisory training programme will be launched, providing sufficient information about creative entrepreneurship and its development. Expertise should be developed especially in public advisory and development services and in the private consultant field.

3.1.4 Copyrights

Copyrights are the most important strategic resource for creative enterprises and an integral part of their business operations. With copyrights, companies protect their investments and are able to develop new products and services for consumers. Digitalisation has meant a profound turning point in the production, distribution and use of material subject to copyright. Consumer supply and demand have increased and become more versatile in an unprecedented way with respect to contents and distribution methods. Technological development demands considerable investments in new production and publication forms, as well as in new distribution channels.

The copyright system should be reassessed also from the industrial policy point of view.

It is typical in the copyright business that it involves parties of many different sizes. In a genuinely operating market, dominant parties cannot misuse their market position. For this reason, it is important that the position of various actors in the market is safeguarded through competition legislation and/or copyright legislation. In Finland, a model best suited for the Finnish market to ensure the interests of all those included in the value chain should be sought.

3.1.5 Taxation

The development of new products and services in the creative industries is a research and development activity, in which case their taxation should be conformable. In transformable production, the rights to deduct should be expanded. In the future, investments by private investors and owner-entrepreneurs should be encouraged, for example, with tax treatment of transfers and the right to deduct investment losses.

In Finland, taxation treats actors in the creative industries in different ways. Not all actors of the value chain are entrepreneurs, but their operations are partly considered on a par with paid labour, in which case taxation is calculated according to earned income. Concentration of fees into large one-off payments distorts taxation. In future, reimbursement of copyrights should be regarded as unearned income and it should be possible to divide them into periods, in which case the taxation should be competitive on the international scale.

The value added tax of sales of products and services should also be harmonised to the 8 per cent level.

3.1.6 Development of foresight and statistics

Various actors must launch foresight related to creative entrepreneurship. This requires knowledge of statistics, research and the key market areas and competitors. It is necessary to monitor the international operating environment as a basis for foresight. Weak signals should also be surveyed. Foresight includes both strategic development and the monitoring of practical measures.

There is currently not enough statistics and industry information on creative entrepreneurship. It is important that a long-term research strategy will be drawn up already in 2007 to provide a sufficient amount of information to develop the field.

It is most important to launch compiling of annual statistics. Compiling of statistics includes the research of at least the following information: turnover, employment impact, number of companies, value added, growth, profitability and productivity. It is necessary to build a time series to be able to follow the development in the field. In future, it will also be necessary to develop compiling of statistics and research on the sub-sectors and arising new types of business in order to be able to foresight their development. The regions should be able to utilise the statistics in their own development work.

Measure	Responsible parties	Time schedule
Improvement of networks	Co-ordinating party, ministries, regional actors, etc.	2008–2009
Communication	Co-ordinating party, ministries, regional actors, etc.	2008–2009
Development of expertise	Ministry of Trade and Industry	Continuous
Taxation	Ministry of Finance	by 2010
Copyrights	Ministry of Education, Ministry of Trade and Industry	by 2010
Development of foresight and statistics	Ministry of Trade and Industry, Statistics Finland research institutes	Launching the development of foresight and drawing up the research strategy in 2007

3.2 Growth and internationalisation

3.2.1 Business development

The SILE project funded by the Ministry of Trade and Industry has developed a model that aims for business development in new and micro companies. In the meetings with enterprises, Jalostamo (refinery) consultants familiar with the characteristics of creative enterprises go through the key problem areas in the business operations, which are then tackled in further detail by the consultants in the company's own network of consultants.

The Jalostamo model of the SILE project is functioning and it is much in demand by creative enterprises throughout Finland. Until now, these activities have focused on the Helsinki region and the growth centres. It is necessary to expand the activities geographically to areas and sub-sectors where it has not been implemented so far. In the expansion of the model, the regions will take into account their own preconditions.

The Jalostamo activity may be implemented, for example, within regional development companies or organisations focused on the development of other companies. It must be ensured that the Jalostamo services will be offered especially for business incubators. Diges ry, Neogames and Music Export Finland (MUSEX) have acted as Jalostamo consultants until now. Jalostamo-related consultancy must be created into productified services that operate in the same way as the other services provided by the Employment and Economic Development Centres.

3.2.2 Growth company services to have a stronger presence in the development of creative industries

The Ministry of Trade and Industry is reinforcing the development of creative enterprises in co-operation with Tekes, Finnvera, the Employment and Economic Development Centres and Finpro. Various actors already have development and funding tools at their disposal, and these can usually be applied directly by creative enterprises. Their utilisation requires acquisition of industry information and its better communication to the developers. In future, at least one person specialised in the development of creative entrepreneurship will be working in various developer organisations.

Other organisations also work in enterprise development, such as regional development centres, technology centres and new enterprise agencies. They must also have an increasing amount of industry information.

The supply of growth enterprise services must be at the disposal of the creative industries in the same way as for other industries.

3.2.3 Promoting the internationalisation of companies

The knowledge of the market areas, the entire value chain and the networks is essential in the promotion of the internationalisation of companies. Companies must get into contact with real actors and funding bodies, for example, through consulting. Consulting is also needed in issues related to contracts because the contractual practices differ from one country to another.

Funding for international activities is available also today for the development of creative enterprises. However, the forms of funding are not always suitable for the companies' business models. The terms of funding and support for export promotion must be developed so that they will also be suitable for the internationalisation of products and services in the creative industries. Companies need funding especially for the survey of the market. Other funding needs will be investigated separately, if necessary.

