

## Cineposium 2010

November 2010 Association of Film  
Commissioners International

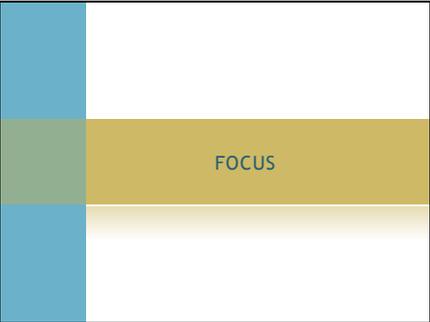
# Film Commissioners as Economic Development Ambassadors



A Primer for Economic Development  
Prepared and presented by  
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<p style="text-align: center;"><b>Slide 2</b></p> 	<p>I'm pleased to be here to share the information I have about business attraction strategies aimed at creative industries and my understanding of shifting economies that you may find helpful as you devise similar strategies for your respective jurisdictions.</p> <p>The notes provide the deep detail, for the purpose of time, my presentation will provide a high level overview of:</p> <ul style="list-style-type: none"> <li>• How to focus,</li> <li>• understanding of project planning, and,</li> <li>• a look at a few examples, and we will hear from one region using a creative industry focus as an economic driver.</li> </ul>
<p style="text-align: center;"><b>Slide 3</b></p> 	<p>How do I know what I know? Working as a producer/director, moving from project to project, I've acquired considerable experience, skills and information creating content. During the last decade, I applied those skills to economic development and talent attraction, with positive results.</p>
<p style="text-align: center;"><b>Slide 4</b></p> 	<p>These skills helped me stay on track and develop successful results. Each skill employs a slightly different perspective.</p> <p>While you may not be the CEO of this project, you may choose to be the one to drive it and bring the project elements together by fostering stakeholder relationships, justifying costs, managing the single voice promotion, and keeping your agenda on track.</p> <p>Understanding multiple agendas, while keeping track of what you what to happen for your region will give you good mileage.</p>
<p style="text-align: center;"><b>Slide 5</b></p> 	<p>Ideally, if you are using this as a primer, you start here and work your way through, however, you can integrate these suggestions at any point in your progress. Also, think of this as a guide rather than a recipe; be open to and aware of opportunities that are unique to your jurisdiction.</p>

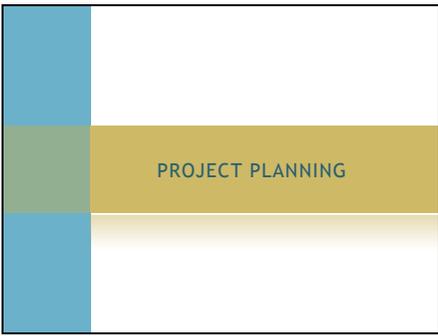
<p style="text-align: center;"><b>Slide 6</b></p> <div style="background-color: #f0e68c; padding: 5px; text-align: center; font-size: small;">       FILM COMMISSIONERS AS ECONOMIC DEVELOPMENT AMBASSADORS     </div> <ul style="list-style-type: none"> <li>● 7 Steps to a Successful Implementation</li> <li>1. Assess the situation (Inventory assets)</li> <li>2. Isolate (Identify what is to happen)</li> <li>3. Formulate the solution (The plan)</li> <li>4. Stakeholders to approve (Woo up)</li> </ul>	<p>The planning and tactical process is applicable to any sector strategy development with slight modifications.</p> <p>Although the process appears simple, cultivating a creative sector is not easy. If you are not able to communicate the value of your sector clearly, then your efforts may be seen as frivolous.</p>
<p style="text-align: center;"><b>Slide 7</b></p> <div style="background-color: #f0e68c; padding: 5px; text-align: center; font-size: small;">       FILM COMMISSIONERS AS ECONOMIC DEVELOPMENT AMBASSADORS     </div> <ul style="list-style-type: none"> <li>● 7 Steps to a Successful Implementation</li> <li>5. Partners to agree (Woo lateral and down)</li> <li>6. Community to accept (Consensus)</li> <li>7. Implement</li> </ul>	<p>Whatever your focus – film service, video games, performance entertainment – the sooner you cultivate your sphere of influence and engage stakeholders, supporters, and resisters, the clearer you will be heard above the din. To communicate the value of your project in terms of the multiple agendas of your stakeholders, partners and community, you must understand both the value of your project to and the concerns of each stakeholder, partner, supporter and resister, and factor those agendas into your project.</p> <p>The key question is “What is the Universal goal of the project?”</p> <p><b><u>Points to ponder:</u></b></p> <p><b><u>Your domestic and international industry partners:</u></b> While both contribute to your economy, their needs differ. Understand those differences to identify opportunities.</p> <p><b><u>Municipal, State/Provincial and Federal governments:</u></b> If you are asking for their money, they are partners – what do they really want?</p> <p><b><u>Peer to Peer:</u></b> This would include peers in partner ministries; Tourism, Economic Development, Science and Technology etc. If you are including Academia as a part of your training/knowledge transfer... you need to know their concerns and their desires. Take into consideration what they want... incorporate what makes sense.</p> <p><b><u>Community at large:</u></b> Are there sensitivities about traffic concerns, generator noise, paparazzi, or right to privacy? Be mindful of tax burden/ benefit ratios.</p>
<p style="text-align: center;"><b>Slide 8</b></p> <div style="background-color: #f0e68c; padding: 5px; text-align: center; font-size: small;">       FILM COMMISSIONERS AS ECONOMIC DEVELOPMENT AMBASSADORS     </div> <ul style="list-style-type: none"> <li>● Filmed Entertainment</li> <li>● Digital Entertainment and Graphic Design</li> <li>● Broadcast Television, Radio and Sound</li> <li>● Authors, Publishing and Print</li> <li>● Performance, Wall and Craft Arts</li> <li>● Fashion Design and Manufacturing</li> <li>● Industrial Design</li> <li>● Architecture and Interior Design</li> </ul>	<p>Creative industries are those industries that use an economic benefit</p> <p>While this session focuses on Filmed and Digital Entertainment, I would be pleased to chat with you about your specific focus after this session.</p>

