

COOPERATION BETWEEN CCI AND AVM BOOSTING INNOVATION IN CENTRAL EUROPE



POLICY RECOMMENDATION COCO4CCI



#COCO4CCI

This publication has been prepared by the partners of the COCO4CCI project:

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CREARE - Creative Region Linz & Upper Austria GmbH

CPK - Academy of Art in Szczecin

HdM - Hochschule der Medien Stuttgart

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The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Interreg Central Europe programme.

Imprint:

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1000 Ljubljana
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<https://www.interreg-central.eu/COCO4CCI>

March 2022



SUMMARY

This publication on policy recommendations aims to be a guide and reference to create a favorable environment and ecosystem for cross-sectoral collaborations. It presents the learnings from the Interreg Central Europe project Culture and Creative Industries Cooperation Collider (COCO4CCI). Enhancing cross-collaboration skills of cultural and creative industries (CCI) and advanced manufacturing companies (AVM) in the Central Europe region is the key aim of the COCO4CCI project (2019-2022). The partnership brings these two worlds together and creates a roadmap, tools, and ecosystem to achieve a collider effect. As with particles in an accelerator, the idea of a collaboration collider is to bring disparate industries together and thereby creating a sum greater than their parts.

To bring these two worlds together and learn about their needs, COCO4CCI designed and followed a holistic approach:

1. Groundwork and research: Levels of readiness, potential and expected impact were explored. Technology, communication and services were identified to engage AVMs and CCIs and gain their interest for cross-sectoral collaborations.
2. Collaboration Collider: A campaign was developed to raise awareness of how industry thinks and acts. Based on the concept of the „WHOLEBRAINER,, several activities were developed:
 - Awareness raising activities
 - Training tools for CCIs to better understand the technology, trends, and mindset of manufacturers
 - Match-making tools to initiate joint projects between CCIs and advanced manufacturers

As a result, all parties gained; many CCIs were presented new opportunities to work with advanced manufacturers, resulting in established partnerships. AVMs, in turn, received concepts and tools to initiate and accompany cross-sector partnerships. A significant number of collaborations offer new business opportunities for CCIs. But most importantly, the campaign has changed the way both sides perceive each other.

Enriched by the experience of the process, and with a willingness to share it, the project partners have prepared a set of recommendations addressed to public authorities, policy makers and organizations supporting CCIs.



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Glossary:

AVM - Advanced Manufacturer

BSO - Business support organizations

CCI - Culture and Creative Industry



INTRODUCTION

Cultural and Creative Industries (CCIs) are of great value both commercially and culturally for the Central European Region. They are essential drivers of economic growth, employment, and innovation throughout the economy. They are also recognized for their positive impact on society. CCIs contribute to the prosperity of our region, encourage active citizenship, create shared values, and conditions for social inclusion and social cohesion as well as the development of intercultural dialogue (EC, 2018; UNCTAD, 2018; ECBN, 2020; Eurostat 2020a; IDEA Consult et al., 2021).

Estimates show that cultural and creative industries contribute about 7.8% of the total output of the European Union in terms of GDP (Boix- Domènech & Soler-Marco, 2017). Eurostat (2020b) estimates that CCI activity accounted for nearly 3.7% of employment in the EU in 2019, with 7.4 million jobs and in 2018. Some 1.2 million cultural enterprises in the EU generated €155 billion in value (Eurostat, 2020b). Before the COVID-19 pandemic swept the continent, the number of enterprises created in the cultural sector in the EU27 grew at an average annual rate of 1.5% between 2012 and 2017 (Eurostat 2020, cited in IDEA Consult et al., 2021, 15).

CCI holds more potential which could not yet been exploited. With the continuous evolution of the cultural and creative sectors, there is an increased need to support the expansion and the skills development of professionals employed, as well as to opening new direction and opportunities through transversal innovation. The COCO4CCI project strives to foster growth and cooperation capacities of the Cultural and Creative Industries and Advanced Manufacturers (AVM). It brings together entities from the central European region to collectively discover and formulate best practices for supporting cross-innovation. The project bundles competencies to achieve cooperation goals, experiment with **collider effect tools** and exchange knowledge about well-functioning programs and strategies to further develop collaboration, as well as strategies and processes around cross-innovation.

12 partners from 6 countries joined forces in a consortium led by the Chamber of Commerce and Industry of Slovenia including funding agencies, municipalities, and international cultural institutions: With a well-balanced mix of partners from both worlds, the world of CCI and the world of AMV, the project consortium possessed the right competences, know-how and experience to develop relevant concepts to support cross-sectoral collaborations.



As a result, all parties gained.

- Many CCIs found better opportunities to work with advanced manufacturers and established partnerships with manufacturing companies.
- BSO received concepts and tools for initiating and accompanying cross-sector partnerships.
- A significant number of collaborations offered new business opportunities for CCIs.
- More importantly, a shift of mindset was achieved in both sectors.

The purpose of this publication is to support political decision makers by offering them information to better understand the potential and the impact of CCIs, especially when collaborating with different sectors. This publication presents the results of our work, the lessons learned and policy recommendations to improve the framework conditions for cross-sectoral cooperation.

INFO BOX!

COCO4CCI:

12 partner organisations from 6 countries worked together in tandems of “classic” business support organisations and CCI hubs to create a transnational network of regional support structures that facilitate cross-sectoral collaborations between CCI and AVM.

Learn more about our activities and results on our website.

