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Please cite the original version: Laitinen, J. & Meristö, T. (2019) Innovation capabilities in creative industries for the futures needs. In Iain Bitran; Steffen Conn; Chris Gernreich; Michelle Heber; K.R.E. Huizingh; Olga Kokshagina; Marko Torkkeli; Marcus Tynnhammar (Eds.) Proceedings of The XXX ISPIM INNOVATION CONFERENCE -Celebrating Innovation - 500 Years Since Da Vinci - 16-19 June 2019 - Florence, Italy. Lappeenranta: ISPIM.



Innovation Capabilities in Creative Industries for the Future Needs

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Abstract: The aim of this paper is to examine the elements of skills and competences needed in the field of creative industries and how the professionals of the creative industries are positioned in the innovation process. In this paper the focus is in describing the methodology, i.e. the concept of core competence tree, but also in analyzing the produced core competence trees of the participants and fitting them to the phases of the (service) innovation process. According to our data, there seems to be six main categories in the field of creative industries: new creating status quo challengers, human-oriented inspirers, creative visualizers, digital urbans, business-minded developers, qualified craftsmen & artists. The categories are covering all the phases of the innovation process quite extensively. However, it seems that skills related to commercialization and strategic focus are often lacking from the creative industries professionals.

Keywords: Core competence; creative industries; future; futures needs; foresight; skills: service design; innovation process; capabilities; service design

1 Introduction

Professionals in the field of creative industries are often experts in their own area, but having less knowledge of the other areas or of the use their skills and competences for the business purposes. Creative professionals need new tools how to innovate and generate from their skills and competences new products and services, but also business models to multiple and tailor made their results to the market. It is not enough only to create concepts for the services, product and business models, but it is needed also, how to build business-oriented mindset for the persons in creative industries. It is important to recognize so called taboos concerning the business-orientation among experts in creative industries. Taboos can on their part form a barrier towards business-minded work in creative industries. It is important to understand how to prepare creative professionals for the future, still having resilience for the possible changes and combining multidisciplinary skills towards new solutions with flexibility for alternative futures scenarios in the market place, too.

The concept of creative industries – or cultural industries - is not new (Horkheimer & Adorno 1947). Today, creative industry is using technological advances and large-scale distribution to reach the global market. These industries having their origin in individual creativity, and they face the concepts of content industry or even copyright industry. They are both knowledge and labor intensive industries, representing a significant source to employ him or herself in the field of creative professions (UNCTAD 2008). European Union (2016) has also recognized the potential of the creative industries sector in creating jobs and generating well-being. The cultural and creative sectors are some of Europe's most dynamic sectors and they are estimated to generate about 4.2 % of total EU GDP. It is also noteworthy, that creative industries contribute to innovation and growth in other sectors as well. However, despite the considerable potential, the creative industries remain undervalued and unrecognised. The creative industries continue to face difficulties in accessing start-up capital and financing but also finding workers with the right skills (European Union 2016).

CityDrivers project has collected together participants from the different fields of creative industries including designers, artists, interior architects, also e.g. filmmakers and actors. The background survey among participants, together 64 professionals from different fields, has given information concerning issues from creative industries, especially taboos among creative industry experts. Taboos are issues that are kept in silence for some reason, whether consciously or unconsciously (Encyclopædia Britannica 2019). According to Kettunen & Meristö (2007) there can be three diffent kind of taboos: 1) taboos that are kept silent in every case, 2) taboos that are discussed about but the discussion is leading to no action 3) taboos that are strongly resisted to even discuss about. According to our survey results, it seems to be, that commercialization of services and products is more or less like a two-headed sword: on the one hand the lack of money and income is important, but on the other hand the freedom as an artist seems to be even more important. In other words, many of the creative professionals are afraid of losing their freedom to the commercial market purposes. Also, many of these professionals prefer to work alone rather than in co-operation in multi-disciplinary teams sharing their knowledge.

