

Create2Gather

Joint strategic training and development framework for the employment-friendly growth of Bihor-Hajdú-Bihar Euroregion in creative industries

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1./ INTRODUCTION

1.1./ Goals of the strategy

Create2Gather is a joint cross-border initiative by the Association for Business Promotion in Romania and INNOVA Észak-Alföld Regional Development and Innovation Agency Nonprofit Limited Liability Company to develop the members of the local communities and local economy in order to reach a long-term positive effect on both employment-friendly growth and cross-border cooperation in the field of creative industries within the Bihor-Hajdú-Bihar Euroregion. In the framework of Work Package 1 of this project a training and development strategy in creative industries is an essential element. The strategy has to help the partners to reach the planned number of the target group, ensure a non-discriminatory and transparent methodology for the selection and give a guideline for the training concept and the operation of the creative co-working spaces to be established both in Oradea and Debrecen.

1.2./ Creative industries

When it comes to a project which aims at the development of the actors and operators of the creative industries and the enhancement of the chances for creative people on the local labour market, first of all we are required to define what creative industries are and which business activities belong to this more or less artificial category. The expression 'creative industries' is quite new, having been used mainly since the millennium. There are no standard and homogenous concepts about the definition but it became recognized that all businesses where creativity and human imagination play a fundamental role in the economical activity and where the lack of new ideas and innovation would stop the continuation of functioning.

According to a broad interpretation of the sector, all following activities are within the category:

- architecture and interior design
- handicrafts, objects' design and fashion
- advertising, creative marketing, promotions' planning
- film-making, movies and visual media
- television and radio
- music, theatre and all other performing art forms
- fine arts and all other breaches of visual arts, museums, galleries, antiques
- applied graphics and photography
- literature, publishing of books, magazines and any types of print or online press, libraries
- manufacturing of games and toys
- web and UX design
- development of video games
- software engineering, computing services

We can find a very useful classification in a document called *Creative Edge* made within the framework of the EU-financed project Northern Periphery Programme. The classification assigns activities to the following three categories:

a/ "Creative Application – covers industries that develop products or services primarily for the purpose of selling. Their existence is dependent upon market demand. This category includes such things as one off artifacts, signature designer pieces or end products such as books, blueprints or advertisements. These industries are largely market driven."

b/ "Creative Expression – covers products that may not primarily be driven by commercial considerations. These products are typically defined as 'art for arts sake' and are developed for audiences and consumers with an expressive story in mind. In some cases these products or services would be provided even in the absence of market demand and may rely upon public sector support."

c/ "Creative Technology – includes creative industries that rely most on technology and digital media. Although technology is a key input for several creative

industries, this category has been specifically separated out due to its core function being reliant on digital technology.”

1.3./ Previous research activities and framework in the region

In the last decade, several projects, studies, research initiatives were carried out on creative industries, the problems and challenges that the sector face, both on regional or national level either in Romania or Hungary. The conclusions made in the accessible documents serve as good starting points when working on a development strategy as these basically draw out the same problems.

The Government of Romania published a material in 2016 which reported that the GDP contribution of the creative industries had reached a level of 7 per cent. The same document listed the top cities in Romania for creative industries and Oradea was not among them. It also outlines that the margin of creative businesses is better than the average.

According to the findings of The Research Centre on Interethnic Relations (CCRIT) of Babeş-Bolyai University of Cluj-Napoca, the biggest problems creative industry operators face regarding entrepreneurship are related to the administration and bureaucracy, the lack of state-support, funds and capital and also the lack of adequate infrastructure.

The situation is quite similar in Hungary. According to the 2015 survey of GEM, Hungary scored last regarding the population's entrepreneurial knowledge and skills within the Eastern-European countries which has a strong influence on start-up businesses. In terms of product and technological innovation, Hungary is within the last of the EU members.

In the framework of Creative Growth, a cooperation project between 11 partners from 9 regions in Europe, there were several surveys and a deeper examination of the creative industries in the Észak-Alföld Region, the region which includes Debrecen as its biggest city. A very important conclusion was that all actors of the sector suffer from an

intensive brain drain which results in young and talented creatives leaving the city and the region and move to Budapest or more western countries in Europe.

