To conclude...

The objective of this book is to offer an approach which brings together both creative passion and business best practice.

T-Shirts and Suits – creativity and business in harmony.





Measure the right things.

Design a simple but effective information system as a Business Dashboard so that you can keep a check on how you are performing in several dimensions as you drive your enterprise forward. Keep an eye on the Financial Dashboard to make sure you don't crash or run out of fuel in the fast lane.



Protect your creativity – it's what your business is built on. Use copyright, trademarks and patents to protect your intellectual property. Exploit your intellectual property to create future income streams.



Create a unique Business Formula.

A feasible Business Formula is essentially a carefully designed combination of some of your best creative skills, with selected customers' particular needs, which works in financial terms for them and you.



Use the Feasibility Filter to assess each option. Some creative business ideas may not be feasible. Be prepared to adjust an idea to get the Business Formula right. Or create new ideas.



Be prepared to Say No.

Once you have a clear route to success, 'say no' to tempting opportunities that don't lead towards your destination. Some temporary diversions will be necessary but don't lose sight of your goal.



Appendix 1

The Creative Industries

The 'creative industries' have been defined by the UK Government's Department for Culture, Media and Sport (DCMS)²⁸ as: 'Those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.'

The term 'cultural industries' is also used by some agencies, though this term relates to a more specific range of industries and can be regarded as a subset of the creative industries. The cultural industries are defined by UNESCO²⁹ as 'industries that combine the creation, production and commercialisation of contents which are intangible and cultural in nature; these contents are typically protected by copyright and they can take the form of a good or a service.'

There are thirteen sub-sectors under the term 'creative industries' and these are: advertising; architecture; the art and antiques market; crafts; design; designer fashion; film and video; interactive leisure software; music; the performing arts; publishing; software and computer games; and television and radio.

According to DCMS³⁰ research, the Creative Industries accounted for 8.2% of Gross Value Added (GVA) in 2001 in the UK and the sector grew by an average of 8% per annum between 1997 and 2001. Exports from the UK by the Creative Industries contributed £11.4 billion to the balance of trade in 2001. This equated to around 4.2% of all goods and services exported. Exports for the Creative Industries grew at around 15% per annum over the period of 1997–2001. In June 2002, creative employment totalled 1.9 million jobs and there were around 122,000 companies in the Creative Industry sectors on the Inter-Departmental Business Register (IDBR) in 2002.

According to the *Financial Times*, ³¹ "a report from the (UK) Government's Strategy Unit has concluded that the creative industries in London are now more important than financial services to the economy. Employment in the creative industries (including fashion, software design, publishing, architecture and antique dealing) has topped 525,000 and is still rising, compared to a mere 322,000 and falling in financial services."

Internationally, the Creative Industries are one of the fastest growing sectors in OECD economies, employing on average 3–5% of the workforce according to the United Nations Conference on Trade and Development. The global value of Creative Industries was expected to increase in the years from 2000 to 2005 from US\$ 831 billion to US\$ 1.3 trillion, a compound annual growth of over 7%. 33

This astounding figure is achieved by creative businesses, most of which are small or medium sized enterprises and in reality are very small or micro-enterprises, including individual practitioners. The British Council³⁴ points out that this scenario is typical internationally and works to support international co-operation since creative businesses move more quickly to international markets than many other forms of enterprise, often using the Internet.

The Creative Industries are the only sector which has been identified as a priority area by all of the countries and regions of the UK. This is reflected by the number of agencies supporting the creative sector, such as CIDS (Creative Industries Development Service), CIDA (Creative Industries Development Agency), Inspiral and Creative Kernow.

The first of these to be established in the late 1990s was Merseyside ACME (Arts, Culture and Media Enterprises).

Appendix 2

Merseyside ACME

Merseyside ACME is a development agency for the Creative Industries sector, working to support the growth and sustainability of creative businesses and organisations based on Merseyside.

ACME works collaboratively with both the public and private sectors to:

- Promote the importance of the Creative Industries as an economic driver for the region.
- Ensure the availability and continuity of sector specific business support and information services.
- Promote the use of creativity as a means of supporting community and economic regeneration.
- Promote connectivity across the Creative Industries sector.

