

**The Creative Industry Growth and Sustainability (CIGS) Program:
A Program Evaluation**

**Final Report Prepared for the Saskatchewan Ministry of Tourism, Parks,
Culture and Sport (TPCS)**

Prepared by: Probe Research, March 30, 2012



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KEY FINDINGS, OPTIONS AND IMPLICATIONS

This program evaluation was prepared for the Saskatchewan Ministry of Tourism, Parks, Culture and Sport (TPCS). The key findings in this report were prepared by Probe Research and are based on a review of reports and data provided by the Saskatchewan Arts Board (SAB), background materials and documents, as well as in-depth interviews with key stakeholders and individuals who are directly involved in the CIGS program.

Key Findings Arising from the Program Evaluation

The key findings arising from this program evaluation are as follows, with the options arising from these findings (as well as their potential implications) incorporated below. (NB: These key findings are also summarized at the end of each section of the report):

Section 2.0: Developing and Sustaining the Creative Industries

- Factors such as population growth in and near urban centres, increased immigration, the presence of communications technology and relative affordability are key factors in the development of the creative industries. Given the confluence of recent socio-economic developments in the province, Saskatchewan is in an ideal position to experience growth in its creative industries.
- Key factors in the development of the creative industries, however, are sustainability and capacity building. Although the CIGS program was established with the intent of building capacity and making creative industry organizations more sustainable, there are a number of other “best practices” that have been implemented worldwide that can be explored. These include such activities as working closely with economic development organizations and workforce development partners to meet training needs, establishing creative “clusters” in key areas, investing in marketing/promotion of creative industries activities and making targeted investments in businesses engaged in these industries.
 - While it is apparent that there is no single model to be followed for fostering commercial growth, there are a wide variety of “leading practices” that can and should be learned from in order to facilitate growth in Saskatchewan’s creative industries.

Section 3.0: CIGS – Objectives and Programs

- The central objective of the CIGS program was to facilitate commercial development in the creative industries to ensure that they are ready for growth. Five provincial cultural organizations representing five key sectors (music, film, crafts, visual art and book publishing) were designated as “Creative Industry Sector Organizations” and moved into the CIGS program, with a sixth organization (SPAGA, or SaskArt) later added to this program.
- Some of the key outcomes desired for these organizations included ensuring that they would become more financially sustainable, sell more cultural products, develop a presence in other national and international markets and raise the profile of Saskatchewan-made products. Furthermore, it was hoped that the program would facilitate partnerships and collaboration among the creative industries, with private sector partners as well as with entities dedicated to promoting economic development and tourism.
- In addition to creating a “global” funding program that provided operational funding to these CISOs, a number of dedicated programs were also established that were intended to underwrite activities related to entrepreneurship, capacity building and partnerships. These funds were later rolled into the annual funding allocation provided to the CISOs and used to support specific CISO activities.

Section 4.0: CIGS Operations and Stakeholder Relations

- The establishment of the CIGS program had a positive impact on a number of CISOs, as it allowed these organizations to focus more on commercial opportunities and less on delivering programming within the province. While some CISOs eagerly embraced this new role, others found it more difficult – so much so that one organization (CARFAC) has left the program and returned to its previous funding model. These findings perhaps reflect the fact that the CISOs had, and continue to have, different mandates and motivations, and may have had varying abilities in being able to fully take advantage of this program.
- Overall, the relationship between the CISOs and the SAB has been fairly smooth, although there were acknowledged challenges in the beginning as the organizations made the transition to the new program. Although the organizations worked well with the SAB consultant, there were complaints from some CISOs that they felt disconnected from funding decisions and that the SAB’s decision-making processes were not always responsive to their needs.
- Annual funding provided via CIGS to each CISO varied somewhat depending on the specific activities being undertaken by each organization. For each organization, the funding was used in slightly different ways, with marketing activities and professional development workshops being the main activities funded. A number of capacity development activities were also supported, including the development of business plans and workshops for organization members about specific capacity-related issues.

- The program led to relatively little collaboration among CISOs, but it was perceived to have led to a broader dialogue regarding the importance of the creative industries at a macroeconomic level, with more discussion taking place between creative industries representatives and those engaged in economic development and tourism.
- In terms of governance, the SAB largely met its requirements in terms of providing good governance and living up to its fiduciary responsibilities. It provided highly-detailed reports to the Ministry regarding program activities and worked closely with the CISOs to have this information available. It also established and maintained the Creative Industries Advisory Committee, although a number of stakeholders felt that this committee was not always used as an effective vehicle for sector input.

Section 5.0: Commercial Viability, Financial Success and Capacity Development

- Some CISOs – particularly the music, craft and publishing sectors – were able to point to concrete examples of how marketing activities led to increased sales of cultural products, including in a variety of national and international markets that had not been accessed before.
 - For other CISOs, however, the link between funded activities and sales was more indirect. Organizations such as CARFAC, for instance, support activities that give visual artists the ability to sell their work more easily, but they do not “market” work in a traditional sense. For some, the focus on marketing and sales was welcome; for others it was problematic because it was too narrow to define how program-funded activities support the sales of specific products.
 - For those in the film and music sectors, there was some frustration regarding how marketing activities would be funded. Although representatives of these sectors travelled to national and international events to promote Saskatchewan artists, these activities were only funded once when multiple visits to these places were seen as necessary. There was also a perceived overlap in the marketing activities of SMPA and SaskFilm.
- For the most part, the CISOs felt that focusing on commercial activities did not compromise the ability of artists to achieve artistic excellence. However, a couple of informants questioned whether or not the traditional mandate of the SAB to foster artistic excellence has diminished as a result of this focus.
- Regarding capacity building, the fact that the CIGS program supported activities which helped organizations engage in strategic and operational planning was seen as a positive outcome. Although organizations with less internal capacity welcomed the fact that the CIGS program helped them develop organizational capacity by funding professional staff, for more mature organizations such as SMPA and SaskMusic the program was seen as financially limiting because funding for specific activities did not increase.

- Although views regarding whether the CIGS program helped make Saskatchewan cultural products more “visible” were largely anecdotal, on the whole the program was seen to have helped build visibility.

Section 6.0: Flexible Loan Program

- Numerous inquiries have been received regarding the FLP since it was created in 2010, however, as of March 2012 only eight loan applications have been approved. Five of these were for applicants in the book publishing sector, with loans also approved to applicants in the music, film and craft sectors.
- Although the FLP was regarded as serving specific purposes for those who did apply, there is a widespread consensus that more should be done to make sure this program is accessed by other artists. This may include increasing marketing efforts, as well as easing some of the criteria around loan repayment.
- There is a great deal of evidence (and anecdotal agreement) to suggest that this program would be more widely used if it included a grant component. Although successful applicants have been able to repay their loans without difficulty (and no client has defaulted), it was felt that a grant component would lead to more applications and could be used to support business planning objectives.