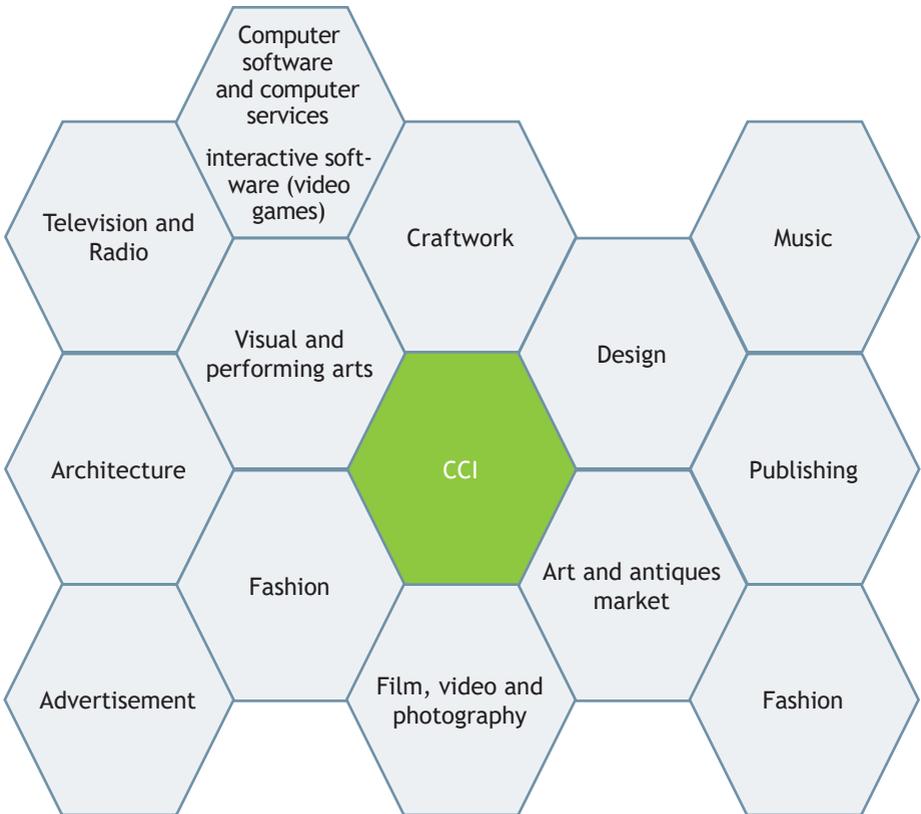
COCO4CCI website



BACKGROUND - HOW IT ALL BEGAN

Cultural and Creative Industries (CCI)

In 1998 the term **creative industries** was used for the first time in the report „The Creative Industries Mapping Document” of the British Government Department for Digital, Culture, Media & Sport to extend the definition of the cultural sector and follow structural changes due to new technologies development. The document defined creative industries as “activities that have their origin from individual creativity, skills, and talent, and have potential to create wealth and employment through the development and exploitation of ‘intellectual property’” and identified thirteen sectors.



More recently, the cultural and creative industries have become objects of great attention from different areas as economy, politics, and public management of the cultural areas and development of many countries.

Creative Culture Industries means innovation. Innovation is defined as to make changes in something established, especially by introducing new methods, ideas, or products. The three main assets that advance innovation are recognized as:

- **Consumer market:** the change of perception and relationship with customers, who are evermore prepared and aware of what they want to consume and how.
- **Technological revolution:** digitalization and automatization are resetting all classic production and consumption assets.
- **Sustainability:** Issues of sustainability and the social impact of business activities are becoming increasingly significant.

For innovations to thrive there needs to be a state of tension. Defining challenges for innovation can be out of a state of need or in order to implement a technology into a new area of application. The innovation potential is even greater through disruptive methods and the addition of a new mindset like the perspective of a CCI into the AVM processes.

INFO BOX!

Would you like to know more about CCI in participating regions - go to Transnational mapping report - positioning of the regions in central Europe.

Report



Advanced Manufacturing (AVM)

Advanced Manufacturing equals economic stability and growth. **The manufacturing industry** is a strong asset for the European economy and an important driver of employment and prosperity. It also plays a key role in research and innovation, being responsible for 64% of private sector research development expenditure and 49% of innovation expenditure in Europe (EUROSTAT 2020). The sector accounts for 2 million enterprises (around 1 in 10 of all enterprises in the EU-27's non-financial business economy), €2,078 billion in gross value added, 32.1 million jobs in 2019 in manufacturing in the EU 27, including 14.5 million jobs in advanced manufacturing. Advanced manufacturing uses innovative technologies and methodologies for improved competitiveness in the manufacturing sectors. Robotics, 3D, and 4D printing, artificial intelligence and high-performance computing for modelling are important elements in advanced manufacturing.

External and self-image of AVM and CCI

Several CCI and AVM companies were asked to participate in a survey to understand their self-image and the image the have of each other. These perceptions were used as a base for all activities within the COCO4CCI project.

CCI sees itself as an industry that applies creative solutions to meet specific tasks and solves problems in innovative ways. It uses the best of two worlds: creative and market thinking. It develops and designs new products and services keeping in mind both profit and social benefits (sustainability, zero waste, etc.). In this way, CCI is an innovation collider that brings opportunities for improvement through creativity.¹²

CCI companies generally define AVM a much more conservative and primarily business-oriented sector, characterised by more rigid structures and long decision-making processes. CCI sees itself more as an executive service provider that does not necessarily operate on the same level with AVM.

1 The CCI sector was represented by players from the following industries: film, museums, theatre, advertising, marketing, design (industrial, fashion, service, graphic design), digital production, crafts, e-commerce, architecture, software, AR/VR.

Types of AVMs: Mechanical engineering, automotive suppliers, custom marble and stone, industrial engineering for food and beverage, professional kitchen furniture, AI, mixed reality, biomedical engineering/medical devices, chambers and trade associations, wood products manufacturing, veneer manufacturing, fiber concrete manufacturing.

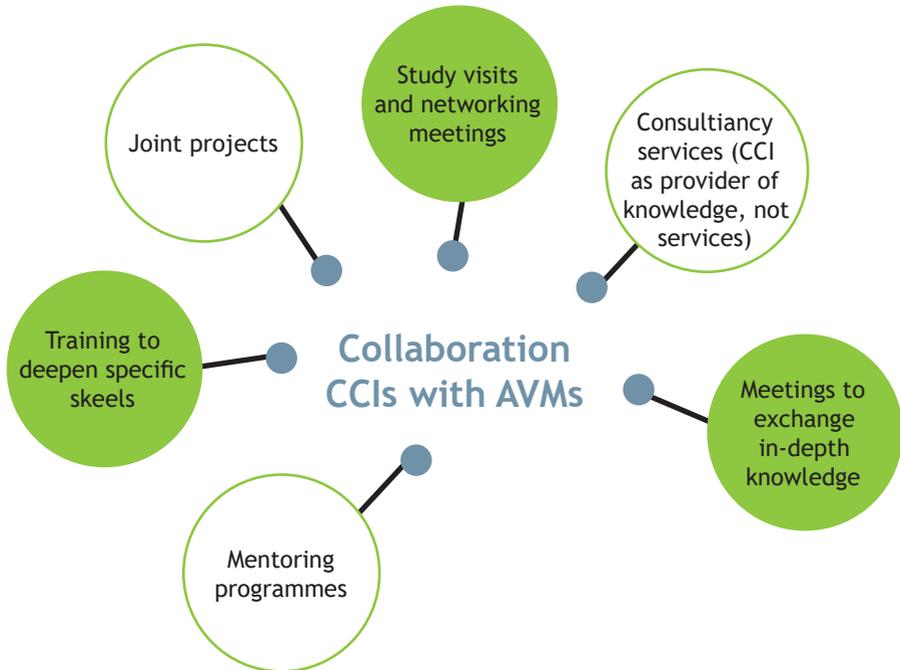
2 From the research conducted in the first 3 Quarters of 2019, the challenges faced in initiating collaborations between CCI and AVM were sussed out.