Complementing its strategic development role, ACME provides a range of general client-facing support services for creative businesses and organisations in the region. These include information and research support, and general business advice and referral services.

In addition to its ongoing general support services, ACME also delivers bespoke programmes, designed in direct response to feedback from the businesses that it works with.

As well as supporting creative businesses, ACME has developed projects which have shown how powerful and effective creativity can be in regenerating communities. It is respected nationally for its work on social impact studies, for developing models and delivering programmes which promote best practice in monitoring and evaluation. It provides independent evaluation support services to community driven programmes and organisations across the UK.

www.mersevsideacme.com

Since being established, Merseyside ACME has:

- Assisted over 700 businesses and helped to safeguard over 600 jobs on Merseyside.
- Delivered 200 seminars, reaching over 3500 creative professionals and practioners.
- Developed Creative Advantage, a business support model which has been adopted regionally and nationally.
- Published three books, including a significant impact study. All have received national and international acclaim.
- Developed a creative industries e-news bulletin, securing nearly 2000 subscribers to date.
- Supported CISS, Merseyside's longest running network of creative business support providers.
- Supported four US trade missions, generating more than a £1.5m in export business.
- Through its arts and regeneration activity, worked with over 200 community regeneration projects, developed 30 new organisations and community businesses.
- Developed a self evaluation framework which has been adopted by organisations across the UK.
- Led the development of Kin www.kin2kin.co.uk, Merseyside's first ever online community exclusively for creative businesses.
- Led the development of Futures www.futuresnetwork.org.uk, Liverpool's first professional network for advertising and design businesses.
- Managed the Arts and Regeneration strand of Liverpool's bid to be European Capital of Culture.



References

- 1 Merseyside ACME (arts, culture, media, enterprise). For more information see www.merseysideacme.com
- 2 Creative Advantage. For more information see www.creativeadvantage.co.uk or www.merseysideacme.com
- 3 CIDS. Creative Industries Development Service. For more information see www.cids.co.uk
- 4 CIDA. Creative Industries Development Agency. For more information see www.cida.org
- 5 This is strictly true but modesty forbids me to let it go without a footnote. With one short poem published in a literary magazine, I claim to be the least-published 'published poet' in the world. On the other hand, having been paid five pounds for my Haiku of 17 syllables could make me one of the world's best-paid poets – per syllable (!)
- 6 Masters Degree in Business Administration (with distinction). Bradford University School of Management. 1995.
- 7 The 13 sub-sectors of the creative industries are: advertising; architecture; the art and antiques market; crafts; design; designer fashion; film and video; interactive leisure software; music; the performing arts; publishing; software and computer games; and television and radio.
- 8 Sun Tzu, The Art of War. Translation by Lionel Giles.
- 9 Interestingly, several words of military origin have been adapted for use in business, such as 'campaign' and 'strategy'.
- 10 Jim Collins. Good to Great. Random House. 2001.
- 11 When I used this concept on a consultancy project in the Middle East with a group of senior managers from different countries it became clear that many of them were not familiar with hedgehogs. I explained it is an animal with spikes on its back a smaller version of the American porcupine.
- 12 Guardian, 08 November 2004.
- 13 W.Chan Kim and Renee Mauborgne, 'Charting Your Company's Future'. Harvard Business Review. 2002.
- 14 Michael Porter, Competitive Strategy: Techniques for Analyzing Industries and Competitors. Free Press. 1980.
- 15 Adam M. Brandenburger and Barry J. Nalebuff. Co-opetition, Harper Collins, 1996.
- 16 UK Government. Department for Culture Media and Sport (DCMS).
- 17 The Income and Expenditure Account can also be called a profit and loss account or income statement.
- 18 Handy, Charles, The Age of Unreason. Random House, London. 1989.
- 19 Pact is the UK trade association that represents and promotes the commercial interests of independent feature film, television, animation and interactive media companies. See www.pact.co.uk
- 20 Ofcom is the independent regulator and competition authority for the UK communications industries, with responsibilities across television, radio, telecommunications and wireless communications services. See www.ofcom.org.uk
- 21 Daniel Goleman, 'Leadership that gets results'. Harvard Business Review. March April 2000.
- 22 Jim Collins, Good to Great. Random House. 2001.
- 23 Inspirational Leadership, UK Government, Department for Trade and Industry. 2004.
- 24 Readers wearing suits will recognise that this is inspired by the McKinsey/GE Matrix, which I have adapted for creative entrepreneurs wearing T-Shirts.
- 25 Bishop, Susan, 'The Strategic Power of Saying No'. Harvard Business Review. November December. 1999.
- 26 Guardian. 08 November 2004.
- 27 Norton and Kaplan, 'The Balanced Scorecard: Translating Strategy into Action'. Harvard Business Review. 1996.
- 28 Mapping Document, Creative Industries Unit and Taskforce. UK Government Department for Culture, Media and Sport (DCMS). October 1998.
- 29 UNESCO, Paris. 2000. Culture, Trade and Globalisation: Questions and Answers.
- 30 UK Government Department for Culture, Media and Sport (DCMS).
- 31 Financial Times. 04 July 2003.
- 32 UNCTAD, Geneva. 2004. Creative Industries and Development.
- 33 Howkins, John, The Creative Economy: How People Make Money from Ideas. Allen Lane, London. 2001.
- 34 British Council. www.britishcouncil.org