Options and Implications

Based on our analysis of the Creative Industries Growth and Sustainability Program, including secondary research regarding models used in other jurisdictions as well as primary research (interviews with key stakeholders and data analysis), we would suggest that there are a number of potential options for the program going forward. Although we recognize some readers may not consider some of these options to be feasible, for various reasons, we feel it is important to raise these broad ideas for discussion as the Ministry and the Saskatchewan Arts Board determine the most appropriate course of action:

Option 1: Renew the Present CIGS Program and Implement Minor Program Adjustments

There is a great deal of evidence which suggests that the CIGS program is having a positive impact on participating Creative Industry Sector Organizations and Saskatchewan artists generally. As well, it appears that the Saskatchewan Arts Board is delivering this program effectively and has met the requirements spelled out in the original program agreements between it and the Ministry. As a result, one obvious option would be to continue the program by renewing the agreement between

the Saskatchewan Arts Board and the Ministry, albeit while considering implementing some or all of the following modifications to the program:

- Streamlining year-end reporting processes to make them better align with the Fiscal Years used by the Ministry and/or the CISOs;
- Establishing clearer criteria for how organizations can join or leave the program;
- Simplifying reporting processes for CISOs, or further assisting them in collecting information about their commercialization/marketing activities;
- Broadening the scope of program activities, including placing more emphasis on activities related to professional development and capacity building in addition to a focus on marketing and commercialization;
- Exploring opportunities for incorporating workforce development initiatives alongside professional/human resources development, which may include bringing CISOs and creative sector partners together with representatives of universities and colleges and other educational stakeholders to discuss ways to develop the skills of artists and creative industry professionals so that they can succeed;
- Improving communication and decision-making processes regarding critical areas such as funding decisions, the adjudication process, etc.;
- Strengthening the role of the Creative Industries Advisory Committee and empowering it to provide greater input regarding the administration of the program;
- Clarifying the roles and responsibilities of the Ministry, the SAB and the CISOs and ensuring that these roles/responsibilities are respected and maintained throughout the course of the agreement.

Implications of this Option

- Arguably, continuing the program in its current form would be the least disruptive to the CISOs as well as to the Arts Board. One of the key findings echoed by stakeholders from the interviews was that the initial move to the CIGS program was somewhat disruptive and not done with a great deal of consultation with some of the sector organizations. Further, a great deal of time passed and effort was expended as the parameters of the program were being established. Continuing the CIGS program in its current or slightly-modified form would be the easiest option from the point of view of administrative continuity.
- At the same time, however, this option might not be welcomed by organizations that intend to leave the CIGS program (CARFAC and SaskMusic). However, continuing the program while addressing some of the main criticisms raised by stakeholders may make these organizations wish to remain in the program.
- Exploring opportunities for workforce development may lead to broader discussions as to whether this should be done within the CIGS program, or whether it would be more appropriate to do this within another framework i.e. a member-driven industry organization.

Option 2: Establish a Marketing Entity To Promote Saskatchewan's Creative Industries

One option that emerged from the literature review, the environmental scan of practices in other jurisdictions as well as key informant interviews would be to create a stand-alone marketing agency that promotes Saskatchewan's creative industries to local, national and international audiences. There are a number of existing examples, such as the Ontario Media Development Corporation and Manitoba Film and Music, which are tasked with promoting various creative industries in those provinces. Whether such an agency would be housed within a specific department or established as a stand-alone entity, there is an expectation that it would be focused solely on promoting Saskatchewan artists and its creative industries (in a number of disciplines) and would have sufficient resources to effectively market the province at the national and international level.

Implications:

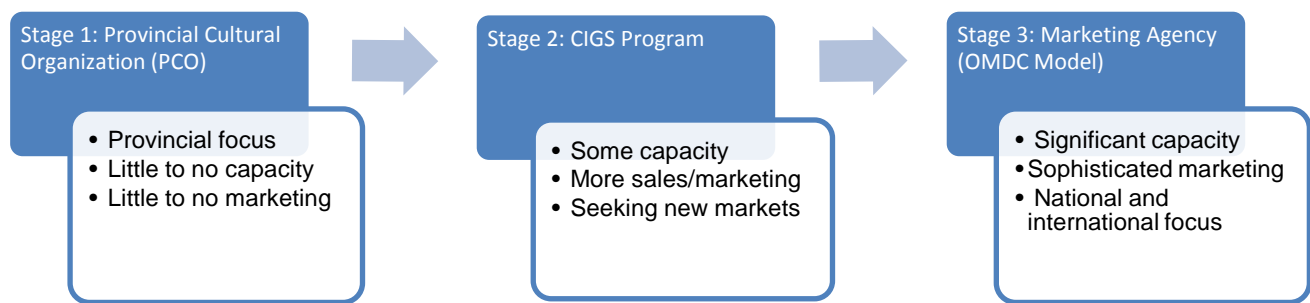
- This particular model may work extremely well for some creative industries, such as film and music, but not others (i.e. the visual arts). Careful consideration should be given to which creative industries would be the best "fit" for this organization, and extensive consultation with CISOs should take place before determining if particular CISOs should or should not be represented by this marketing agency.
- Creating an arms-length agency focused solely on marketing may lead to a "disconnect" between the membership of various CISOs and other activities of these organizations, as well as potential conflicts between their artistic missions and their commercial focus.
- One issue raised by some informants regarded the potential overlap of the roles and activities of SaskFilm and the Saskatchewan Motion Picture Industry Association (SMPIA) which would have to be clarified. In particular, if this new agency were to be created, the Ministry would have to determine a) whether this new entity would administer any screen-related tax credit and production incentive programs, as well as b) whether it would be solely responsible for all national and international marketing activities, or whether funding would also remain in place for SMPIA representatives to attend major national and international film festivals alongside personnel from this agency.

Option 3: Create a Tiered Marketing/Commercialization System For The Creative Industries, And Keep CIGS As A 'Mid-Level' Program For Emerging Cultural Organizations

Going forward, there is a potential option that would incorporate elements of both Option 1 (maintaining the CIGS program for certain CISOs) as well as Option 2 (incorporating marketing and commercialization in an economic development body created or adapted to that purpose). It is quite apparent that the six CISOs that had been participating in the CIGS program are at various stages in their commercial development and have different expectations regarding which activities should be funded as well as how marketing and commercial development should be conducted in their respective sectors. In recent months, these differing expectations have led two of the six CISOs to

signal their intent to leave the program and seek different funding models. In CARFAC's case, this means returning to the former "Provincial Cultural Organization" (PCO) model funded by SaskCulture; for SaskMusic, its desire is to leave the program and enter into a direct funding relationship with the Ministry. Meanwhile, there is also the issue of resolving SMPIA's role vis-à-vis SaskFilm as it pertains to marketing and commercial activity, as well as the question of what to do with the remaining three CISOs (the Saskatchewan Publishers Group, SaskArt and the Saskatchewan Craft Council).

Given the different needs, expectations and desires of the diverse sectors – and sector organizations – comprising the creative industries in Saskatchewan, one potential option is to create a multi-stage system whereby the CIGS program would be one of three potential categories for organizations seeking to foster growth and sustainability in their respective sectors.



Organizations with more of a focus on providing programming within the province and relatively little internal capacity (i.e. having no paid staff) could be designated as PCOs and would receive funding from SaskCulture. If and when these organizations become more focused on fostering commercial activity in their sectors, they would have the opportunity to fall under the CIGS program. At this point, they would begin to receive additional funding in order to support activities that enhance their marketing activities (i.e. website improvements, market research, travel expenses to places where cultural goods are sold) as well as organizational capacity (i.e. cover administrative expenses, conduct sector planning, etc.). If sectors reach the point where they require a more sophisticated and aggressive marketing approach – particularly when this requires a repeated presence in national and international markets – then their activities could be linked to a marketing agency that would conduct these activities on their behalf. As music and film are prime examples of industries that are regarded as requiring this approach, it would make the most sense to emulate the model used in other jurisdictions, such as Ontario and Manitoba, and have a well-equipped marketing agency conduct these activities.