## Slide 9

FILM COMMISSIONERS AS  
ECONOMIC DEVELOPMENT AMBASSADORS

- Gentrification
- Lucrative revenue stream
- Influencer
- Accelerated Project Cycles
- Creative and Critical Thinkers
- Strong Math, Sciences and Design Skills

- It is important for your stakeholders, partners, and community to understand value in terms of the economic, innovative and productivity potential. Communicate value in context to the organizations you will solicit for support-either funding or advocacy.
- Those jurisdictions that attract a steady stream of the world's top mobile talent will benefit from knowledge transfer, have a greater opportunity to attract entrepreneurs in the game, VFX, animation studio or digital supply chain that contribute to the vibrancy of the community.
- Historically, artists *reinvigorate neighbourhoods*
- Beyond the *lucrative revenue streams* from video games and box office; the related promotion and product distribution are less affected by down turns in the economy,
- **Knowledge Transfer:** The technological push generated by content creation: development of new technology to create VFX and animation can be co-opted by other sectors. Traditional sectors may be reinvigorated by these technological applications – or in the case of industrial design – energize business processes. **Technology development and advancement** cycles are quickened to meet the need of the project as many studios developing proprietary technologies to cope with the project demands. The cycle is anywhere from 8 to 15 months rather than 2 to 10 years for engineering or wet lab development. The advantage for government and business is that the shortened timeframe is easier to experiment with policy and business strategies make adjustments then roll out the opportunity to other sectors.
- Most significant is the capacity of this talent force to solve problems real time, and spot potential problems before those problems impact the project, the productivity or the bottom line. **Creative and Critical thinking;** use and application of imagination to actualize a project is the makeup of innovation. **Innovation contributes to the bedrock of the world's economy.** CIs have the greatest potential to *devise radical innovation;* their proficiency with technology *accelerates implementation/ execution of that innovation; potentially delivering to market faster,* and increasing the potential to introduce “game changing” technology, systems, processes and products into the marketplace. (Science Fiction into Science Fact)
- **Never has math and sciences been so appealing to the younger generation;** these seemingly dull, challenging subjects take on new luster and new context. Consider that equation involving trains travelling at speeds travelling in different directions and compare it to defining the algorithmic equation to shrink Alice 22% of Hatter's Hat. (“Alice in Wonderland” 2010)