According to respondents from the Cultural and Creative Industries, when it comes to collaborating with other sectors, especially industry, they face the following challenges:

Lack of business knowledge and expertise within CCI	Strong competition and pressure within CCIs	Administration, government regulations, laws and taxes
Digitalisation and internationalisation and their side effects	Stereotypes about the creative industries	Lack of networking opportunities with other industries
Expanding the market beyond local/regional sales is difficult	The CCI sector is fragmented and unstable	Vague definition of the creative industries sector makes identity difficult

When asked, the CCI companies found that the following activities could positively influence, launch and foster future collaborations between AVM and CCI:



In addition to the exchange of knowledge and skills, which would result in new (international) collaborations, these activities should lead to **new projects** with client groups which have not yet been reached. To achieve that a **specific training and matchmaking** process needs to be provided. Sharing examples of good practice, financial support and competence centres would increase the interest of CCI to work with AVMs. **Most of the CCI representatives feel ready to collaborate.**

AVM companies see themselves as **structure-based security enthusiasts** with a strong economic mindset. They use rapidly evolving technologies to gain a competitive position in the market and achieve better optimisation in all value chains - both in processes and business models. AVMs are driven by technical and economic requirements. **They are mostly very traditional companies**, even if they are innovative. They think in well-established tracks and expect their partners to adopt the same scheme.

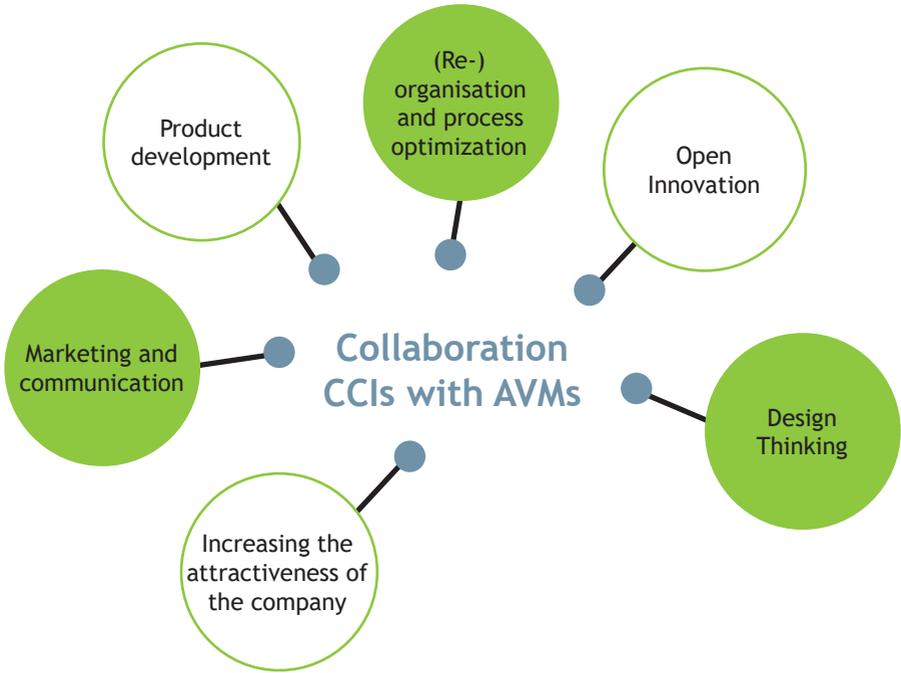
AVMs consider cultural and creative industry actors as lone fighters who are however, well connected among themselves. At the same time, they are convinced that CCI can add value to the industry, especially in terms of improving corporate culture. However, they also assume that CCI has deficiencies in business knowledge as well as passivity and lack of proactivity when it comes to initiating interdisciplinary collaboration and partnerships.

According to advanced manufacturing sector, they face the following challenges when it comes to collaborating with other sectors, CCI:

Different languages and different understanding of solutions	Fear of dealing with creative people	Not understanding each other's problems
Discussions with AVM management	Not enough information about each other	Risk of not having a clear project outcome
Poor communication and slow adaptation		



When asked, the AVM companies found that cooperation with CCI include the following:



By partnering with CCI, AVM companies would like to find solutions to social and environmental problems and tackle these and other challenges with fresh ideas. Almost all companies would like to partner with CCI and feel ready to do so. All respondents welcome a proper matchmaking process and think collaboration could be improved through prior training and workshops to acquire the necessary capacities.

Examples of good practice include facilitating contact between the individual AVM and CCI and kick off specific collaboration projects which would increase the interest of the AVM company for future collaborations.



FRAMEWORK: COCO4CCI - FROM PROJECT IDEA TO PROJECT STRUCTURE

The WHOLEBRAINER approach

Are you a left brainer? Are you a right brainer? The process in the project was based on the idea of **left and right side of the brain**. Studies revealed that depending on the subject neurological reactions can be detected in different areas and sections of the brain. For example, emotional and creative processes activate the right side of the brain, while for analytical and technical processes, more activity can be observed on the left side of the brain.

By analogy, the creative sector represents the right-brain, while the manufacturing industry is the left-brain. Our aim was to bring these two sides into a controlled collision and use the best resources of both worlds to create collaboration, innovation and ultimately a bright future. Both approaches are hugely important and have the potential to create greatness. However, because left- and right-brained people can approach the same challenges in different ways, collaboration and cooperation are often difficult due

INFO BOX!

WHOLEBRAINER APPROACH:

The right side of the brain represents emotions and creativity (CCI). The left side of the brain represents data-based, technical and analytical thinking (traditional industries). Bringing both sides together will result in rethinking, reevaluating and redesigning existing processes and products. This will lead to innovation through looking at products, processes or challenges from a different angle and ensure a holistic approach.

The WHOLEBRAINER concept prepares left- and right-brainers for a successful collaboration and creates awareness to different modes of operating.