As there are sometimes multiple organizations playing a unique role within broad sector categories, careful thought might be given to determining which organizations should be placed at each level. To offer an obvious example, in visual arts or crafts, "sales-oriented" organizations such as SaskArt

or the SCC might fit better into the CIGS program, whereas an organization like CARFAC that is more focused on professional development and mentorship might be better suited to being a PCO. Similar consideration might be given to the writing sector. The Saskatchewan Publishers Group may fit best in the CIGS program today and eventually may be incorporated into a creative industries marketing agency (as the publishing industry is in Ontario), but the Saskatchewan Writers' Guild may be better suited to remain as a Lottery-funded PCO focused on mentorship and professional development.

Implications:

- This option may be viewed as a potential compromise that addresses some of the key issues related to certain CISOs opting to leave the program, while still preserving the core elements of the CIGS program for those CISOs that have had success in this program.
- Creating multiple categories for the various CISOs provides all creative/cultural organizations in Saskatchewan with a potential “pathway” that they can follow as they become more commercially-oriented and/or if they wish to strengthen their organizational capacity.
- Creating a multi-level system may lead to higher costs and/or duplication. Careful consideration must be paid to the costs and benefits when determining which category the various CISOs should be placed at, and prior consultation with the CISOs and other cultural organizations should definitely take place before any decisions are made.

Option 4: Task a Creative Industries Sector Coalition, Such as SCIDC, With Helping Achieve Broader Goals of Economic Sustainability

Rather than establishing a creative industries-focused marketing agency (or turning the responsibility over to an agency with more of an economic development focus), another option would be to give an existing sector coalition a greater role in promoting economic growth, financial sustainability and capacity development activities. This possibility was raised by a couple of observers who regarded the CIGS program as having a “narrow” focus on commercialization which is in contrast to a broader emphasis on professional development activities. An organization such as the Saskatchewan Cultural Industries Development Council (SCIDC), it was suggested, could play this role by working with creative industry sector organizations (and by extension, artists) on broader activities related to economic sustainability, including skills/professional development. While there are a number of similar organizations in other provinces and jurisdictions that focus on professional development in the creative sectors, it may be beneficial to incorporate these efforts alongside efforts to strengthen marketing and commercialization in collaboration with creative industry stakeholders.

Implications

- This particular model might be a better fit for organizations and sectors that are less-explicitly commercial in their objectives. At the same time, it may not be the best model for organizations such as SMPIA, SaskMusic or even the Saskatchewan Craft Council, which are more focused on developing national and international markets and are further advanced in their commercial development.
- Having a broader focus on “professional development” and other activities may dilute the stated objective of promoting growth and sustainability in the creative sectors.
- Even though a couple of observers noted that SCIDC had been sidelined during the tenure of the CIGS program, there may be an opportunity for SCIDC to play a greater role as a voice of the creative industries. There is a precedent for this in Nova Scotia, where the Creative Nova Scotia Leadership Council plays a leading role in advising that province’s Department of Communities, Culture and Heritage on how funding should be allocated to various sectors.
- SCIDC may not be well-equipped to play this particular role. This was recognized when the CIGS program was being created: at the time, the Arts Board indicated in a report to the Ministry that this entity was not particularly well-suited for creative industry development purposes. This may still be the case today or in the future.

Option 5: Provide Marketing Funds Directly To Creative Industry Sector Organizations

Although the history of the CIGS program indicates that stakeholders recognized at a very early stage that the Saskatchewan Arts Board would be a natural and obvious administrator of this program, the question was raised by a handful of observers as to why it is necessary to have the SAB administer this program when the Ministry potentially could enter a contract with each CISO to provide funding to support various marketing activities. Indeed, in the absence of a stand-alone marketing agency for the creative industries, SaskMusic has recently made a request to the Ministry to provide funding outside of the CIGS framework that would support its marketing endeavours.

Implications:

- This particular arrangement may be welcomed by some CISOs that feel that as an organization which has historically focused more on promoting content development and celebrating artistic excellence, the SAB is not particularly well-suited to help it achieve its growth and commercialization objectives.
- The Ministry may not wish to enter into these types of contracts with CISOs, as doing so would require it (as opposed to the SAB) to directly administer programs and monitor how each CISO is spending money.
- It was pointed out that this type of model may compromise the longstanding tradition of having an arms-length agency such as the Saskatchewan Arts Board distributing funds to

artists and arts organizations. By having the government directly determine (and monitor) how CISOs spend money, there was a fear that this would create a perception, if not the outright reality, of government intervention in the arts sector and politicizing how funding is allocated. At the same time, there was a perception that the Ministry is already intervening to a great extent in this particular program area, and that the relationship between the Ministry and the SAB as it pertains to this program should return to a more “arms-length” situation.

Option 6: Make Creative Industry Sector Organizations Responsible For Their Own Marketing/Growth Initiatives

Rather than renew the program, the Ministry may opt to adopt a “laissez-faire” approach to promoting growth and sustainability in the creative industries, and make these organizations responsible for undertaking marketing and commercial growth activities on their own, without any program support or funding.

Implications:

- The Saskatchewan government would not be responsible for funding these activities, which would free it from its current obligation to CISOs and allow it to re-allocate these funds elsewhere.
- As organizations which receive a significant amount of funding from public sources, it is highly unlikely that the CISOs would have the capacity to undertake any of their current activities without public support. Indeed, not supporting these activities financially may be extremely problematic for some CISOs – which, in turn, would harm Saskatchewan artists and make them (and this sector) unable to achieve commercial growth and financial sustainability.

Options and Implications Regarding the Flexible Loan Program

The Flexible Loan Program (FLP) is an important component of the overall Creative Industries Growth and Sustainability Program. This can be measured both in terms of the amount of capital allocated to this particular initiative, as well as our analysis of how this particular program should be meeting the needs of individual artists and organizations.

Based on our analysis of this fund and our discussions with stakeholders, we would put forward the following options for this Fund:

Option 1: Better Promote the Existing FLP Program

Several observers felt that more should be done to promote the Flexible Loan Program to the broader community of Saskatchewan artists. Indeed, it was felt that by providing more information and clearly spelling out the terms and conditions, more artists and arts organizations may make use of this loan program.

Implications:

- Doing a better job of marketing the existing fund would cost relatively little money and would not require the program requirements to be changed to any real degree.
- There may not be any more uptake if the FLP, as presently constituted, does not really meet the needs of artists.

Option 2: Offer a Forgivable Grant Component With The Loans

In addition to doing a better job of marketing the program, about half of the observers interviewed suggested that part of the reason the FLP has had poor uptake because it does not really meet the needs of artists. In particular, it was suggested that artists who inquired about the program were more likely to be seeking a grant as opposed to an interest-bearing loan that is immediately repayable. It was suggested that a better alternative would be either to make a portion of the loan forgivable, or to not require repayment until commercial success is achieved (in the way that a government-funded student loan is not repayable until a certain period after a student graduates from his or her post-secondary institution) and the artist actually has the ability to repay the loan.