Index

80:20 Rule 20 95:5 Rule 20, 23, 30, 31 Abram, Andv 42

Advertising - see Marketing Age of Information 53 Age of Intangibles 53 Agility 18 Alliances 18

American Express 36 Apple Mac 32

Art of War 17 Arts Council England 102 Arts funding system 102 Arts organisations 9

Assets 64

fixed assets 63, 65

intangible assets 32, 42, 53, 57, 59

net assets 68

Bachelor, The 50 Balance Sheet 64 Balanced scorecard 99

Barbie 36 Bargaining power of customers 47 Bargaining power of suppliers 47

Barriers to entry 47 Bath Tourism 42 BBC 50.86 Beatles 42. 55. 86 Benefits not features 39, 47, 49

Bob and Rose Ltd 78

Booker Prize 32 Bowie, David 56 Braille 46

Brands 18, 53, 60, 75 Branson, Richard 19 British Council 5. 106

Brookside 94

Business dashboard 22, 68, 94, 99, 101, 105 Business formula 9, 10, 13, 32, 36, 66, 89,

91. 97. 105 Business Link 70 BusinessLiverpool 70 Business Model 12.66 Business plans 100, 101 Business radar 27, 30 Business Strategy 21, 45, 86, 97 Butters, Jonathan 70

C

Cadbury's 54 Calder, Dave 102 Canon 19 Cancom 94 Caravaggio 70

Casanova 78 Cash flow 64. 68 Chan, Timothy 30, 92 Change 18

· leading change 84

· management of change 84

Change Management 84 Charitable organisations 9

Charities 74

Chartered Institute of Personnel and Development (CIPD) 86.87

Charting the competition 46, 49

Churchill, Winston 82 CIDA 5. 106

CIDS 5, 106 City of Liverpool 102 Clients - see Customers

Clocking Off 78

Club Sandwich organisations 75. 76

Coca Cola 55 Collaborators 18 Comic Relief 86

Communication 82.85 Community Interest Company 74, 102

Companies 73

· company limited by guarantee without share capital 74

limited companies 74

· private limited companies 74

 trading subsidiaries 75 Companies House 74

Competencies 18 Competition 28, 104

· charting the competition 46

· competitive advantage 19, 29, 45 · competitive environment 45

· competitive positioning 46

· competitive strategy 45

· competitors 45, 93

· rivals 46, 47

Competitors - see Competition

Confessions of an Advertising Man 36

Continuing Professional Development (CPD) 21

Contract of Employment 71, 85

Contractors 56

Contracts 59

Co-operative movement 64

Co-operatives 5

Co-opetition 30, 48, 49 Copyright 54, 105

Core competencies 19, 23, 24 Corporate structures 77

Costs

· fixed costs 65, 69, 78

· variable costs 65

Creative Advantage 5

Creative Business Solutions 70

Creative clusters 48, 49

Creative Industries 4, 5, 17, 106, 107

- see also Cultural Industries

· creative Industries - definition 53 · creative industries - sub-sectors 106

Creative Industries Development Agency (CIDA) 5, 106

Creative Industries Development Service

(CIDS) 5. 106 Creative Kernow 106

Creative Partnerships 102

Creativity 7

Criminal Records Bureau (CRB) 102

Critchley, Andrew 78

Cultural industries 5, 9, 17, 57, 65, 106

- see also Creative Industries

Customer-focus 35, 36, 41

Customers 11 - see also Marketing

· bargaining power of customers 47

benefits not features 39, 47, 49

· clients' evolving needs 42

 current customers 37, 39, 41 customer satisfaction 99

customer segments 37

· customers' changing needs 35, 41, 42, 45.93

· customers' perceptions 46, 49, 74, 77

· customers' point of view 39, 46

feedback mechanisms – suggestions boxes 38

· ideal customer 40

· listening to customers 11, 38

· lost customers 39, 41

· selecting customers 24, 104

· selecting the right customers 9, 36, 45

· target clients 36

· target customers 37, 39, 41

Da Vinci, Leonardo 70 Davies, Russell T 78

Demographics 28

Department for Culture, Media and Sport (DCMS) 106

Department for Trade and Industry (DTI) 83

Design rights 54

Design Week 86 Designs 54

Desk research 14 - see also Market research

Development plans 100, 102 Disability Discrimination Act 29

Distribution 39

Dove 36

Е

E-books 32, 40

Economics 28

Emotional Intelligence 83, 85

Employment

· contract of employment 71, 85

· employees 18, 24, 56, 84

· employers 84

· employing people 84, 85

· employment regulations 85

Environmental analysis 27

Equity 64

ESP Multimedia 50, 58

Ethics 11

Ethos 18

European Capital of Culture 2008 102, 107

European Union 27

External Audit 27

External environment 27. 32

External forces 31

Feasibility Filter 12.89-92.93.101.103.105 Features and benefits - see Benefits not features

Film Four 50

Finances 18

Financial Accounts 64, 69

Financial control panel 67

Financial dashboard 68, 69, 105

Financial liability 73, 77

Financial Times 106 Finch Ian 94

Fixed assets - see Assets

Fixed costs - see Costs

Focus groups 38

Forces of Competition 28, 29

Ford 36

Format fees 78

Formula 1 48

Forsyth, Frederick 32

Four Ps of Marketing 39

Freelancers 24, 85

Funland 50

G

Gates, Bill 92

Gettman, David 32

Ghandi, Mahatma 82

Goleman, Daniel 82

Government statistics 38

Grants 67, 69

Grapefruit 66

Grice, Julian 86

н

Handy, Charles 76

Harry, David 50

Harvard Business School 47

Hedgehog Strategy 20, 23

Hewlett Packard 36

Hillsborough 78

HM Revenue and Customs 67

Hollvoaks 94

Honda 19

Hotmail 40

Hughes, David 50, 58

IBM 36

ICEDRIPS checklist 27, 28, 31, 101, 102

Income and Expenditure Account 64

inD DVD Ltd 78

Industrial and Provident Societies 74

Infrastructure 28

Inner City 42, 100

Innovation 28, 30

Inspiral 106

Inspirational leaders 83

Intangible assets - see Assets

Intangibles - see Age of Intangibles Intellectual Property (IP) 18, 42, 53-54, 57.