Brochure



to misunderstandings of how the other side works. A clash of right and left minds would create a collaboration that is particularly valuable, because someone with a creative mindset may simply look at an existing process or product in a completely different way while a left-brained person would take the exact same process or product for granted and never question it. Bringing the left and right side of the brain together creates the Wholebrainer Approach!

Piloting and Methodology

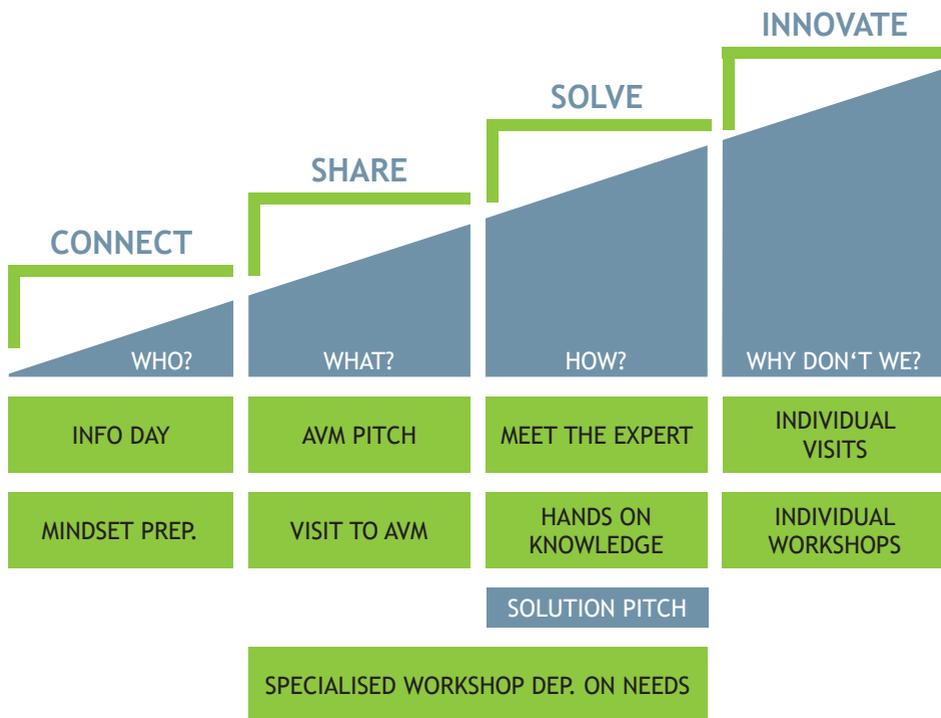
What does it take to prepare CCIs and AVMs for long-lasting collaboration on an eye-to-eye level? The piloting process of four steps addresses the main challenges and facilitates a conscious and informed process. It aims to create a framework for a facilitated and carefully directed process for CCIs and AVMs get to know each other, as well as equipping CCIs with specialized knowledge, empathy and awareness of the AVM needs, language, and expectations. There are 4 steps to the COCO4CCI approach.

- Raising awareness and defining key players and participants is the first step of the piloting process “CONNECT”.
- In the step “SHARE”, the AVM shares their challenge and gives an insight into the processes, products and organization.
- The step “SOLVE” will equip the CCIs with relevant knowledge on required technologies and trends and includes the CCI pitch on how to solve the proposed challenge.
- In the last step, “INNOVATE”, the potential collaboration partners are supported with moderated meetings to support their future joined projects.

In individual visits and workshops, potential matches are supported and encouraged to take the first steps to collaboration.

The sequence and thematic focus of the four steps can and should be adapted and tailored to the individual needs of the participants and challenges. The sequence itself is not set in stone and may vary according to the individual needs:





CONNECT

The first step of the COCO4CCI process is dedicated to raising awareness, empathy, interest and creating sensibility to the different mindsets. This can be reached by the following activities:

Info Day

The Info Day is an important awareness raising tool to reach both CCIs and AVMs. Through this activity, potential participants in the COCO4CCI process are sensitized to the possibilities and potential of cross-sectoral collaboration and, as a result, will gain confidence to be part of it.

The information day is intended to provide information and be a platform for both parties to meet and start initial discussions about potential cooperation.



Mindset

The first (of three) dimension workshop focuses on the AVM mindset and has been developed specifically for CCI. It aims to bridge the communication and language gap between CCI and AVM, and to provide CCI with the business know-how to enable it to work with AVM on an equal footing and challenge each other. This part of the training programme is a key element which will enable CCI to play a key role in business and innovation processes in AVM companies and also prepares CCI for the upcoming collaboration tools.



SHARE

The second step focuses on AVM companies sharing their challenges, knowledge, and technology with CCI. This can be achieved with the following activities:

AVM Pitch

Part 1 of the matchmaking events: Selected AVM companies present their challenges in a pre-defined and structured brief to a group of CCIs. The challenge is a problem they would like to collaborate on with a CCI, to find new and innovative ideas.

Visit to AVM

The goal of guided company tours is to tear down the stereotypes about AVM companies and create a learning experience for the CCIs. It is an opportunity to get to know the respective AVM company, gain better insights into the production site, see the latest technology, and get an idea of the processes. This will help to eventually tailor the solution to the AVM pitch and the needs of the company.

Specialized workshop depending on needs

The topic and focus of specialized workshops, depend greatly on the needs of the participants. After talking with (potential) participants the facilitators will filter out specific areas of need and organize a workshop on the according topic.





SOLVE

This step focuses on supporting CCI companies to address the challenge and formulate a solution tailored to the needs of the AVM. The first collaborations are initiated in this phase.

Meet the expert

The second dimension workshop is a mix of keynotes for knowledge transfer combined with networking possibilities to get to know each other better and to share know-how and experiences on at least one future trend. The goal is to provide know-how on industry related trends on an entry level and to bring the two worlds together resulting in collaborations along new and old value chains.

Hands-on knowledge

The third dimension workshop aims to provide CCI companies with specialized know-how of technology trends and to enable them to challenge and work with AVM companies. The abundance of new technologies and developments makes it hard to keep track of relevant ones. This workshop will pick out the key developments and help CCIs get acquainted with different technology trends and to experience them first hand.

Solution (Idea) Pitch

The second part of the collaboration workshops is the CCI's idea pitch workshop. After the AVM challenge pitch, CCIs have the chance to present their approach and ideas on how to solve the challenge. The solution is not yet detailed, but rather a proposal and idea. The AVM will choose the idea and approach that best fits their needs. Further along the way, once the CCI and AVM have agreed on their collaboration, they will work on a solution together.

INFO BOX!