<p>Slide 10</p> 	<p>This section is nothing but questions... and hopefully good answers to support your direction. The question to ask is “What?”</p> <p>What is the activity already occurring in your region?</p> <p>What kind of activity do you and your stakeholders cultivate to achieve results</p> <p>What kinds of results are achievable?</p> <ul style="list-style-type: none"> <li>• What makes your region a “great location?”</li> <li>• What would it take your region to support ongoing business?</li> <li>• What is the next step growth step?</li> <li>• How do you find this out?</li> </ul>
<p>Slide 11</p> 	<p>Why do studios choose your jurisdiction? What is the deciding factor? Understand the requirements of your client and balance their needs with your region’s vision for sector and community development.</p> <p>What does your region have:</p> <ul style="list-style-type: none"> <li>• Is there a financial incentive; what is the tax burden/benefit ratio?</li> <li>• What is the level of accredited experienced crew living/working in your region? How are Unions, industry and education aligned on training issues and concessions that develop capacity?</li> <li>• Are there dry, black box or full studio facilities in your region? Or opportunities to build? What is the capability for postproduction, practical and visual effects, animation in your region?</li> <li>• Is your region over or underutilized as a location? Why?</li> </ul>
<p>Slide 12</p> 	<p><b><i>Inventory your assets – measure through a study or survey</i></b></p> <p>The inventory reveals strengths/weakness; opportunities for growth and hurdles to implement that will direct your plan; and this will provide insight how to position your region.</p> <p>I encourage you to use the inventory part of this process as <b><i>an opportunity to coalesce partners</i></b>. The municipality, industry (companies, unions and industry associations,) community, investor community, upper levels of government, academia and training schools will find <b><i>the amount of information valuable</i></b>. Champion the study with funds from stakeholders.</p> <p><i>(**See elements for the sample survey in Resources and Information at the end of this document)</i></p>

Slide 13

FILM COMMISSIONERS AS  
ECONOMIC DEVELOPMENT AMBASSADORS



The plan converts intention into action. This is a cyclical process. You are constantly appraising to determine the viability of each step. Goals are usually static and redeveloped when they are reached; or tweaked under very specific circumstances. Objectives, Action Steps, Budget and the Assessment are fluid, and respond to unforeseen impacts, such as "pan-economic" instability, or a sudden influx of business.

**Goals:** are few, overarching and if not developed by those who directly govern your activities, they are 100% absolutely approved by those who govern you. Goals are not MEASURES but the expectations for this plan.

**Objectives:** are developed at your level and specify the measurable achievements. The objectives set your milestones. I want "X" to happen by "Y" date.

**Action steps:** How are you going to get X to happen by Y date? In government organizations, this step is a little more complicated, but usually those who will be responsible for implementing the action steps develop them. Within the action steps will be the process, oversight, stakeholder partner roles, the marketing, and the communications plans. The day after the plan is approved – implement your action steps.

**Budget:** Budget is based on the action steps. This includes all financial plans tied to the action steps and the objectives and the goals.

**Assess** BE RUTHLESS and measure results- ALWAYS.  
New business? Why?  
No business? Why?

Anytime something does or does not happen – know why. This may not require intense analytical focus, but you need to keep an eye on activity and results – and understand the WHY.

Slide 14

EXAMPLES:  
EXPLOITING POTENTIAL

Using a specific sector to drive an economy isn't anything new. The only new element is the technology that connects us to new markets and new competition.

### Slide 15

FILM COMMISSIONERS AS ECONOMIC DEVELOPMENT AMBASSADORS

● Entertainment Hubs:

- Microsoft, Redmond, WA, USA
- Waterloo, ON, Canada
- Lucas Films, Presidio, SF, CA, USA
- WETA, NZ
- Media City UK, Manchester, UK
- Los Angeles, CA, USA

We've seen mining towns, forestry towns, port cities; more recently technology cities like Redmond in Washington State\*\*, technology Parks in Hong Kong and Technology Alleys in Waterloo, Ontario, Canada and the infamous Silicone Valley, Northern California.

The use of creative industries as an economic hub isn't new, either. The LA motion picture production industry model is the foundation used by many jurisdictions around the world.

*(\*\* See known details of the Microsoft Redmond collaborative in Resources and Information at the end of this document)*

### Slide 16

FILM COMMISSIONERS AS ECONOMIC DEVELOPMENT AMBASSADORS

● Entertainment Hubs:

- Los Angeles - "Hollywood"
  - 1911: First Major studio opens
  - 1930: Five Major Studios
  - 1948: Golden Age of Hollywood
  - 1950s: Dawn of Television
  - 1970-80: Rebirth of VFX
  - 1980-90: Rebirth of Animation
  - 2000 and beyond: Games + Films

The business model is changing and this change provides for new opportunities with alliances and relationships specific to municipal government and educational and training institutions – which Cheryl will address next.

There is the technological impact; how quickly data moves from one region to another. Competition and the variety of talent involved, and finance opportunities beyond the tax credit model – which will be discussed in detail during the session on Sustaining Your Film Commission and Community, tomorrow, 10:30am-12noon. So how do you make this work?