CreaCity, an associated enterprise of the highly appreciated Design Terminal in Budapest was asked in 2018 to prepare a deep analysis and strategy on Debrecen's creative industries as an accompanying material to the preparation of the city's bid for the European Capital of Culture 2023 title. We already quoted this material in point 1.2. when giving the definition of the creative industries. The strategy designed three conditions for a succesful creative ecosystem:

- talent: professionals in the creative fields with an up-to-date knowledge
- market: local market with good taste, demand and financial background, but also channels to outer markets
- scene and cooperation: creative industries have to have its platforms for communication, its events and forums, its proper representation and the enterprises are able to adapt to the supply chain of the local investors and operators

1.4./ Baselines of the development process

Considering the problems, the Create2Gather project aims to support the cross-border creative ecosystem with the following tools:

- cross-border entrepreneurial and creative industries trainings through e-learning;
- a new, joint brand and a marketing strategy for the Bihar - Hajdú-Bihar Euroregion adressing creative industries products and services;
- a cross-border platform presenting products and services;
- two creative co-working spaces which offer proper infrastructural background for creation;
- a network of creative industries operators.

This strategic framework is designed to define how the members of the target group can join and take part in the activities and also how the different work packages should be worked out operatively.

2./ ASSESSMENT OF THE CURRENT SITUATION

2.1./ Preliminary findings

The concept of the project was based on some preliminary findings, based mostly on previous studies and surveys. These findings say that the biggest problems creative operators in this region face are:

- the lack of entrepreneurial skills, competences and knowledge;
- segmented marketing (strategies/activities) and the lack of well-defined business identity;
- the lack of cost effective, value added creative and innovative quality products and services available in the cross-border area caused by the lack of professionally equipped space and specific skills and competences.

2.2./ Data about the target group

In the framework of this project (deliverable D.T1.3.1), a filterable database was constructed which enables to find out details about the potential number of companies and other legal entities which has an officially registered creative activity. The database also allows us to make statistics about the location, the size and the economic performance of these businesses.

2.3./ Problem mapping

In order to have a deeper mapping of problems and challenges, we made an online survey and also interviews with stakeholders, determining actors of the sector and representatives of the local creative communities, according to the Research Methods Guide made in the same workpackage. In Oradea there was also a focus-group interview with creative operators. The questions focused mainly on the training needs and on finding answers about how the hub could serve the creative sector best and what are the

most demanded facilities, services, functions and equipment elements by the current operators.

The following conclusions were made:

- the majority of those who have a regular creative activity are not able to make a living out of it so they do it as a hobby or as an additional source of income
- about 60 per cent of them think that the most important thing they could benefit from is an entrepreneurial training and mentoring feature
- more than half of the target group use afternoons or weekend days for creative activities which means that these time slots would also be ideal for them to use the facilities or for taking part in trainings
- only a very few undertakings have their own business premises (shops) for customer relationships and selling goods
- most of the customer relations' communication activities are made online
- one of the most representative aspects is that the creators usually have a strong emotional connection to what they make or create (either it is a product or a service), which makes it sometimes even more difficult for them to deal with the 'formal' parts of the businesses.

The large majority of the operators would be open to use a creative co-working space for some of their activities. The main settings are the following:

- the most requested premises are training and education rooms
- there's also a demand for shared office facilities, storage rooms and even showrooms
- the list of the most wanted tools and equipment includes special and costly software, special big-format machine tools, big-format printers, 3D printer
- broadband internet access is also essential
- only a few creatives use significantly big quantity of raw material for their work and typically they don't produce more waste than an average household

If we take a look at the feedbacks concerning trainings and professional mentoring, we find out that support in the field of marketing, PR and communication comes to the surface in most of the answers. There's also a big need for new knowledge about market research and special characteristics of the creative market. A relevant demand was

outlined also about financial and business consultancy and capital raisings, but engineering and IT skills would also be useful according to the operators.

The overall outcome shows that the preliminary findings were adequate so the most relevant intervention points when it comes to the strategic development of the sector are:

- training, education and mentoring services which can support them in entering the market or in scaling up;
- creating channels for internal communication and form a cross-border network;
- helping them in marketing and external communication with proper branding and establishing a platform;
- ensuring shared services which are available in a cost-efficient way.