Implications:

- In all likelihood, making part of the FLP forgivable means it would be used more frequently by artists (many of whom did inquire about the FLP but never went through with submitting an application).
- At the same time, making these funds “forgivable” means that the fund would likely be depleted if revenue is not recouped in some way, such as by charging higher interest rates on the loans, or by re-allocating general revenue funds at some point.

Option 3: Use the FLP to Strengthen Business Capacity

One issue that was consistently raised in the interviews pertained to whether artists had the capacity to make a strong business case for their particular venture. As much of the literature describes the weak business planning and entrepreneurial skills of some artists and arts organizations (a finding that was corroborated by some informants), it was suggested that covering the costs of developing a business plan might be a way to strengthen the capacity of applicants

and ultimately make them more likely to be able to repay the loan. There are models for this in other economic sectors (for instance, the Clarence Campeau Fund for Saskatchewan Métis entrepreneurs) which are considered to be successful methods for improving the capacity of applicants and ultimately ensuring their success.

Implications:

- Funding business plans and other activities which help artists develop their entrepreneurial capacity should make them more likely to succeed, thus improving their individual businesses as well as the sector as a whole.
- As with Option 2, the money required to fund business plans would have to be recouped from some internal or external source.

Option 4: Repurpose the Fund

The final option would be to conclude that there is not a significant need for the Fund, and that it should be re-allocated for another activity that would better promote marketing and commercial growth in Saskatchewan's creative sector.

Implications:

- This would free up over \$1 million in "idle capital" currently housed in the program.
- This move would likely be resisted by a number of different stakeholders who believe that the Fund would be more successful if it included a grant component.

1.0 INTRODUCTION

1.1 *Background and Methodology*

In January 2012, the Saskatchewan Ministry of Tourism, Parks, Culture and Sport (TPCS) engaged the services of Probe Research Inc. to conduct an evaluation of the Creative Industry Growth and Sustainability (CIGS) program. This includes an assessment of the overall CIGS program as well as one of its main components, the Flexible Loan Program (FLP).

This study is guided by an evaluation framework, including a logic model, which provided an outline of the goals and objectives of the CIGS program, the indicators of success for meeting these goals and objectives, and the measures used by the evaluation team to assess the extent to which the goals and objectives are being met.

A number of steps were taken in this review. This included analyzing key program documents, including funding agreements, meeting minutes, consultants' reports, interim/annual reports provided by the Saskatchewan Arts Board (SAB) to the Ministry and annual reports submitted by the participating Creative Industry Sector Organizations (CISOs) to the SAB. As well, confidential interviews were conducted with a total of 29 key stakeholders, including Government, Ministry and SAB personnel involved in the design and administration of the program; executive directors, board representatives and advisors representing the various sector organizations; as well as artists who have at some point either accessed, applied to, or made inquiries about the Flexible Loan Program. Finally, the evaluation team also conducted a literature review and environmental scan on issues and practices related to fostering commercial success and financial sustainability in the creative industries.

This assessment of the CIGS program is intended to provide the Ministry and the SAB with an overall picture of this program since its inception and to provide an overview of anticipated future trends and potential options related to this program. Although this is a formative evaluation, it is intended to provide an overall reflection of the activities of the program as well as the key lessons learned from this experience by stakeholders. It is not intended to serve the purpose of a financial audit investigating how specific program funds were spent; it is rather an opportunity to reflect upon how well this particular program met its stated objectives, and whether those objectives (or specific aspects of the program) need to be adjusted in light of these findings.

2.0 DEVELOPING AND SUSTAINING THE CREATIVE INDUSTRIES

The following section provides the key findings to emerge from the literature review which focused upon the role of the creative industries in achieving economic growth and financial sustainability.

2.1 Defining the Creative Industries

The creative industries are a defining feature of what some term the “creative economy,” which is most frequently defined as “... those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation of exploitation of intellectual property.”¹ Although there are a number of different frameworks for understanding which activities constitute the cluster of creative industries,² at their very heart all creative industries “begin with an expressive act of creation” which is necessary to develop a large industry of support services and related industries based on creative activities.³ Although the creative industries include pursuits related to traditional cultural activities (such as the performing and visual arts, crafts, music and writing), it can also be defined to include more “downstream” commercial activities such as advertising, design, fashion, publishing and new media.⁴ As a result, so-called “cultural industries” are often regarded as a sub-set of a broader category of creative industries.⁵

As there are many factors which help shape the development, viability and sustainability of creative industries in both urban and rural areas, the following discussion helps establish an introductory context for the findings in this report.

¹ U.K. Department of Culture, Media and Sport & Creative Industries Taskforce (1998). *Creative Industries 1998: Mapping Documents*. London: DCMS, p. 3.

² For a discussion of these frameworks, please see the Creative Nova Scotia Leadership Council (2011), *Creative Economy Literature Review*. Retrieved from: http://www.gov.ns.ca/cch/culture/docs/CultureFramework_Full%20Report.pdf.

³ Beardman, Sam (2008). *A Creative Industries Backgrounder* (Regina: The Saskatchewan Arts Board), p. 7.

⁴ United Nations Conference on Trade and Development, (June 2004). *Creative Industries and Development*. Retrieved from http://www.unctad.org/en/docs/tdxibpd13_en.pdf

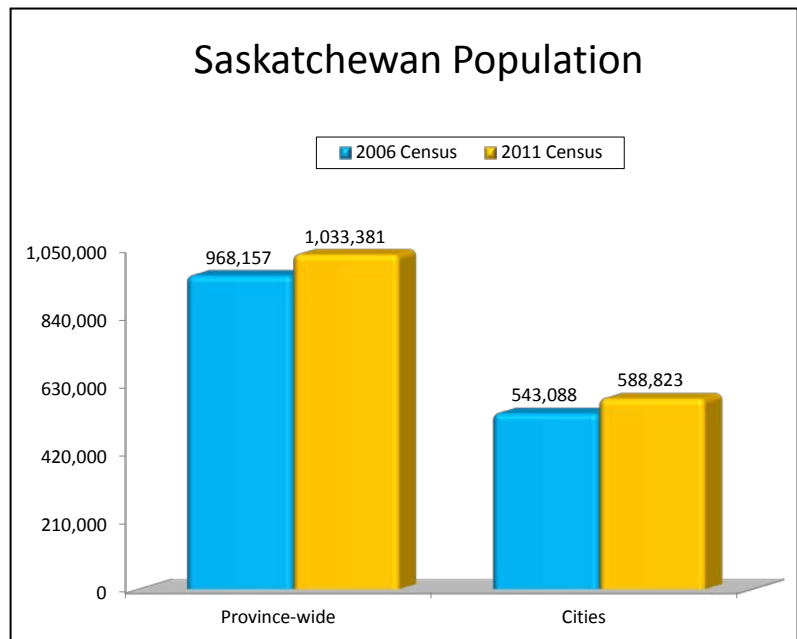
⁵ For the purposes of clarity, in this report the term “creative industries” is consistently used to describe these sectors, unless otherwise specified.

2.2 The Importance of Population Growth

Population growth in urban centres and nearby towns and villages⁶ helps foster a “critical mass” for the development of sustainable artistic networks and capacity development within the creative industries. This includes the development of artistic hubs and supporting infrastructure as well as local markets for artistic products and services. Obvious examples are that the performing arts require audiences and art galleries require patrons.