59, 60, 68, 69, 71, 105

exploitation of 68, 106

Intellectual Property Rights (IPR) 54, 55, 59,

exploitation of 68. 106

· mechanical rights 55

· moral rights 55

· publishing rights 55

Investors 66

Iomis 42 iTunes Music Store 56

JAB Design Consultancy 56, 66, 70, 85

Johnson, Matt 94

Jones, Jason 60

Jones, Marc 60

Kellett, Peter 24

Key Performance Indicators (KPIs) 94. 99

King, Martin Luther 82

Kodak 36

Lancashire Tourist Authority 42

Lateral-thinking leadership 83, 85

Leaders 85, 104

Leadership 82

Leadership styles 82. 85

Leading Change - see Change

Learning 21, 23

Learning organisation 22.87

Level 5 Leadership 83

Liability 64

· financial liability 73, 77

· limited liability 73

· limited liability partnerships 73

unlimited liability 73

Libraries 38

Licensing 58

Lifelong learning 21

Lifestyle business 9, 50, 77

Limited companies - see Companies

Limited liability - see Liability

Linda Green Ltd 78

Lloyds TSB 70

Loan guarantee schemes 67

Loans 67.69

Lock, Stock and Two Smoking Barrels 50

Macann, Christopher 32

Management 81

Management accounts 64. 69

Management of Change - see Change

Managers 85

Mandela, Nelson 82

Mando Group 37, 40, 66, 94, 99

Market research 14. 38 - see also Marketing

· desk research 38

· focus groups 38

· primary research 38

secondary research 38

Marketing 35, 41 - see also Customers

· advertising 38, 39, 40

· direct mail 39

· feedback mechanisms 38

four Ps of marketing 39

· international markets 106

· market information 18, 53 · market penetration 99

· market segmentation 37

· market segments 36, 41, 45, 93, 97

· marketing budgets 40

· marketing communications 39

· marketing mix 39

· marketing problem 35

· mass marketing 40

· niche markets 45 · operational marketing 35, 36, 39, 40, 41

· public relations 39

strategic marketing 35, 36, 39, 41

· trade shows 39

· viral marketing 32, 40

Maxwell House 36

McGovern, Jimmy 78

Mechanical rights - see Intellectual Property Rights

Medication 55, 60

Mersey Partnership 42

Mersey TV 94

Merseyside ACME 94, 106, 107

Merseyside Special Investment Fund 70

Metropolitan Police 86

Micro-enterprises 106

Microsoft 53

Mimashima Records 54

Mission 11, 12, 13, 92, 103

Money 18 Plastic Rhino 24 Surplus 64. 69 Moral rights - see Intellectual Property Rights Porter, Michael 47 SWOT Analysis 97 Morris, Chris 24 Price 39 Mutch, Sharon 12, 14, 37, 38 Primary research - see Market Research Tafari, Levi 102 PRIMEFACT checklist 17, 18, 21, 23, 59 Product 39 Talents 18 National curriculum 102 Product-focus 35, 41 Taxation 69 National Health Service (NHS) 86, 102 Profit 9 Terms of Trade 71, 85 The Team 21, 22, 86 National Library for the Blind (NLB) 46 Profitability 68 Net assets - see Assets Promotion 39 Threats 97 Net worth 64 Public benefit 66 Toyota 50 Network businesses 84 Public funding 66 Trade journals 38 Network organisations 75. 