2.4./ Local initiatives with synergy potential

The Create2Gather project has to find it's place in the already existing creative ecosystem of both Oradea or Debrecen. To achieve this, it was necessary to measure the scene and initiate a dialogue with actors who are already present and whose activities coincide with ours.

In Oradea, both the University of Oradea and the University of Partium are potential partners, together with other schools of arts. Significant actors of the creative scene as Manifest Oradea, yatta.ro, but also local bars who organize creative fairs and workshops are also in the big picture. In Debrecen, CSAK Design is an umbrella brand and loose association for several local self-employed designers and handicraft masters. They regularly organize markets and workshops and have plans to open a showroom which would be a strong synergy with the creative makerspace planned in this project. The Faculty of Architecture in the University of Debrecen has readymade plans for restructuring an old workroom near the city centre called 'Szárító' (Dryer). This building would be a hub mainly for students with community-useable tools and equipment, but also they plan to involve young artists and creatives to make a vibrant atmosphere. One of the multinational telecommunication companies Telekom is also opening a co-creating space called 'Magenta Kraft' where small creative communities can use video

and podcast studios, sound equipment and lots of smart tools. We also found possible links to IGEN Debrecen, an incubation programme for small groups which have ideas that can be turned into a real entrepreneurship; and DebTech, which is a community that gathers mainly tech start-ups from the city. Last but not least, the Local Municipality of Debrecen is also committed in the development of the local creative sector and plans to turn a downtown public area into a 'Creative Street' or 'Street of Artizans' in the near future.

2.5./ Professional partners and best practices

When collecting data, experience and best practices, it was inevitable to visit and examine the operation of potential partners who had been in the business for a longer period of time. 'Kollabor' Experience Center in Békéscsaba is mainly focusing on the younger generation and on the schools currently, involving students into its Do-It-Yourself innovational and educational programmes. FabLab Budapest with the slogan 'Materialise your dreams!' is targeting entrepreneurs, designers and artists who need technological background, skills and infrastructure to manufacture their planned products, objects or installations. They are also place an emphasis on talent nurturing and on building up an inspiring community based on shared resources and knowledge. FabLab Budapest will become a professional partner and mentor for our co-working creative space in Debrecen as we want them to supervise all important steps in the first period of operation. NOD Makerspace, FabLab Bucharest and incubART Timisoara will play the same role in Oradea.

3./ DEVELOPMENT AND TRAINING STRATEGY

Reaching our main goal, an employment-friendly growth in the creative industries with the help of the work-packages of this project requires a holistic approach. We want to develop the chances for the current creative industries' operators and also train potential new labour force with catalyzing the establishment of a supportive ecosystem. The main elements of this ecosystem are the two new creative co-working spaces in the two cities, the creation of the cross-border brand and marketing strategy for the

communication and the platform which is able to connect several operators and also the consumers. Last but not least, entrepreneurial and creative industries trainings ensure a broad basis which is a good starting point to involve new labour force to the sector. This further developed ecosystem will be able to help us to reach the overall goals of the project: to tackle the problem that many operators in the market possess the expertise to create products but lack the proper capital and knowledge that would lead them towards starting and advancing their business.

3.1./ Selection methodology

The selection methodology for the services has not been worked out in the application form as this should be at least partly based on the experiences of the data collection. The selection methodology has to meet the basic requirements of being:

- fully transparent;
- not discriminatory in any sense, grants equal rights to men and women;
- as objective as possible;
- of support for the implementation of the workpackages

As we think of the different interventions as parts of an integrated development model, there shall be one integrated online interface for applicants. A possible solution is to ask for filling in a simple form and uploading a short, compact portfolio with some reference works which gives a picture of what the product or service is.

The portfolios shall be evaluated and given a score anonymously by an independent expert team of two (one professional from Romania and one professional from Hungary), considering these aspects:

- the idea is marketable;
- the product / service has a real chance to be developed in the foreseeable future;
- the product / service is innovative and of a good quality enough to be represented under a cross-border brand;
- there is a deliberate initial business plan behind the idea.

When filling up the form, all applicants have to undertake taking part in the appropriate trainings in order to become a skilled member of the network. The full scoring method shall be published transparently on the website of the project.