Urban centres also serve as commercial conduits for rurally-based artists and industries. In their research on creative clusters, Selada, Vilhena da Cunha and Tomás note that in Portugal, proximity to larger urban centres helps to “maintain linkages between ‘rural talent’ and the social, cultural and personal networks of the big cities.”⁷ On the Canadian west coast, proximity to the large tourism-oriented urban centres of Seattle and Vancouver has been cited as a major factor for the thriving visual arts and design industries located on and around Vancouver Island.⁸

With regard to Saskatchewan, recent census figures show that the province is growing. In contrast to the 2006 Census in which 968,157 persons were reported to be residing in the province, the 2011 Census shows 1,033,381 persons residing in the province, representing an increase of 6.7%. Furthermore, much of this growth was fueled by cities, which had an aggregated growth of 8.4% from the previous census year.⁹



⁶ On this topic, see Heather Hall, “Knowledge Synthesis: Harvesting the Rural Creative Economy” (Kingston: Queen’s University School of Business, 2011), p. 3.

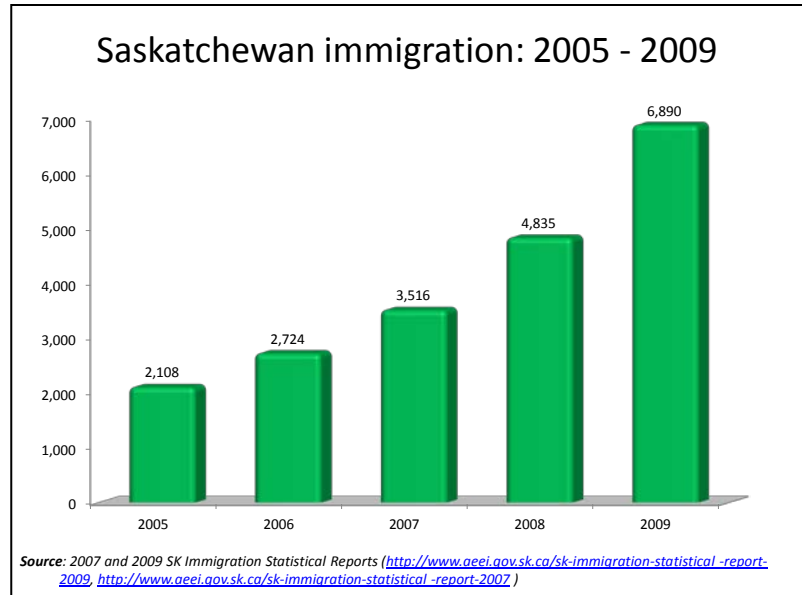
⁷ Catarina Selada, Inês Vilhena da Cunha and Elisabete Tomás, “Creative Clusters in Low Density Urban Areas: A Case Study Approach”. (Lisbon: INTELI – Inteligência em Inovação, Centro de Inovação, no date), p. 21.

⁸ Michael Schimpf and Paul Sereda, op. cit., p. 22.

⁹ At the same time, where the creative industries have developed in rural locations, there is an incentive to produce for outside markets. Examples include Inuit communities in the north, and Stratford, Ontario, which attracts audiences from large urban centres. See Michael Schimpf and Paul Sereda, “Towards a Geography of Culture: Culture Occupations Across the Canadian Urban-Rural Divide”, Cat. No. 81-595-MIE2007053. Ottawa: Statistics Canada, 2007, p. 14. See also Susan Christopherson, “Creative Economy Strategies for Small and Medium Size Cities: Options for New York State”. Revised version of paper prepared for the Quality Communities Marketing and Economics Workshop, Albany, N.Y., April 2004, pp. 10-11.

2.3 Immigration and Settlement

Immigration is recognized for its potential influence on the arts community by serving to introduce new ideas and dynamism to pre-existing cultural and creative industries.¹⁰ Researchers Tüzin Baycan and Peter Nijkamp note that “it is obvious that innovation is enabled by a different form of imported (social) capital in terms of tacit knowledge transfer and ‘brain gain’ . . . and that immigration plays a crucial role in this process.”¹¹ Furthermore, “many foreign immigrants appear to possess excellent entrepreneurial skills and are responsible for a flourishing [small and medium-sized business] sector in many cities.”¹² Through avenues such as the Saskatchewan Immigrant Nominee Program, as well as federal government programs, the province has been able to attract an increasing number of new immigrants to communities across the province.



¹⁰ Timothy Wojan, Dayton Lambert and David McGranahan, “The Emergence of Rural Artistic Havens: A First Look”, *Agricultural and Resource Economics Review* Vol. 36, No. 1 (April 2007), p. 68.

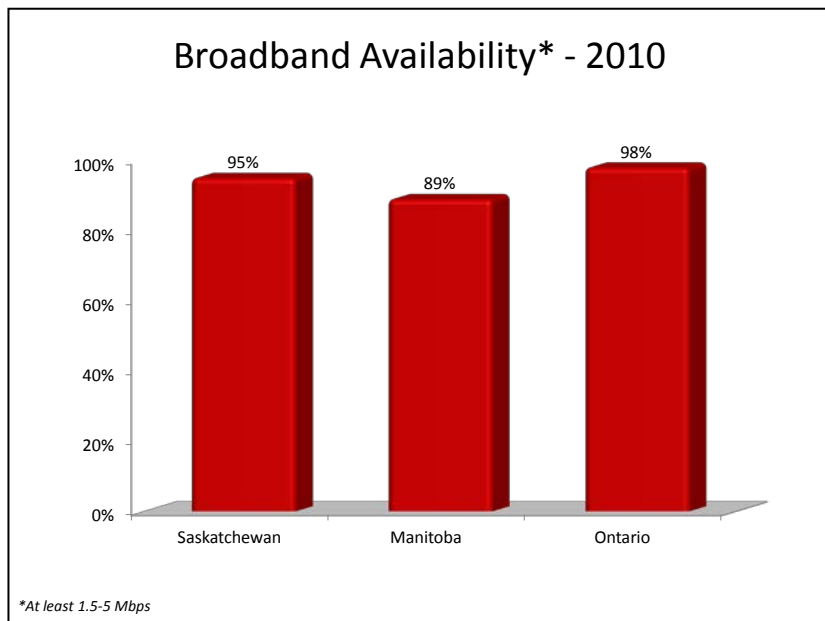
¹¹ Tüzin Baycan and Peter Nijkamp, “A socio-economic impact analysis of cultural diversity -- Research Memorandum 2011-12”. (Amsterdam: Vrije Universiteit, 2011), p. 17. See also Rose Olfert and Mark Partridge, “Creating the Cultural Community: Ethnic Diversity vs. Agglomeration,” *Spatial Economic Analysis* Vol. 6, No. 1 (2011), p. 6-7 (in draft version posted online by the University of Saskatchewan).

¹² Baycan and Nijkamp, op. cit., p. 1-2

2.4 Communications Technology

Notwithstanding the continuing importance for artistic hubs at the community level and personal interaction among artists and others working in the creative industries, a wide range of digital technologies are influencing the arts, including new forms of expression, ways by which artists can collaborate through communications technology and “virtual work” practices.¹³ Mary Beth Watson-Manheim et al. write that virtual work bridges a series of “discontinuities” such as time, geographic location and organizational affiliation by allowing individuals to collaborate or provide services without actually sharing the same physical time and space. Also important is the impact of these technologies on the ability to market and sell products and services across distances, regardless of location, and whether one lives in an urban or rural community.¹⁴

One simple measure which demonstrates the extent to which Saskatchewan has the potential to harness these new technologies is the prevalence of the Internet across most of the province, in which 95% of the population in 2010 were found to have access (if they chose to use it) to broadband services in their community. This figure is only slightly behind Ontario (98%) and ahead of Manitoba (89%).¹⁵



¹³See Watson-Manheim, Mary Beth, Katherine Chudoba and Kevin Crowston, “Discontinuities and continuities: a new way to understand virtual work.” *Information Technology and People*, Vol. 15, No. 3 (2002), p. 194.