76 Public Relations (PR) 39 Trademarks 53, 54-55, 60, 105 Networks 18 Publishing rights Trading subsidiaries - see Companies New Entrants 47 see Intellectual Property Rights Training 21, 23 New Mind Internet 38, 42, 57, 75 Puma UK 24 Training needs analysis 21 New product development 38 Triple Bottom Line 9, 99 New York Art Expo 14 0 Turnover 65 NHS (National Health Service) 86, 102 Ouality 46 Niche markets 45 Queer as Folk 78 Non-profit-distributing organisations 74 UK Trade and Investment 14 Not-for-profit organisations 9, 13, 63, 74, 92, UNESCO 5. 106 93, 98 Red Production Company 58, 76, 78 United Nations Conference on Trade and Regulations 28 Development (UNCTD) 106 Reputation 18 Unlimited Liability 73 Oceanic 50 Risk Analysis 30, 86, 100 Ursache, Marius 66 Ofcom 78 Risks 100, 101 Ofsted 102 Ogilvy and Mather 24, 36 Values 11, 12, 13, 18, 71, 92, 93, 94, 97. 103 Ogilvy, David 24, 36 Sales 65 Saying No 14, 86, 92, 94, 98, 101, 105 Variable costs - see Costs Online Originals 30, 32, 40 VAT **69** Opportunity Analysis 30 Second Coming 78 Opportunities 97 Segmentation - see Marketing Veal. Richard 42 Organisational culture 18 Self-employment 73 Venture capital 67 Selling 35 Viral Marketing - see Marketing Organisational structures 75 Selling out 8 Virgin 19 · club sandwich organisation 75, 76 · network organisation 75, 76 Shamrock organisations 75. 76 Viridian Artists Gallery 14 · shamrock organisation 75, 76 Shanda Entertainment 30 Virtual organisations 32, 75, 77, 84 · virtual organisation 75, 77 Shell 36 Vision 9, 11, 12, 13, 97, 101 Overheads 65 Shindler, Nicola 78 Vodafone 86 Single Purpose Vehicles (SPV) 78 Skills 18. 21 Packard, David 36 Sky TV 50 Ward. Dave 102 Pact 78 Small Firms Guarantee Scheme 70 Warner Bros 50 Palm personal digital assistant (PDA) 32 Smirnoff 50 Weaknesses 17, 37, 97 Social entrepreneurs 9 Web Shed 94 Pareto Principle 20 Pareto, Wilfredo 20 Social enterprises 5, 9, 63, 69, 73, 74, 77 Websites 40 Partners 28 Social trends 28 Wilde, Oscar 35 Windows Project 27, 75, 92, 100, 102 Partnership funding 67 Sole traders 73 Partnerships 18 Sony 19 Working capital 63, 64 Passport to Export 14 Staff development 85 Working 'in' and 'on' the business 81, 84, 85 Patent Office 55 Stakeholders 17, 18, 23 Wylie, Pete 56 Patents 55, 105 Strategy 86 Penguin 54 Strengths 17, 37, 97 Peppered Sprout 19, 24, 37, 84 Structural intellectual capital 22 Yesterday 55