3.2./ Development model in the creative co-working spaces

Both partners establish and equip a creative co-working makerspace in their respective cities that will be dedicated to the creation of value added quality products. These hubs will allow creative industries market participants to break down the barriers to their competitiveness and promote them towards efficiency-oriented and innovation-focused operations. During the implementation period of the project, selected creative operators enjoy a priority in the use of the spaces and the equipment. After that period, the creative industry will be able to use the facilities and rent work equipment for market price which has to ensure the sustainability of the two hubs.

Both makerspaces will have a permanent staff, who are responsible for either the administrative operation or the basic mentoring on the usage of the equipment.

The makerspace in Oradea will consist of five main workstudios: a multimedia studio (for photo-video-podcast), a textile studio, a woodworking space, a metal working space and a co-working and event space. Equipping the makerspace in Oradea will contain the purchase of furniture and interior design elements (e.g. front desk, bike rack, room divider, storage cabinet, planner board, chairs and tables), IT and electronic equipment (PC workstations, projector, printer and 3d printer, tv's, display boxes etc.), basic craft tools and machines (stapler, nailgun, cutter, scan'n'cut machine etc.), multimedia arts equipment (photocamera, stands, background sets, rotational photobox, accessories etc.), visual arts tools and equipment (painter's stand, drawing table, sculpting knife set), woodworking tools and machines (toolkit, drilling/screwdriver tool, woodworking machine and table, dust exhauster, chisel set etc.), pottery tools and machines (oven, electronic wheel, tool kit, rolling table) and textile tools and machines (sewing machine, ironing station, dressform set, embroidery machine and software, serger etc.).

The makerspace in Debrecen will start its operation in the city centre of Debrecen. The operation of the makerspace will adapt as much as possible to the demands of the target group. There will be standard opening hours, possibly from Tuesday to Saturday in the afternoon, given that many operators do creative activities in addition to school or an everyday job. Extra opening hours can occur flexibly, in line with trainings, workshops and any important specific requests if agreed in advance.

There will be two major manners of use: membership will be based on the selection methodology in the first two years (the implementation period) and will have a priority chance to use the infrastructure, but subject to the remaining capacity, unique users can reserve a time slot for using the space and its equipment. In the long run, we plan to build a strong relationship with several local creative communities initiatives and use the space as a shared resource.

We use the principle of open area in the makerspace: mainly we plan to install room divider furniture to create mobile separate spaces but we want to strengthen the 'community space' atmosphere of the venue. The list of the equipment will be aligned to the demands of the target group and the main focus areas.

3.3./ Training and education

As it has been already described, one of the key problems of the sector is the lack of entrepreneurship and entrepreneurial skills. Many of the operators in the market only possess the expertise to create their creative and innovative products but lack the capital and most importantly the valuable knowledge that would lead them towards starting and advancing their business.

Activity T2, to be carried out mainly by the Association for Business Promotion in Romania implements a system of entrepreneurial trainings through an e-learning platform. The main themes of the entrepreneurial trainings have to be configured based on the results of the data collection and analysis.

According to the main output quantification, altogether 120 members of the target group have to be involved in the entrepreneurial trainings through e-learning from both sides of the border. It is important to note that while the majority of the knowledge to be transferred is adaptable generally, there are some specific fields that differ from each other in Romania and in Hungary, attributable to the different state regulations.

Strategically, the flow of the training shall consist of ten modules which have several more subtopics, compiled mainly on the needs of the target group and the results of the data collection.

M1: Legislation applicable to the business environment

- Legal forms of business types (establishment and operation of companies).
- Criteria for choosing the most advantageous legal form for your company (financial and non-financial advantages and disadvantages of legal forms of business organization).
- Taxes, customs and social insurance - How to make general calculations?
- Labour law: employee's rights and safety at work.

M2: Business development strategy

- Introductory notions about entrepreneurship.
- Legal basics: corporate law, types of enterprises.
- How to choose the right business model? Advantages and disadvantages of different formats.
- How to define the vision, mission, objectives and values of your company? (Examples)
- How to pitch a business plan for others?
- Capital raisings, basics about venture capital and business angels.

M3: Financial knowledge

- General notions regarding company accounting.
- General notions regarding the financial aspects of the business (financial planning, cash-flow).

M4: Macroeconomic analysis and market placement

- The importance of market analysis and market placement in terms of business success.

M5: Marketing and promotion

- What does a marketing strategy contain?
- Online marketing strategy and sales funnel.