### Slide 17

FILM COMMISSIONERS AS ECONOMIC DEVELOPMENT AMBASSADORS  
CAMPBELL RIVER, BRITISH COLUMBIA, CANADA

- Resource based economy in transition
- Stable power; access: virtual + scheduled air and ferry
- Proximity to North American, UK, EU and Pacific film centres
- Active, popular location film centre
- Aboriginal Artists
- High concentration of "former" film professionals
- Emerging digital media companies
- Young people leaving to further education and career prospects
- Want to try something new
- Willing Community

Up to 2007

Let us look at a snap shot of a regional community that has focused on Creative Industries to help reinvigorate its economy. The Campbell River Creative Industries Council came into being in a little over a year from first meeting of the core board to announcement in June 2010. Located mid Vancouver Island, off the West Coast of British Columbia in the Pacific North West, and adjacent to the Vancouver film hub.

The Film Office was the primary advocate behind the organization; it they identified these mix of elements to support a theory:

- Resource based economy in transition
- Stable power; access: virtual + scheduled air and ferry
- Proximity to North American, Europe and Pacific Film centres:
  - ✓ Located adjacent to a major North American Film production Hub – Vancouver BC
  - ✓ Time zone is the same as LA, 4 hours off of East Coast
  - ✓ 8hrs off the UK and Europe
  - ✓ 16-18 hrs off the Pacific and Asia
- Active, popular location film centre
- Aboriginal Artists
- High concentration of "former" film professionals
- Emerging digital media companies
- Young people leaving to further education
- Want to try something new
- Willing Community



- Inventory and Track
- Collaborate and Plan
- Brand/ Market/ Advertise
- REPEAT

**Inventory:** The inventory identifies what you have to offer right now and highlights your growth potential. Include whatever funding vehicles you have; be sure to include those funds related to educational math science grants for companies, experimental development grants that may be underutilized for entertainment production. Spend during the inventory phase to get as accurate a picture, as quickly as you can; and to use this information to engage partners.

**Track:** Once you have a baseline, track: every production that comes to town or doesn't, every business that starts or fails; every change to post secondary education stats, every professional association. This will help you decide what to keep, what to refine, and what to toss.

**Collaborate:** Major studios engage in alliances to create content – why not jurisdictions for attracting business? Especially those regions with limited finances, why not get together to fill in each other's weak spot? Don't forget to include your academic institutions. Collaboration engages and unifies; which is useful when lobbying for infrastructure, finance, and incubators needed for knowledge transfer that leads to radical innovation and business game changers.

**Plan:** Once you have the alliances and the inventory create your plan. Be realistic. This is a present-future focused process. Whatever you do today builds on tomorrow's results.

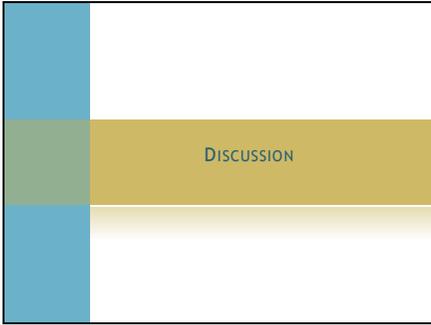
**Brand/Market/Advertise:** Know who you are, what you have to offer and communicate those two points clearly to the target you wish to attract. The key to success is to understand that these three activities while related, are very different.

Brand is about your values as they relate to your region, community and business practices. Brand development is vital to forging relationships with your community and your customers.

Marketing asks questions about what your community and customers like and don't like to help identify your future growth.

Advertising is the sales tool that communicates your value to your customers. Talk about who, what, where, why you are and make it succinct. Again, this is an opportunity to engage your local community.

**REPEAT** – Measure once a year post baseline study, and track every shift, positive or negative; always! Connect with your businesses on the ground, as well as customers outside the region. Why did they choose you, what did they like, what was their experience, what didn't they like? How can you do better? Involve your customers in your process and create a relationship; create a business hub - not just a one off piece of business.