Cross-collaborations

Cross-collaboration means rethinking the way we develop new products, processes, services and business models. User-centred, fast and often unconventional.





INNOVATE

In this step we accompany the matched CCIs and AVMs and offer individual workshops that involve innovative methods like Design Thinking.

Individual visits

Individual visits are intended for matched AVMs and CCIs to provide support and guidance for the first steps of the potential collaboration.

Individual workshops

The topic and focus of the individual workshops depend greatly on the needs of the participants and are individual offers for additional matchmaking.

INFO BOX!

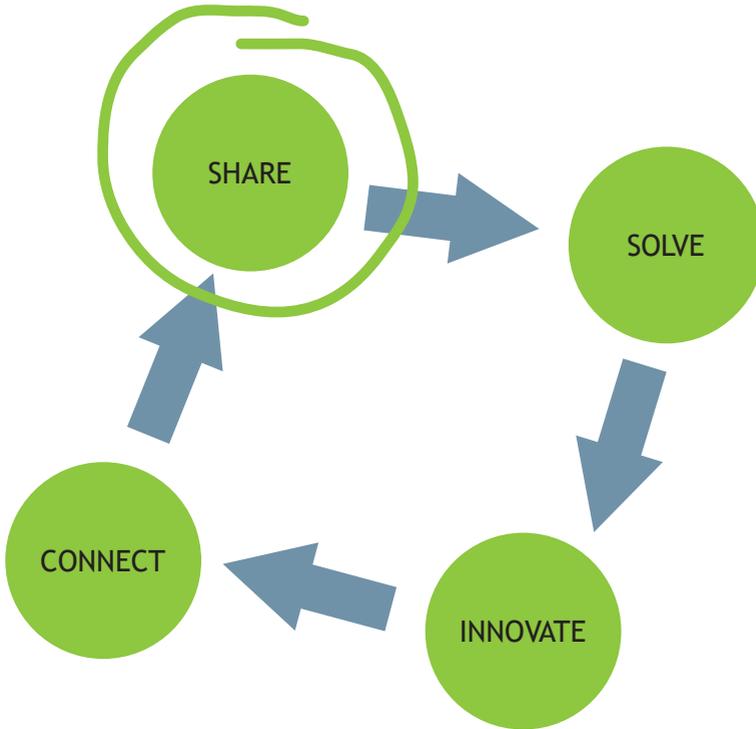
More than 30 collaboration projects between CCI and AVM were facilitated by the COCO4CCI network ranging from. Learn more on our success stories.

Success stories



LESSONS LEARNED

Four main conclusions were drawn from each step of the piloting process. However, the lessons learned are not limited to these steps, but overlap, complement, and build upon each other:



CONNECT | Facilitator: The facilitator is the spark that initiates the whole process. Their job is to identify potential players, communicate, inspire, and motivate different parties by pointing out opportunities and potential for cross-sector collaboration. The intermediary is not afraid to question the process and challenges all participants and can be the impetus to disrupt comfortable thinking and productive processes. Key criteria for an intermediary are empathy with AVMs and CCIs, listening, filtering relevant information, and translating it, if you will, for the respective parties. Investing time, empathy and a structured approach are key success factors.

The facilitator accompanies the entire process, making sure everyone is on board.



Who is the “facilitator”? A facilitator doesn’t have to be just one person, but rather a small team made up of experts in their field. When sharing a challenge, it is important to have an expert in the field on hand, otherwise the challenge may be based on marketing or communications alone.

SHARE | Language: Many challenges and first contacts were difficult and even ended prematurely because the parties simply did not speak the same language. “Language” does not refer to the national language spoken, but rather to terminology, the way we communicate and understand each other. CCI’s feel that they may lack business knowledge and understanding of business language and behaviour, while AVMs find it more difficult to understand creative mindset and to break out of familiar paths. It became quite clear that the challenges phrased had to move away from the technological formulations that AVMs wanted to use. Some challenges turned out to be unnecessarily complicated and turned away potential CCI’s because they doubted their skills and abilities. With the help of an intermediary, challenges could be broken down and a key challenge filtered out, which in turn was worded in a less detailed and restrictive way. This resulted in a challenge which ultimately was more appealing, interesting and approachable to the creatives.

SOLVE | Trust + Time: Building trust between CCI and AVM is a key milestone. This involves trusting each other to open internal work processes, as well as trusting each other to share ideas without being shut out of the process early on. The participating parties must be willing to invest time and thus get to know each other and begin to build trust. A structured approach and a mediator can create an environment where trust can develop, however it is always important to remember that each process and participant has individual needs.

INFO BOX!

Collaboration Collider:

When particles in an accelerator collide, the result will be greater than the sum of each part. COCO4CCI follows the same idea by colliding disparate industries.



This is also where the Covid-19 pandemic presented the biggest challenge: In-person interactions build trust. It was difficult to achieve this level of trust with online meetings. Large investments of time, a guided and well-structured facilitation process, and in-person meetings, whenever possible, were the only way to overcome this challenge.

INNOVATE | Commitment: From the beginning, each party needs to be committed to the process. This can be achieved through meetings, building rapport through the facilitator, where expectations, goals and process are laid out openly, making sure there are no hidden agendas. Ultimately, a commitment must be made to push forward new ideas and collaboration. When it comes to the actual collaboration it's important to define the aims of these commitments together, to become partners. Workflows include defining a timeline, milestones, responsibilities, expectations, and the mode of working together. This is where the facilitator will begin to step aside and let the worlds collide in a controlled setting.

INFO BOX!

Central to all transformations are team members and leaders who have the courage to think broadly to develop a long-term perspective, within a new horizon.



IMPACTS OF CROSS SECTORAL COLLABORATION

In times like the COVID-19 pandemic, collaborations between the manufacturing companies and creative sectors may be the solution to maintain the good condition of both sectors. The idea that cross-sector partnerships are a new strategic paradigm across different sectors is manifested in their growing empirical pervasiveness. Improving the cooperation of both sectors would mean not only the improvement of the activities of the entities themselves and people working there, but also local communities and business support institutions. Cross-innovation revitalizes both economic and social life.

The best way to understand the main domains and impacts of the future collaboration collider between CCIs and AVMs is split them into two trends: **the vertical trend** observes the cooperation through the contribution of CCI innovation within AVM companies; **the horizontal trend** forecasts the possible shift of CCI in a new definition and new business model creation.