M6: Communication and decision-making techniques

- Decision making techniques.
- Managerial communication (assertive communication techniques).
- Coaching (the role of coaching in business development and professional development, the manager as a coach).

M7: Human resources

- Basic leadership and management skills, time management.
- Key activities related to human resources management.
- Motivating employees.
- Decisions on choosing team members: who do I need in the team?
- Elaboration of the organizational scheme.
- Presentation of the competencies of the team members.
- Presentation of the team profile.
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M8: Material resources

- What are the resources needed for the company's key activities?
- How and when to use a webshop to market products / services?
- State aids and subsidies, potential tendering opportunities.

M9: Business management

- The main activities (processes) of the company.
- How to do risk analysis for your business?
- Basic IT and web management.

M10: Secondary and horizontal themes

- Practical ideas for integrating secondary / horizontal themes in the business plan.

On the other hand, it is also clear that in order to develop skilled labour force for the creative activities, there has to be an emphasized professional training pillar in the project. Both implementing partners will organise regular workshops within the two creative industry makerspaces in order to help the members of the network share their experiences with each other, but trainings by experienced creators from other hubs are also in the plans of the co-working spaces. The target group demands professional development, becoming familiar with new techniques and technologies and also with the use of up-to-date equipment.

One of the most important thing the ecosystem could benefit from is the establishment of the cross-border network of creative industries operators. In the surveys, there were several mentions about the need of more networking and building relationships. The two new spaces will provide a physical room for meeting actors and operators from the scene.

4./ CROSSBORDER BRAND AND PLATFORM

Creative industry operators usually experience the negative effects of not having a well-defined business identity and marketing strategy, because missing these two, they can hardly enter a market and find their potential consumers, especially in a field where both producers and consumers have to interact in order to develop it into a successful market. The project partners aim to support the activities of creative industry operators

by giving them the opportunity to target their consumers thanks to a brand and marketing strategy that will be developed in the project. Apart from that, the partners aim to develop a product and service platform where the registered companies will promote their products and services.

4.1./ Brand and marketing strategy

The brand development shall be based on the following principles and cornerstones:

- Emphasis on local needs.
- A clear message with a personal tone.
- Clean, minimalist visual identity, easily recognizable.
- Reflects the local and regional values.
- Bold design language with easily identifiable elements.
- Personalized message aiming at local makers, who are identified via market research.
- Pointing out the novelty of this project and the new opportunities it creates in the region.
- Communicating the huge potential for local makers, thus letting them realize their projects without being restricted by a limited toolset.
- Expanding the skill-set and knowledge base of creators by offering them state of the art tools and training/workshops for personal development.
- Transparent and non-discriminatory.
- Connecting the raw material dealers with the makers for an improved relationship with the goal of improved communication and offers reflecting the needs of users.
- Lowering the cost of entering the market this way improving the competition and facilitating quality improvements.
- Connecting makers of different fields, making possible crossover projects and widening horizons of possibilities.
- Well defined selection methodology to keep the quality of products consistent and the brand true to its core values.

- Continuous regional market research to up to date with the need for new products and improvements of existing offerings.
- International trends monitoring to identify products that are ready to be introduced on the local market.
- Monitoring of successful maker spaces for tested ideas that can be implemented at local/regional scale.
- Continuous experience exchange with other maker spaces via training, workshops and collaborations.
- Monitoring the needs of makers and inviting trainers for relevant courses.
- Realizing workshops to train makes for the best utilization of the tools and machines available.

4.2./ Cross-border product and service platform

Generally the service platform will be a cloud-based online service which requires a registration and taking part in the selection process detailed above. The administrative actions are made by the creative hubs.

The platform will offer different user profiles for different types of users. Basically, the creative hubs will be able to present their equipment, their services (trainings, mentorings), their employees with their skills and also their members of the projects they give space to. The “service provider profile” will be suitable for creative actors, manufacturers and suppliers to present their products and services with a detailed description and picture but without a direct contact information. The third type of profiles will be for events (trainings, workshops, lectures), including an application and registration function.

The platform will have the following features also:

- automatic classification and labeling of profiles;
- handling of relations between identities;
- localization;
- basic networking;
- search and filter functions, also using a map mode;

- responsivity;
- invitation and administration tools;
- potential use of the brand elements as a badge.