2 The aim and the research questions

The aim of this paper is to examine the elements of skills and competences needed for successful business innovations (Evans 2003) in the field of creative industries and how the professionals of the creative industries are positioned in the innovation process. The research questions are as follows:

- How people in creative industries can productize and commercialize their skills and competences to the market without losing their power and individuality to express themselves with the help of their special talent? (core competence trees)
- What are the person types from creative industries needed in a co-operative service design process? (the typology of created trees)
- Which part of the innovation process do the professionals of creative industries concentrate on? (positions in the innovation process)

• How can innovation process help people from creative industries to be more business-minded? (the phases of innovation process, including entry to the market)

3 Research design

3.1. Project

CityDrivers project aims to improve the creative industry professionals' innovation, collaboration, networking and business skills which are required when participating in various stages of multi-stakeholder and multidisciplinary innovation projects. The educational content of the project includes theoretical training but also hands-on working in case projects. The project is carried out by Laurea University of Applied Sciences (UAS), Tampere UAS, Xamk UAS and Ornamo Art and Design Finland which is an expert organisation for designers. The project is running from autumn 2017 to summer 2019 and it is financed by the European Social Fund (ESF).

CityDrivers project consist of several modules which are related to service design methods, project work and business models. As part of the service design education we have arranged a foresight module which consists of four parts: First pre-survey considering the taboos in the field of creative industries. Then, secondly, the construction of individual core competence trees (Meristö 1993) including not only skills and competences, but also values and attitudes as well as contacts and networks. All these form roots for the core competences, which then will be integrated to competences to exploit towards products, services and business models in his or her field. Third, tools and methods in the field of foresight as well as trends towards the future will be presented and finally, fourth, the professionals from creative industries will apply these to the specific case from real life. For some of them, this is the first time to work together in the multi-disciplinary team to find out a solution for business purposes.

3.2. Framework and methods

In this paper, the focus is in describing the methodology, i.e. the concept of core competence tree, but also in analyzing the produced core competence trees of the participants and fitting them to the phases of the (service) innovation process (Meristö & Laitinen 2009), including service design as a part of that frame, in order to see how well participants' skill areas are meeting the phases of the innovation process (Figure 1). As a background information, the results of the pre-survey to the participants concerning taboos in the field of creative industries will be using, too.

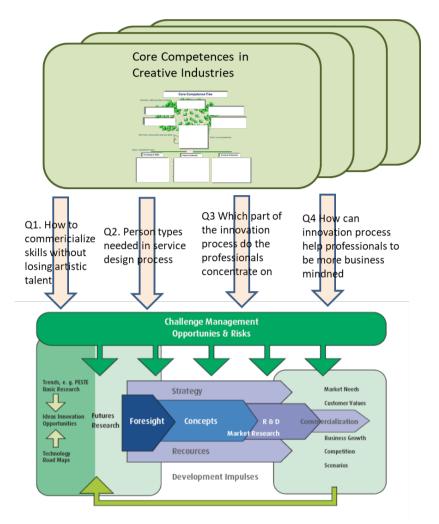


Figure 1 The framework combines core competence trees and the innovation process.

The core competence tree concept was originally presented by Hamel & Prahalad (1990). They considered a diversified company as a tree which consisted of the following elements: the trunk and major limbs as core products, smaller branches as business units, leaves and fruit as end products. Nourishing and stabilizing everything is the root system which formed core competencies. In our study we have applied a further developed version of the core competence tree (Meristö 1993, Kamensky 2008) which is focusing on more detailed definition of roots, i.e. competences. Knowledge and skills, values and attitudes as well as contacts and experiences together form the set of core competences which are necessary for every organization and professional. Whereas Hamel & Prahalad considered the tree as company level, we have applied it as a personal level to figure out the comprehensive competence sets of professionals working in creative industries.

In this paper we also inspect the positioning of creative industry professionals in the innovation process. Innovation processes involve the exploration and exploitation of opportunities for new or improved products, services or processes, which are generally based on an advance in technical practice ("know-how") or a change in market demand, or a combination to these two (Pavitt 2005). In this study we have examined how professionals of creative industries are positioned into the innovation process. For this purpose, we have used innovation process called Innorisk model which is a proactive process model combining futures research and risk management into innovation process (Meristö et al 2007) The main elements are Futures Research & Foresight, Concept Creation, Reseach & Development, Commercialization, Strategic Focus and Challenge Management (Meristö & Laitinen 2009).

4 Results and findings

The key results in this paper are the main categories of alternative core competence trees among creative industries. Based on our participants' core competence trees we found that there seems to be six main categories in the field of creative industries: new creating status quo challengers, human-oriented inspirers, creative visualizers, digital urbans, business-minded developers, qualified craftsmen & artists. Additionally, there are other creative professionals who are not able to identify themselves to the any certain category. According to our data, the major groups were new creating status quo challengers and human-oriented inspirers whereas only few belonged to the group of business-minded developers. The analysis of the roots of these core competence trees will show gaps e.g. in networks and contacts, but also lack in attitudes concerning especially business life. In addition, the concept of a core competence tree includes also a bird's nest, i.e. a box to describe interests and activities the person has regarding the future, although not yet using them in his or her professional carrier. These will open new opportunities for the market-oriented services and products, which also can broaden the individual business models and income opportunities.