¹⁴ See, for example, Nancy Duxbury and Heather Campbell, “Developing and Revitalizing Rural Communities through Arts and Culture”, *Small Cities Imprint*, Vol. 3, No. 1 (2011), p. 114

¹⁵ Source: CRTC, Communications Monitoring Report, July 2011, <http://crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2011/cmr2011.pdf>, pp. 146-147.

2.5 The Province's Comparative Advantage

A community's relative "affordability" can help further the creative industries. For example, the presence of a specific area which has inexpensive spaces available, such as warehouses, galleries and studios, can facilitate the development of the creative industries and provide a place for artists to network and work. In a working paper written for the Atlantic Metropolis Centre, Dalhousie University's Karin Kronstal and Jill Grant note that creative workers "have such unique infrastructure needs as productive space or low-cost housing."¹⁶

There are numerous ways to measure affordability, including housing costs. As can be seen in the table below, compared to many other urban centres in Canada, Saskatchewan's two largest cities compare well to other medium sized cities such as Calgary and Winnipeg, and very well to larger cities such as Vancouver and Toronto.

Table 1: Ranges in Housing Costs, 3rd Quarter 2011 – Detached Bungalow¹⁷

	Low	High
Regina, SK	\$127,000	\$321,000
Saskatoon, SK	\$313,000	\$354,000
Calgary, AB	\$301,000	\$570,000
Metro Vancouver, BC	\$467,000	\$1,350,000
Winnipeg, MB	\$263,000	\$292,000
Greater Toronto Area, ON	\$369,000	\$820,000

David McGranahan and Lambert Wojan note in their research regarding urban location and the creative industries that although the "creative class" tends to be more likely to be drawn to urban areas, they are also "perhaps more able and apt than others in the workforce to choose where to live based on quality of life considerations [and] can be drawn out of cities to high-amenity rural locations." Such locations tend to offer valleys, rivers, lakes, and forests; community spirit and authenticity; and helpful amenities such as health and social services, hotels, restaurants, bars and

¹⁶ Karin Kronstal and Jill Grant, "Municipal Best Practices for Attracting and Retaining Immigrant Artists and Cultural Workers". Atlantic Metropolis Centre Working Paper No.38 2011, May 2011, p. 25

¹⁷ Source: Royal LePage House Price Survey, 3rd Quarter, 2011. Available at: <http://www.enterprisesaskatchewan.ca/housing>.

meeting places.¹⁸ In the case of Saskatchewan, the province's northerly winter climate, stark beauty, and prairie landscapes can serve as strong sources of inspiration.

2.6 Sustainable Growth & Capacity Building

As an industry becomes more viable, it can develop a self-sustaining multiplier effect by fostering employment and the promotion of other supporting industries such as the post-secondary sector, hospitality and tourism. This in turn can provide a "feedback loop" for the viability of the creative industry which helped spawn the initial growth.¹⁹ With regard to the Canadian economy, in 2007 the "real value-added output" for the creative industry sectors was estimated to be \$46 billion, which is 3.8 per cent of the country's GDP.²⁰

To achieve and sustain growth, businesses and organizations require capacity. The concept of "capacity development" pertains to individuals, organizations, businesses, and governments having the ability to achieve certain outcomes²¹ as well as processes relating to businesses and economic enterprises, these include managerial skills (such as developing human resources and accounting) and having adequate access to financial capital, skilled workers, and affordable inputs. To this end, governments sometimes offer loans to qualifying firms in targeted sectors or in underdeveloped communities, especially during periods in which businesses find it difficult to access financial capital.²² The ultimate aim is to have the organizations or businesses become self-sustaining over time; as stated in an OECD report on this topic which describes capacity building as a process whereby the organizations and businesses "unleash, strengthen, create, adapt and maintain

¹⁸ McGranahan and Wojan, as cited in Catarina Selada, Inês Vilhena da Cunha and Elisabete Tomás, "Creative Clusters in Low Density Urban Areas: A Case Study Approach". (Lisbon: INTELI – Inteligência em Inovação, Centro de Inovação, no date), p. 7. See also Todd Gabe, Kristen Colby and Kathleen Bell, "Creative Occupations, County-Level Earnings and the U.S. Rural-Urban Wage Gap", *Canadian Journal of Regional Science*, Vol. 30, No. 3 (Autumn 2007), p. 403

¹⁹ On the other hand, when the creative industries have a downturn, the effects might spiral in a negative manner. Research done in 2001 by the U.S. Center for Regional Economic Issues noted the growth of the creative economy in some parts of the US (such as Ohio) have been hindered by poor job prospects, and that graduates of creative arts programs are "motivated much more strongly by employment and wages than by amenities and lifestyles." P. Gottlieb, cited in Ivan Turok, "The Distinctive City: Pitfalls in the Pursuit of Differential Advantage" (originally prepared for the London School of Economics Resurgent Cities conference, and updated in 2007). It should be noted that other regions have successfully used the creative arts to offset economic decline: "Although Providence [Rhode Island] remains a challenged older post-industrial city, with high unemployment and poverty rates, distinctive arts and cultural activities have staunched the City's population decline and avoided greater distress" (Ann Markusen and Anne Gadwa, *Creative Placemaking*. (Washington, D.C.: National Endowment for the Arts, 2010) p.53.

²⁰ Cited in The Creative Nova Scotia Leadership Council, *Creative Economy Literature Review*, February 14, 2002, p. 49.

²¹ See, for example, Maire Gervais, "Measuring Capacity Building for Aboriginal Economic Development," available at: http://www.global-leadership.ca/2011/03/measuring-capacity-building-for-aboriginal-economic-development/#_ftn3.

²² D. Wayne Taylor, Allan Warrack, and Mark Baetz, *Business and Government in Canada: Partners for the Future*, Scarborough: Prentice-Hall, 1999, p. 197. An example of community-targeted efforts to build capacity is the Community Capacity Fund which operates under the Urban Aboriginal Strategy in Saskatchewan for organizations operating in Regina, Saskatoon, and Prince Albert.

capacity over time.”²³ In the arts, however, the widely-held view is that artists and arts organizations often lack capacity due to a lack of business skills within organizations and among self-employed artists. A number of steps have been taken at the national and provincial in the past decade to address this issue, including ongoing studies of human resources needs and realities in the cultural sector (undertaken by the Cultural Human Resources Council) as well as the development of strategies to strengthen the creative industries labour force.²⁴ A key factor is to ensure that those in the creative industries receive appropriate education so that they are “adequately trained for the tasks they will encounter throughout their careers.”²⁵

An additional example of how capacity development intersects with the cultural arts and broader socio-economic development goals can be taken from Australia, where the regional government of New South Wales put forward the NSW Aboriginal Arts and Cultural Strategy in 2010 with the following vision:

To foster a vibrant Aboriginal arts and cultural sector that affords Aboriginal people greater opportunities to participate in [sic], share and strengthen their culture through arts practice, and develop careers and businesses in the arts and cultural sector.²⁶

Included in this Strategy were the following objectives: 1) promote the participation of Aboriginal people in the creative industries, 2) promote recognition for Aboriginal arts and culture, 3) nurture Aboriginal culture and community capacity, and 4) create employment opportunities for Aboriginal people.²⁷

At the local level, a number of Canadian municipal governments are also making efforts to further develop the capacity and viability of their local creative industries, and are also working together via the Creative City Network of Canada to share ideas related to cultural development. To offer just a few examples, in 2003 the City of Ottawa put forward an Arts and Heritage Plan to develop the city’s cultural industries over the next 20 years by broadening public access to the arts, building “creative capacity,” redeveloping public areas, and proposing seed funding programs to encourage new artistic programs, particularly those intended for ethnic minorities and young people.²⁸ In the meantime, the City of Calgary has established an arms-length organization called *Calgary Arts*

²³ Organization for Economic Co-operation and Development, *The Challenge of Capacity Development: Working Towards Good Practice*, Paris: OECD, 2006, p. 12.

²⁴ Kathleen Darby and Judith Slivinski, *Creative Manitoba: An Economic Development Strategy for the Cultural Sector*. (Winnipeg: ACI Manitoba, 2003), pp. 9-10.

²⁵ *Ibid.*, p. 10

²⁶ Arts NSW, *NSW Aboriginal Arts and Cultural Strategy 2010*, NSW Government, 2010, p. 4. Available at: <http://www.arts.nsw.gov.au/wp-content/uploads/2010/11/Aboriginal-Strategy-web-version-final.pdf>, accessed March 31, 2011. See also NSW Communities, *Annual Report 2009-10: Vibrant Sustainable Inclusive Communities*, p. 39. http://www.arts.nsw.gov.au/wp-content/uploads/2011/03/CNSW_AR_2009-10.pdf, accessed March 31, 2010.

²⁷ *NSW Aboriginal Arts and Cultural Strategy 2010*, p. 4.

²⁸ Kronstal and Grant, *op. cit.*, p. 17

Development that oversees the disbursement of the city's annual arts budget. Over the next decade, the organization has earmarked \$165 million to create artistic space and other "cultural infrastructure," and has already established a Downtown Cultural District, launched a *calgaryculture.com* website, declared September to be the city's annual Culture Month, and provided financial support for various musical, arts, dance and ethnic groups.²⁹ A number of municipalities in eastern Ontario have also worked together (as well as with economic development agencies) to develop what is being called a "Canada's Creative Corridor." This is a multi-faceted plan that includes identifying local sector needs, engaging in cultural/creative mapping in order to identify creative spaces within these communities, and developing a web portal to share ideas about how to foster a stronger sense of cultural "place" in these communities.³⁰ Worth noting also is that a similar network has also been established to share best practices used to support the creative industries in a number of major European cities, including well-established population hubs such as Amsterdam, Berlin and Barcelona as well as smaller and emerging centres such as Riga, Latvia, and Tallinn, Estonia, among others.³¹

2.7 The Saskatchewan Experience and the International Context

Previous Efforts to Strengthen the Creative Industries

In the case of Saskatchewan, many efforts have been made to identify ways to strengthen the province's cultural sector and to promote growth and sustainability within the province's creative industries. The province's first official cultural policy statement was published in 1982, following a three-year review process intended to develop a long-term, strategic role for the government in promoting cultural development in the province.³² In the subsequent 30 years, there have been a number of reviews and reports produced regarding various aspects of Saskatchewan's cultural policies, including many relating to the growth and development of this sector. Underlying several of these studies, however, has been the sentiment that Saskatchewan has typically lacked an overarching and coherent policy designed to help those engaged in these sectors flourish.³³

²⁹ Ibid., p. 21

³⁰ See <http://www.creativeontarioeast.ca/>

³¹ See Creative Metropoles, "How to Support Creative Industries: Good Practices from European Cities" Retrieved from <http://www.creativemetropoles.eu/uploads/files/CMportfolioWEBversion.pdf>.

³² See Simon Weseen and M. Rose Olfert (2008). "Cultural Policy in Saskatchewan." SIPP Public Policy Paper No. 54 (Regina: Saskatchewan Institute for Public Policy).

³³ Ibid., pp. 21-22. See also Saskatchewan Arts Board (1997), *Provincial Funding to Arts and Culture in Saskatchewan: A Systemic Approach* (Regina: Saskatchewan Arts Board).

Following the release of the 2007 Music Industry Review, which concluded that those engaged in this industry were “under-resourced, under-focused and under-connected,”³⁴ there was an impetus to take steps to place the province’s music industry alongside other creative industries for future growth and sustainability. This led to the creation of the CIGS program, which brought about the designation of five Creative Industries Sector Organizations (CISOs) and transferred responsibility for their funding from SaskCulture to the Saskatchewan Arts Board. Viewed as a means to provide the CISOs “with the freedom to reach their true potential over time,” this move represented a shift from a community development mandate to a clear focus on economic development activities that was more in keeping with the idea of developing “creative industries.”³⁵ At the same time, given its historic role as an arms-length organization which funds artistic endeavours, the SAB was viewed as the ideal entity to provide funding to these sector organizations and to work with these stakeholders to help them achieve their economic potential.

Comparative Examples

There are a variety of different models in place worldwide to support the development of the creative industries, with many jurisdictions using the model of having an “arts board” deliver programs to sector organizations to facilitate economic growth and sustainability. For example, the British Columbia Arts Council (which delivers funds to arts organizations on behalf of the provincial government) and the BC Centre for Non-Profit Management and Sustainability currently fund a pilot project that is “designed to assist arts and cultural organizations affected by changes in the economy that want to undertake specific activities to build capacity leading to future sustainability.”³⁶ This role is broader and more explicit in other areas: the organization titled Creative Scotland (created from the merger of the Scottish Arts Council and Screen Scotland, the national film and television development agency) was established in 2011 to coordinate funding for a variety of creative industries as well as to administer film, television and broadcasting investment programs. This organization works closely with a variety of economic and workforce development partners to strategically encourage partnerships that deliver growth in the creative industries. Its stated objectives are:

- To invest in talent
- To invest in quality artistic production

³⁴ Saskatchewan Department of Culture, Youth and Recreation, *Saskatchewan Music Industry Review: The Path to Cultural Commerce* (Regina: Department of Culture, Youth and Recreation, 2008). Retrieved from: <http://www.tpcs.gov.sk.ca/MIR-Final-Report>, p. vi.

³⁵ See Baardman (2008), *A Creative Industries Backgrounder*, p. 37.