Vertical trend

Manufacturing companies are asked to rethink their traditional focus on products and services:

- Adding new value to the products and services, resulting in a competitive advantage.
- Adding new services to their products and invest in pre- and post-sale relationships as well as servitization processes.
- Adapt brand positioning and creating meaningful products/services/relationships with customers through communication and new narratives.

INFO BOX!

Manufacturing companies need to rethink their traditional focus on products and services. New, change-driven mindsets are needed. Culture and creativity challenge the traditional production logic in a positive way.



Horizontal trend

The slow horizontal movement of creativity, represents how CCI can become a strategic asset in sectors which often perceive CCI as extraneous to their sphere, especially for technology and digital domains, but also for food, agri-food or tourism.

This new bridge opens a new area of business full of potential:

- Of particular interest for a collaboration collider concept, the horizontal trend represents the predisposition to create new business models.
- New mindsets where culture and creativity are no longer enemies of manufacturing logic, but mutually necessary.

There are least eight **expected impacts** of cross-sectoral collaboration between CCIs and AVMs. We observed the growth and innovation potential of encounters with the cultural and creative sector and advanced manufacturers. We experienced the strengths and difficulties, and we noted the expected impacts of supportive and continuous policies for both CCIs, AVMs and the wider community.

Expected impact on CCIs and AVMs:

New products as direct inputs on cooperation colliders	Log-term value co-creation	New business models
New definition as mediator role	New ecosystems and connectivity	Sustainability increase
Human design innovation	The new normal: jobs and well-being	



Benefits for AVMs

New products as direct inputs of cooperation colliders

The production and services of different industrial sectors will benefit from a very specific value coming from cultural and creative collaboration. A mix of both historical and contemporary factors that inspire the sector, culture, reputation, legacy, and, in addition, creativity, art and imagination. This combination of tangible and intangible values is the basis of a new economic model coming from cross-sectoral collaboration. Culture and creativity innovate all the components of the product, increasing its value. Enormous benefits are bound to emerge, including innovative design; human-centred digitalisation and data mining; new functionalities; new meanings; eco-sustainability and circularity; enhancement of local and global cultures (Bakshi, McVittie, Simmie, 2008).

Long-term value co-creation for industries

Cross-sector partnerships have great potential to contribute to long-term competitive advantages (Klein, 2020). CCI approaches, competences and skills will be essential in the development of new value paradigms within other industries. This impact is already widely observed in important changes in the way companies communicate. Aesthetics, web presence, storytelling campaigns are primary applications of the added value brought by the creative world. In the future, however, collaboration will be essential on many other fronts inherent in important transformation processes: in the markets - through the processes of servitization, digitalisation, circularity of the economy -; in organisational models: efficiency, agile work, smart-working, research, and development; in relations with stakeholders and customers in particular: co-creation; customisation and pre- and post-sales value relations

Benefits for CCIs

New business models

CCI internal sectors will be deeply modified by the cross-sectoral approach. Entire new business models are emerging and transforming the sector forever. If digitalisation was playing its central role as a driver of change, the years of the global pandemic have led to sudden and traumatic changes. Music, video, and book industries are observing the wider change in the traditional use of their products, intermediation processes and distribution channels into the platform business models. Performing arts, museums and core culture activities opened to the digital world by introducing new ways of digital guided tours and digital music concerts during the pandemic, trying to face major crises brought on by social distancing policies. This unexpected trend will be followed by the affirmation of hybrid models between the digital and experiential, which undoubtedly open enormous new opportunities, but will require creative professionals to be constantly updating to new skills derived from AI, virtual and mixed reality tools, datamining and so on.



New definition of CCI: the mediator role

There is a new definition of CCI as the mediator role (Koleva, 2021). Within the perspective of cross-sectoral collaboration and the innovation processes coming from it, the dichotomy of old/new industries is redundant. The process of seeking viable solutions that serve the economy (service providers or producers) or solutions that address the community (consumers, end-users, public) bears common traits. The importance of knowledge-sharing promoted by CCIs cross-sectoral partnerships can serve to enhance and promote the key role of CCI organisations acting as mediators and initiators of cross-sectoral innovation. The pertinent point is that there are innovations developed with CCI involvement transforming roles and value chains in growth factors for other industry sectors. This essential point can enhance CCIs, enabling them to gain a new definition and provide a new formal role to play within these processes.

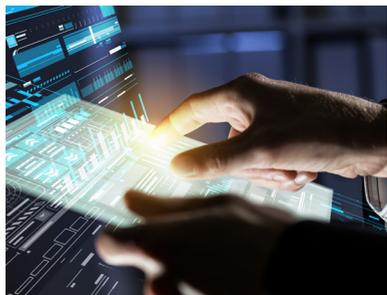
The spill over effect

New ecosystems and connectivity

Cultural and creative sectors operate within ecosystems. At the heart of this ecosystems approach is the idea that cultural and creative sectors work in an intertwined way with different sectors adjacent to their own, or with completely different sectors, and in a cross-sectoral and transdisciplinary way. Cultural and creative ecosystems are the nurturing ground for innovation within the increasingly recognised broad concept of innovation, going beyond pure tech-innovation from STEM (science, technology, engineering, and mathematics) to STEAM (science, technology, engineering, arts and mathematics) and including social and societal innovation aspects. This approach is reflected in new programmes such as Horizon Europe and KIC (Knowledge and Innovation Commu-

INFO BOX!

Culture and creativity innovate all components of the product, increasing its value. Enormous benefits are bound to emerge, including innovative design; human-centred digitalisation and data mining; new functionalities; new meanings; eco-sustainability and circularity; enhancement of local and global cultures.



nities) for Culture and Creative Industries (CCIs), where cultural and creative sectors play a pivotal role. An important, expected impact for the future is the strengthening of existing creative hubs and ecosystems and the creation of new ones.

Sustainability increase

The creative economy is not only one of the most rapidly growing sectors of the world economy, but also a highly transformative one in terms of income generation, job creation and export earnings.

In addition to economic benefits, the cultural and creative industries also generate merit to people-centred value, sustainable urban development, development of creativity and culture, and contributions to the achievement of the 2030 Agenda.

At the same time, creativity and culture also have a significant non-monetary value that contributes to inclusive social development, to dialogue and understanding between people. Culture is both a driver and an enabler of human and sustainable development. It empowers people to take ownership of their own development and stimulates the innovation and creativity which can drive inclusive and sustainable growth.

Through the development of cross-sectoral collaboration, CCIs will contribute to developing, increasing, and strengthening the components of social innovation and sustainable development in the industrial and other contexts in which they operate.