To summarise the results of the individual participants' core competence tree we have created a synthesis tree which illustrates the competence areas in the field of creative industries (Figure 2). The branches represent the aforementioned main categories of creative industries. The most general core competences include creative problem solving, multidisciplinarity, human relations skills, customer orientation and visuality. When inspecting competence areas in different competence classes, the most common knowledge and skills consist of concept design, productization, project management, marketing & communication, service design and graphic design skills. The values attitudes of the creative industry professionals seems to relate to willingness to learn new, ethicality, sustainable development, openness, positivity and entrepreneurial attitude. The contacts and networks include e.g. co-workers, customers, associations and societies, fellow students and different kinds of virtual networks.

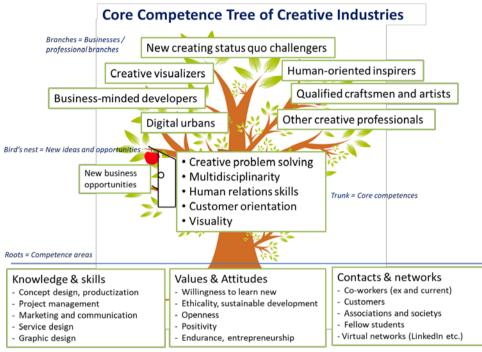


Figure 2 The synthesis of the core competence trees in creative industries.

To examine the positioning of the creative industry professionals in the innovation process we have placed the main categories of creative industries professionals to the phases of innovation process (Figure 3). The phases of the innovation process are from the Innorisk model (presented in chapter 3). The numbers in brackets after each category is the number of participants belonging to the category in question. The biggest individual group is New creating status quo challengers which are positioned to the front end side of the innovation process, i.e. Futures research and Foresight phase which includes e.g. mapping the future opportunities and creating novel ideas. The second largest individual category is human-oriented inspirers, which belongs to Challenge management phase covering the whole innovation process. The position of two categories (Creative visualizers and Qualified craftsmen and artists) is in the Concept creation phase which includes altogether seven professionals. Similarly, R&D phase includes two different categories: digital urbans and other creative professionals. The category of Business minded sales promoters include only one participant and it is positioned clearly to the Commercialization phase. None of the categories were positioned to Strategic Focus phase.

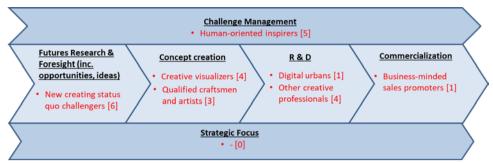


Figure 3 The position of creative industry professionals in the innovation process.

5 Conclusions and practical implications

The question of how people in creative industries can productize and commercialize their skills without losing their "artistic mind" is a difficult one and is still open. According to our experiences, one way the deal with the issue is to emphasize the commercial and business aspects in the education. According to our data, there seems to be six main categories which are covering all the phases of the innovation process quite extensively. However, it seems that skills related to commercialization and strategic focus are often lacking from the creative industries professionals. For the creative industries professionals it would be important to recognize and understand the phases of the innovation process at least in the general level. That could help them to find suitable partners and networks to complete their own skills and competences.

In practice, the participants in CityDrivers program on one hand will get personal help to see and analyze the business opportunities through the lenses of the core competence tree to get a better position in the labor market. Also, the participants get acquainted with each other and learn to use multi-disciplinary skills in a co-operative participatory design process. On the other hand, the organizers of the project learned to develop education of creative professions towards a multidisciplinary portfolio and to integrate business, service design, foresight and creative skills to a unique combination, which will bring competitive advantage and innovations to the society, too. This study also brings useful information to the decision makers responsible for the education in the creative industries. As the sector of creative industry evolves and changes, so do the skills required of individuals active in the sector. Therefore, it is important that educational contents are flexible and forward-looking.

To the innovation community, this paper will deepen the understanding of creative minds in business, and the elements of skills and competences needed for successful business innovations in the field of creative industries. Innovation community can exploit the results and use the tools and concepts developed here. This paper will also show in its background information, how taboos might be a barrier to see the future for the innovations, new concepts and solutions, too.

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