Measure	Responsible parties	Time schedule
Business development	Ministry of Trade and Industry, Ministry of Education, Ministry of Labour, Employment and Economic Development Centres, incubators, regional development companies	Continuous
Growth company services to have a stronger presence in the development of creative industries	Ministry of Trade and Industry, Tekes, Finnvera, Employment and Economic Development Centres, Finpro	Continuous
Promoting the internationalisation of companies	Ministry of Trade and Industry, Employment and Economic Development Centres, Finpro, Ministry of Education	Report in 2008

3.3 Product development

3.3.1 Funding for demos and prototypes

Creative enterprises have only a few opportunities to receive various kind of product development funding. Until now, Digidemo funding channelled through the Ministry of Education and AVEK, the Promotion Centre for Audiovisual Culture, has been available. In order to receive actual production funding, many of the products and services of the creative industries require a presentation version in order to be able to receive funding for actual production or product development. For example, there is no funding suitable for the development of prototypes in design. Demo and prototype funding must be expanded to suit all creative industries.

3.3.2 Market research

For creative enterprises to be able to improve their product development, they need market research as a foundation. Especially companies that are aiming to go international need research data from various market areas. Before actual production, enterprises carry out product and service testing, for which they must have available funding.

3.3.3 Risk funding

The use and need for risk funding aimed at the development of new businesses and innovation activities take place in a relatively small scale in creative enterprises. In some sub-sectors, such as in the games industry, the need is greater. There is a need for so-called angel funding, which means investment by individual people in small or new enterprises and providing their own work contribution. Risk funding must be examined separately for each sub-sector because there may be substantial differences in their needs. It is also necessary to find out the good practices of regional risk funding models and their further development.

Measure	Responsible parties	Time schedule
Funding for demos and prototypes	Tekes, Ministry of Education	2007–2011, interim evaluation 2010
Market research	Finpro, research institutes, companies	2008–2009
Risk funding	Sitra, Tekes	2008–2009

3.4 Reinforcement of expertise

3.4.1 Management training

In addition to producer and manager, as well as entrepreneurship training, the development of creative industries requires management training, which combines the management of technology, business thinking and the process of content development. The training must take place in a college of higher education and it must be continuous for it to attract the best student potential. The training must also be more multiprofessional and international than before in order to meet the needs of working life. Management of the creative process acts as the engine of the training, which makes it easier for companies operating in the interface of contents and technology, as well as other companies, to grow and go international.

3.4.2 Increasing producer and manager expertise

In Finland, until now there has been little producer and manager expertise especially of international standard, although training has been organised for more than 15 years. Producer expertise will be needed in future so that creative entrepreneurs and especially people carrying on a trade can develop their business operations. It may be important especially for small companies and people carrying on a trade to focus on the core business operations, in which case they can outsource, for example, part of the activities related to finance and administration.

It is necessary to provide more specialised training in producer and manager expertise because the current training aims to teach everything at a general level. The current polytechnic and university education must be developed to better meet the needs of working life and the changing business environment. Network development, strong convergence of various industries and interdisciplinarity must be taken into account in all training.

3.4.3 Degree programmes in entrepreneurship

More training in creative entrepreneurship will also be needed in the future. The training must offer basic information on entrepreneurship combined with the commercialisation of substance expertise in the creative industries. Training related to entrepreneurship must be aimed especially at sole traders, people carrying on a trade and individual artists. In future, there will possibly also be a need for training

with the focus of entrepreneurship being in internationalisation. The ESF-funded MEDA training implemented in the Uusimaa region is a good example of training in creative entrepreneurship.

Measure	Responsible parties	Time schedule
Management training	Ministry of Education, training organisations	Permanent study programmes as a target
Increasing of producer and manager expertise	Ministry of Education, Finnish National Board of Education, training organisations	2007–2011
Degree programmes in entrepreneurship	Training organisations	2007–2011

3.5 National co-ordination is required for the implementation of the strategy

3.5.1 Co-ordination

National co-ordination is the requirement for the development creative entrepreneurship because actions aiming at development are implemented in many different areas of administration. For example, the Ministry of Trade and Industry, the Ministry of Education, the Ministry of Labour, the Ministry of Finance, the Ministry of Social Affairs and health, and the Ministry of Agriculture and Forestry are involved in this development. Co-operation between various areas of administration must be seamless because the rapid development of the industries alone poses plenty of challenges to achieve the targets.

A separate project will be established for the co-ordination. The project will be responsible for the parallel actions of both national and regional actors. The objective of the co-ordination is to take into account the sub-sector-specific needs because creative enterprises are partly heterogeneous, and there are differences between various industries, for example, in their value chains and earning logics.

3.5.2 The academy for creative industries

Steering and co-ordination of the development of creative industries requires a group of top experts. Its up-to-date expertise must be ensured with a separate train-

ing and development programme. The objective of the programme is to gather a group of visionaries and top leaders to move the development of creative entrepreneurship forward in a rapidly changing international operating environment, for example, by analysing the messages of weak signals. The academy for creative industries, the training and development programme, operates under national co-ordination.

Measure	Responsible parties	Time schedule
Co-ordination project	Prime Minister's Office	2007–2011
The academy for creative industries	Co-ordination project, competitive tendering to be arranged	2007–2011