Human digital innovation

Digital Transformation is about much more than just digitisation: it is about learning to accept the consumer as a valuable co-creator of the business process, through participatory design (called co-design). Companies increasingly need to move towards an approach that includes all stakeholders in the idea generation phase, to understand and define the criteria that will affect the overall future development of a project. Human values, habits, interaction, and potentially human problems' solutions can be the heart of digitalization tools development. CCI professionals will play a central role within this process if their cultural and creative skills are developed and recognized.

The new normal: jobs and well-being

The cultural and creative industries are an important source of growth and job creation in the European economy. The growth of this sector has raised interest at the policy level for its innovation potential and for contributing to improved competitiveness. The challenge is to understand how to realise the full potential of CCI as a driver for innovation, create stronger links with other sectors and contribute to strengthening the European economy, society, and its sustainability. By accompanying CCI on this path of identity affirmation, the growth forecasts for markets, jobs and creative entrepreneurship will follow the trends already amply demonstrated in past years. Not only economic factors, but increasing social cohesion and well-being, cultural and social interaction and sustainable development: CCIs can contribute in a wider social development perspective.



The cultural and creative industries have been heavily affected by the COVID-19 pandemic crisis. The social confinement is likely to have a long-term impact by significantly reducing incomes and adding to unemployment. Due to this the growing trend has been stopped and crisis factors overcome across all the sectors. These problems will need to be taken into consideration in new development programme for CCIs, including proposals for support and reinvigorating the sector. Returning to the old normal is not a possibility any more. Resilient CCIs will adapt and be part of the 'new normal' society and it will be very important for government, institutions, and territories to follow and support this path. Cooperation between manufacturing companies and the creative sectors may be a way to maintain the good condition of both sectors and society as whole, creating new jobs and new enterprises in a sustainable way.

The important contribution of the cultural and creative industries to social, cultural and economic life can not be denied (Transnational Report, 2020). Based on the concept of open innovation, the creative sector implements innovation into different economic sectors (Chesbrough, 2003). For a long time, academic literature analysed how cultural and creative industries stimulate innovation within business, technology, and society and how they have a crucial role within the big changes of the post-modern and post-industrial economy (Potts, 2007). But still today there is little quantitative evidence for this and, despite the benefits shown through best practices, collaboration between sectors is still fragmented and not yet widespread (Klein, 2020). There is lack of information on the concepts showing how to improve their effectiveness.

INFO BOX!

The challenge is to understand how to realise the full potential of CCIs as a driver for innovation, create stronger links with other sectors and contribute to strengthening the European economy, society, and its sustainability.



POLICY RECOMMENDATIONS

Creative industries use diverse, creative and flexible methods and skills for their activities and play a key role in structural change in Europe. They contribute to the transition from traditional industries to a knowledge economy. Whilst the benefits of cross-sectoral collaboration are well recognized among the academic community and in the business support organizations, the support structures still need to be adapted and CCI as well as cross-sectoral collaborations explicitly added to regional/national policy strategies. The following policy recommendations are aimed at national, regional and local policy makers, traditional support organizations, as well as the support infrastructure of the CCI sector.

SUPPORT STRUCTURES ARE NEEDED

Well-developed business support infrastructure on national, regional, and local level is often targeted only at traditional industries. CCI is not in its focus, and it does not provide support tailored to the needs of CCI, or account for CCI mindset and language. Action is needed to open traditional business support ecosystems to CCI, promote and support the sector and become a facilitator of cross-sectoral collaboration with CCI. It is crucial to acknowledge the importance of co-creation in innovating, creating, and bringing value to stakeholders in both regional and international contexts.

RECOMMENDED ACTIONS:

- Make the promotion of CCI a priority in business support infrastructure.
- Showcase the capacity of CCIs, the contribution they can make in the triple transition to digitalization, sustainability and resilience, to new business and organizational models.
- Provide ecosystems that support CCI and cross-innovation.
- Support new business models and value co-creation.
- Provide funding for business support organizations and intermediaries that support the cross-innovation process and prototyping solutions.

Initiated mostly by the cultural sector, several support structures have emerged and established which aim entirely at CCIs. However, these support structures suffer from a “silo existence”, where they lack linkages with other industry sectors. This is caused due to language and cultural barriers between the traditional business support infrastructure and the CCI support infrastructure. To counteract, it is crucial to connect, cross-link and integrate CCI support structures into traditional industry and business support structures to ensure the best support for cross-sector collaborations.



RECOMMENDED ACTIONS:

- Facilitate inter-operation and cooperation of the support infrastructures exclusively directed towards CCI and the general business support ecosystem to exchange know-how, develop common concepts and provide support.
- Ensure that intermediaries are well connected.
- Support communities and meeting places, physical and virtual, for CCIs and AVMs to stimulate collaboration.

INCENTIVES ARE NEEDED

Voucher schemes are a popular business support instrument, providing SMEs with easy-to-use, cost-effective incentives to enhance their competitiveness. It is an appropriate policy tool to support cross-sector cooperation between SMEs in advanced manufacturing and CCIs. With vouchers SMEs would be able to finance small, cross-sector cooperation projects. This kind of short-term incentive will have a long-term impact in terms of innovation potential and competitiveness. Equally important is to offer funding programs for the establishment and scaling of CCIs.

Creativity drives innovation! CCIs must be recognized partners in innovation voucher programs.

INFO BOX!

Action is needed to open traditional business support ecosystems to CCI, promote and support the sector and become a facilitator of cross-sectoral collaboration with CCI.

policy
recommendations



RECOMMENDED ACTIONS:

- Create financial incentives for SMEs to embark on cross-sectoral collaboration projects with CCIs.
- Open existing voucher systems for cross-sectoral collaboration with CCIs.
- Ensure that intermediaries and support organizations have sufficient, long-term financial and human resources, as well as networks to provide cross-sector support.
- Promote cross-sector collaboration, use-cases and best practices, benefits and expected impacts.

STRATEGIES ARE NEEDED

There is a need for a transnational and cross-sector shared vision of what CCIs can contribute to economic and social growth in Central Europe. Combine the potential of CCIs with other industry sectors to support innovation processes in a cross-sectoral, collaborative manner. In planning, consider the profound evolution on the educational and economic front that is taking place in CCIs, and use it to stimulate further development. Promote cross-sector cooperation where CCI contribution is highlighted to increase its visibility in terms of economic impact. When developing local or national CCI strategies, refer to the Operational Programme for the Implementation of European Cohesion Policy 2021-2027 and other strategic documents.