Discussion

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### Resources and Information

Campbell River Creative Industries Council (CRCIC)	<a href="http://www.crcic.ca/">http://www.crcic.ca/</a>	CI Development
Media CityUK, Manchester	<a href="http://mediacityuk.co.uk">mediacityuk.co.uk</a>	CI Development
Lucas – Letterman Campus	<a href="http://albionmonitor.com/presidio/presidio.html">albionmonitor.com/presidio/presidio.html</a>	CI Development
Daniel Pink	<a href="http://danpink.com">danpink.com</a>	Free Agents (HR)
Seth Godin	<a href="http://sethgodin.com">sethgodin.com</a>	Marketing
Tom Kelley	<a href="http://tenfacesofinnovation.com">tenfacesofinnovation.com</a>	Innovation
Gary Hamel	<a href="http://garyhamel.com">garyhamel.com</a>	Business
Leader to Leader Institute (Peter F. Drucker Foundation)	<a href="http://pfd.org">pfd.org</a> <a href="http://leadertoleader.org">leadertoleader.org</a>	Business
Jim Collins – Good to Great diagnostic tool	<a href="http://www.jimcollins.com/tools/diagnostic-tool.pdf">www.jimcollins.com/tools/diagnostic-tool.pdf</a>	Governance
Jim Collins – Level 5 Leadership Discussion guide	<a href="http://www.jimcollins.com/tools/discussion-guide.pdf">www.jimcollins.com/tools/discussion-guide.pdf</a>	Leadership

## **\*\*Slide 12: Elements of the inventory – a sample survey**

### **Sector: Cluster/hub/node**

How many of what kinds of businesses do you have in your jurisdiction? (Cluster/hub/node?)

What is the personal characteristic among the population who naturally gravitate to your jurisdiction?

Measure the one-person indie who leaves the region for work elsewhere; and all sizes of businesses that stay and/or migrate for projects, but use your region as home base.

- Is there a central educational institution supporting learning and training, or do students have to leave?
- Who are the angels? The investors?
- Include funding vehicles like educational math science grants for companies, experimental development grants – that may be underutilized because these haven't been applied to the Creative Industries
- Where do you already have some capacity?
- Where does the talent force come from? Why did they come here?

Look for the numbers; find out what they are doing, how they are doing and why they are where they are:

### **Technology:**

- How much data is moved throughout the area?
- How much can you upload/download in real time?
- Is it high speed?(really? What is the ratio of users at one time to speed... ah ha!)
- How much dark fibre? Is it fibre + satellite? Up and down link?
- What is the municipality doing? (partnership opportunity)

**Community:** Keep in mind that whatever benefits your community will only enhance your business strategy.

- Availability to expand (land use; existing conversions, build new?)
- Schools
- Housing
- Public Transportation
- Hospitals
- Post Secondary, training institutions and industry collaborative

**One cautionary note:** Important decisions will be made based on this information; be as accurately as possible. Pay close attention to the survey's methodology – how data is collected; it should reflect empirical not anecdotal gathering practices.

It pays to have your first "industry study," "survey" whatever you choose to name it; done by a reputable third party company who will firewall information gathered with NDAs. Which means you as client will never see the specific details – only the aggregated results. This ensures respondents have complete anonymity and is apt to produce a more accurate result.

If you are successful producing results based on realistic data, not only will you have a firm foundation for future data collections; you will also gain the reputation as a reliable source for unbiased, fact based information. This strengthens relationships with stakeholder will foster support for the economic plan.

### **\*\*Microsoft and Redmond:**

Few details of the original attraction deal between Microsoft and the City of Redmond are available; however, some information about the 2006 expansion is widely known.

A number of companies in the high-tech industry are based in Redmond. The largest employer in the city by far is Microsoft Corporation, which moved its headquarters to Redmond in 1986. Currently Microsoft has over 93,000 full-time workers and more than 8 million square feet (750,000 square meters) of office space in the Seattle area Eastside region, primarily in Redmond, with additional offices in Bellevue and Issaquah.

#### ***Further signs of growth include:***

In January 2006, Microsoft announced the purchase of Safeco's Redmond campus. (Formerly one of Redmond's major employers, Safeco began consolidating its offices in Seattle's University District in 2005.)

In February 2006, Microsoft announced that it intends to expand its Microsoft Redmond campus by another 1,100,000 square feet (102,000 m<sup>2</sup>) at a cost of \$1 billion and has said that this will create space for between 7,000 and 15,000 new employees over the next three years. This is very optimistic news for Redmond and the Eastside, which will gain many new residents as a direct result. This also shows that while the general technology industry slows, Redmond's economy, alongside that of Puget Sound, continues to expand rapidly. Other companies with headquarters in Redmond include Concur, Visible.net and Data I/O Corporation.

Unlike Bellevue and other neighboring cities, the City of Redmond does not have a Business & Occupation tax on income. However, to help offset the costs of road improvements for businesses, a business license fee of \$55 per employee was approved in 1996. As of 2007, the fee is \$85 per employee.