Substitute Products 47, 49

Success 9

7

Zellweger, Renée 50

Place 30

Mission statement 11, 12

Personal Development Portfolio (PDP) 21, 87

Personnel development 86

PEST Analysis 27

Suppliers - bargaining power of suppliers 47

Author's Acknowledgements

I would like to thank all at Merseyside ACME and all those who have helped me in their various ways to make this book possible, especially Phil Birchenall, Helen Bowyer, Helen Brazier, Peter Burke, Jonathan Butters, Anthony Byrne, Mike Carney, Marc Collett, Gemma Coupe, Andrew Critchley, Richard Engelhardt, Matt Finnegan, Noel Fitzsimmons, Kate Fletcher, David Gettman, Julian Grice, Geoffrey Horley, David Hughes, Ian Hughes, Matt Johnson, Marc Jones, Moira Kenny, Andy Lovatt, Aitor Mate, Kevin McManus, Chris Morris, Sharon Mutch, Bridgette O'Connor, Kath Oversby, Andrew Patrick, Ecaterina Petreanu, Cathy Skelly, Jane Thomas, Marius Ursache, Richard Veal, Dave Ward, Geoff White and Pete Wylie.

Further Information

The website associated with this book provides additional information, new material and further case studies, details of training and consultancy projects, a framework for a business plan, a glossary of terms and links to other useful websites.

www.t-shirtsandsuits.com

Publisher's Acknowledgements

Merseyside ACME wishes to thank all those organisations and individuals who have collaborated with this project including the supply of images and the permission for their use.























David Parrish, MBA, MCMI, AIMC, MCIM, MIBA

David has direct experience of leading and managing creative and cultural enterprises. His practical experience is complemented by academic qualifications, professional accreditations and membership of several management institutes.

He uses his knowledge and experience to help creative and cultural enterprises to become even more successful through specialist training and consultancy projects.

David adds value to clients' businesses and organisations internationally by transferring great ideas, effective techniques and best practice between industries and sectors, and across national and cultural boundaries. He empowers clients by helping them to adapt international best practice to their own local circumstances.

David's work is internationally respected and he has assisted numerous businesses, government agencies and not-for-profit organisations in the UK, India, Canada, the United Arab Emirates, France, Italy, Switzerland, Egypt, Turkey, Germany, Denmark, South Africa, Singapore, Thailand and China.

www.davidparrish.com