INFO BOX!

The value of CCI in the EU (2020):

- 1.2 mio cultural enterprises
- €155 billion value
- 7.8% of GDP
- 7.4 Mio jobs

We need to further unlock the potential of the cultural and creative industries to stimulate innovation within business, technology, and society.



RECOMMENDED ACTIONS:

- Create strategic documents for the development of CCI sector:
 - For national and regional levels.
 - Include the need for cross-sector collaborations.
 - Point out the broader context of CCI development beyond national border.
 - Ownership of the policy and strategy: CCI and business representatives.
- Measurement:
 - Integrate non-economic and qualitative measures (such as impact on citizens' well-being and quality of life, social inclusion, and innovation) when assessing the impact of CCIs in a given region.
 - Apply or develop tools to measure the economic and social impact of CCIs to further assess and demonstrate their impact and value at international, national and regional levels.
- Lobby for awareness.
- Develop collaboration between the policy areas of culture and economics.

ANCHORING CCI ISSUES ON INSTITUTIONAL LEVEL

Though there are CCI fields already well established and positioned in the market, many remain, despite great potential, small or fragmented. To stimulate the companies representing less recognized CCI fields, specific strategic documents for single sectors should be created that support public investment. Conduct ecosystem analyses, diagnose the status quo of resources, and identify the challenges facing CCIs. Create conditions for public or private support institutions to launch financial programs or investment based on the identified needs of the CCI sector. It is necessary to document benefits and lessons learned, and explore impact and achievement.

INFO BOX!

The digital revolution and the use of digital tools will have a huge impact on the scenarios of cross-sectoral collaboration. The digital revolution is based on 20% technology and 80% mindset. Put people first and allow cross collaboration, then you will be prepared for almost any future scenario.



RECOMMENDED ACTIONS:

- Address and anchor CCIs on institutional levels with responsibility for implementing strategic goals.
- Evaluate project effectiveness and success based on predefined KPIs and best practices.
- Implement benchmarking in the CCI sector to compare with other areas or contexts to show the relationships and dependencies in the environment in which they operate.

RESEARCH ON CCI

More statistical data (employment, production, value added) are needed on how CCIs stimulate the overall economy and what impact they have on growth. Regularly collect statistical data in a uniform manner (definition of CCIs, nomenclature, industry sectors, types of businesses). This enables comparisons at the European level. Consider the sectoral approach, focus on capturing enterprises with activities that fall within the scope of two or more industries. Introduce appropriate measurement methods to measure and capture the development of ideas.

RECOMMENDED ACTIONS:

- Invest in research on CCI including its contribution to and impact on economic growth in the policy area (regional and/or national in EU).
- The gathered data must be formatted and supplied to policymakers to aid in improved policy-making.
- Ensure the results can be carried over into general support measures for long-term usage.

INFO BOX!

The online conference „Creative collaborations for the future - drivers for interdisciplinary and cross-sectoral innovations in Europe“ introduced The New European Bauhaus and showcased creative approaches and cross-sectoral innovations in Europe in the context of our project COCO4CCI.

Video-recording



OUTLOOK OR THE FUTURE OF CROSS-SECTORAL COLLABORATION

Between October and December 2021, COCO4CCI partners coordinated a Transnational Workshop, including 35 stakeholders, in order to outline guidelines for the future of cross-sectoral collaboration. Based on transnational report key issues and draft strategy, a discussion on the future of Cultural and Creative Industries' collaboration with other industry sectors was set up. The workshop has been conducted through the participatory foresight workshop methodology and led to the following clusters of results:

Short-term actions to strengthen CCI cross-sectoral collaboration

- **Training & Education:** new educational programmes need to be structured in order to continue forming new competences, open-minded and transdisciplinary tools. Virtual tools, technologies and new professionals - facilitators lend themselves as strategic elements for CCIs and AVMs collaboration.
- **Awareness & Dissemination:** stakeholders of cross-sectoral collaboration need to structure and raise the impact of good practices dissemination to improve the cross-sectoral culture and awareness.
- **Facilitation & Mediation:** common areas, goals and workspaces could facilitate and streamline opportunities for meetings and collaboration between CCIs and AVMs. New cross-sectoral professionals and facilitators can speed up the achievement of the objective.
- **Match-making process:** the formalisation of a shared method defined by activities and timeframes, feasibility and prototyping, would strengthen the probability of success of collaborative projects.

Long-term scenarios involving CCI cross-sectoral collaboration

- **Digital revolution:** the spread and consolidation of digital tools will have a huge impact on the scenarios of the cross-sectoral collaboration. Artificial intelligence, robotization, 3d manufacturing, virtual and augmented reality, blockchain, digital economy, human-technology interface will determine fully digitalized business models, processes and products.
- **Sustainability:** climate change scenarios are abundantly anticipated by scientists. The future of collaboration between CCIs and AVMs will be defined by lack in resources, circular economy processes, zero waste programmes, carbon neutral regulation, strict legislation and high costs for harmful production.
- **Social trends:** social changes already taking place will be consolidated and new social challenges will emerge strongly. Diversity, inclusion and accessibility; new intercultural dynamics and the urgencies for social and participative solutions will drive the future of collaboration.



- **Economy & Work:** the market dynamics will change enormously in continuity with the other major topics. The labour market will be defined by new structures and balances; loss of entire job sectors due to automation; wide-spread of work-life blending; new professionals e-business models; wide-spread digital skilled workforce and the complexity management are some of the most important trends that will define the future of cross-sectoral collaboration.

Long-term actions to strengthen CCI cross-sectoral collaboration

- **Collaboration for ecological transition:** CCIs perspectives and tools can have a key role in supporting ecological transition of AVMs, by leading creative solution for circular process, green solutions, zero waste societies, social innovation and the design of new sustainable products.
- **New Business Models & Digitalization:** CCIs perspectives and tools can have a key role in supporting a human-centred and ethic design for new digital processes, products and business models.
- **New mindset & educational tools:** CCIs can develop the right competences and tools to interdisciplinary management of innovative processes; CCIs and AVMs common educational programmes can lead both sectors to better face the challenges of the future by performing resilient approaches.
- **Infrastructure for cooperation:** key stakeholders and institutions may aspire to make cross-sectoral collaboration robust, continuous and efficient. Web platform, common tools and method, transnational funding scheme represents key issues.



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The COCO4CCI project is supported by the Interreg CENTRAL EUROPE Programme funded under the European Regional Development Fund.

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