³⁶ British Columbia Arts Council, “Special Project Assistance – Capacity and Sustainability.” Retrieved from http://www.bcartscouncil.ca/guidelines/special_programs/sustainability/capacity.html

- To invest in audiences, access and participation
- To invest in the cultural economy
- To invest in places and their contribution to a creative Scotland ³⁷

In other provinces, specific arms-length organizations have been established to play this role for specific sectors. Manitoba Film and Music (MFM), for instance, serves the province's film, television and music recording industries by operating support programs and for marketing their products nationally and internationally.³⁸ The Ontario Media Development Corporation (OMDC) plays this role for a broader mix of creative industries in that province, including book and magazine publishing (in addition to film, television, music and digital media). Along with administering tax credit programs, some of OMDC's stated objectives include:

- Contributing to the continued expansion of a business environment in Ontario that is advantageous to the growth of the cultural media industry and to the growth of new employment, investment and production opportunities in Ontario;
- Facilitating and supporting innovation, invention and excellence in Ontario's cultural media industry by stimulating creative production, format innovation and new models of collaboration among sectors of the cultural media industry;
- Fostering and facilitating co-operation among entities within the cultural media industry and between the public and private sectors to stimulate synergies in product development and the creation of products with original Canadian content;
- Assisting in the promotion and marketing of Ontario's cultural media industry as a world-class leader...³⁹

Although MFM and OMDP are agencies that operate at arms-length from government, there are also a number of other models for fostering economic development and sustainability in the creative sectors and which include a very active role for professionals engaged in these industries. In Nova Scotia, for instance, the Creative Nova Scotia Leadership Council is a sector-led initiative which was established to provide significant input into government decisions relating to investments in arts and culture, including investments for others segments of the creative industries.⁴⁰ Finally, it is worth noting that a number of significant city-level organizations have been established in Europe, such as Creative Amsterdam, which links private, public and not-for-profit sector partners in a 'one-stop shop' for information on the city's creative industries, and the Oslo Culture Network

³⁷ See <http://www.creativescotland.com/about/our-plans>. Also cited in Creative Nova Scotia Leadership Council, *Creative Economy Literature Review*, pp. 20-22.

³⁸ Manitoba Film and Music, 'About Manitoba Film and Music.' Retrieved from: <http://www.mbfilmmusic.ca/tabid/123/Default.aspx>

³⁹ Ontario Media Development Corporation, 'About OMDC.' Retrieved from: <http://www.omdc.on.ca/Page3283.aspx>

⁴⁰ Creative Nova Scotia Leadership Council, 'About Us.' Retrieved from: http://nsacpc.com/about_us

which is involved in marketing and promoting the city's key creative "clusters" – design, music, architecture – nationally and internationally.⁴¹

The literature on the creative industries suggests that there any number of models and leading practices that could be applied to fostering growth and sustainability in Saskatchewan's creative industries. There is no one "best practice" that can be pointed to as a way forward, and these findings suggest that flexibility and collaboration among the various creative industry stakeholders are important factors in determining the ultimate success of efforts to strengthen these sectors in Saskatchewan.

Key Findings for Section 2.0

- ➔ Factors such as population growth in and near urban centres, increased immigration, the presence of communications technology and relative affordability are key factors in the development of the creative industries. Given the confluence of recent socio-economic developments in the province, Saskatchewan is in an ideal position to experience growth in its creative industries.
- ➔ Key factors in the development of the creative industries, however, are sustainability and capacity building. Although the CIGS program was established with the intent of building capacity and making creative industry organizations more sustainable, there are a number of other "best practices" that have been implemented worldwide that can be explored. These include such activities as working closely with economic development organizations and workforce development partners to meet training needs, establishing creative "clusters" in key areas, investing in marketing/promotion of creative industries activities and making targeted investments in businesses engaged in these industries.
 - While it is apparent that there is no single model to be followed for fostering commercial growth, there are a wide variety of "leading practices" that can and should be learned from in order to facilitate growth in Saskatchewan's creative industries.

⁴¹ Creative Metropoles, pp. 50-54.

3.0 CIGS – OBJECTIVES AND PROGRAMS

3.1 Objectives

Although the main purpose of creative organizations is to achieve and showcase artistic excellence, it has also become well-accepted that there is an important commercial aspect to the work of artists. In an interconnected world where music, books, crafts and other works of art are accessible to a global audience, there is a need to ensure that artists can develop a “market” for their products. Indeed, the prevailing view today is that there is a strong link between creative activities and economic growth and that “...governments can expect to see sizable returns on money invested in the cultural sector.”⁴² In order to achieve this, however, it has been recognized that those in the creative industries in Saskatchewan require additional efforts to help them compete on a national and global scale. To this end, it was recognized that a new model linking artistic endeavours to improved commercial outcomes was required not only for the music industry, but for other Saskatchewan-based creative industries as well. This was the impetus behind the creation of the Creative Industries Growth and Sustainability (CIGS) program, which led to a new approach for the Ministry and the Saskatchewan Arts Board in terms of assisting those involved in the creative industries to help focus upon commercial activities relating to their artistic endeavours.

The purpose of the CIGS program, as articulated in the June 2008 agreement between the Ministry of Tourism, Parks, Culture and Sport and the Saskatchewan Arts Board is “... to facilitate the commercial development of the creative industries to ensure they are ready for growth.” As part of this, five Creative Industry Sector Organizations (CISOs) were moved from SaskCulture and the Saskatchewan Lotteries Trust Fund to the Saskatchewan Arts Board.⁴³ These CISOs were regarded as ideal candidates to promote the development of the creative industries, as they “bring together key players in their communities, determine the needs of the creative industries workers and businesses, deliver key development services, and give voice to their industries’ concerns.”⁴⁴

The key objective of the CIGS program as articulated in the 2008 agreement is “to strengthen the commercial viability of the creative industries and their organizational capacity to deliver programs to support the creation, production, promotion and sales of high-quality cultural product.” The program was extended in February 2011, for a period ending on March 31, 2012.

⁴² Weseen and Olfert (2008), p. 26.

⁴³ Agreement between TPCS and SAB, June, 2008, Appendix A.

⁴⁴ Beardman (2008), A Creative Industries Backgrounder, p. 24.

The CIGS program initially included the following five CISOs:

- SaskMusic
- Saskatchewan Motion Picture Industry Association (SMPIA)
- Saskatchewan Publishers Group (SPG)
- Saskatchewan Crafts Council (SCC)
- Canadian Artists Representation / fronts des artistes canadiens (CARFAC) Saskatchewan

A sixth organization, SaskArt (which operated as the Saskatchewan Professional Art Galleries Association (SPAGA) prior to October 2011) also received Lotteries funding, but was not initially moved to the CIGS program. However, it is now a sixth CISO receiving support through the CIGS program.

As stated earlier in this report, CIGS is in part a policy response to concerns raised by the Saskatchewan Music Industry Review which reported that individuals in this specific creative industry did not have the tools needed to tap into national and international markets.⁴⁵ Following from this, and as a broader policy initiative, CIGS was launched in order to provide the following outcomes for the creative industries:

- To reach greater financial strength, market opportunities and increased sales
- To strengthen capacity to compete in local, national and international markets
- To make known the high quality and commercial viability of Saskatchewan's cultural products
- To build pride through Saskatchewan-made cultural products
- To build greater appreciation, partnerships and collaboration between the creative industries, the private sector, tourism and the cultural sector as a whole.⁴⁶

This report examines the extent to which these outcomes have been achieved.

⁴⁵ Saskatchewan Music Industry Review Final Report, p. vi.

⁴⁶ Agreement between TPCS and SAB, June, 2008, Appendix A.

3.2 Programs Funded Under CIGS

In the beginning, there were a number of programs through which CIGS provided support to CISOs. With the exception of the Flexible Loan Program, these have chiefly been rolled into a more comprehensive operational base funding, with some funds going to one-time initiatives. Overall, these funding programs included:

Canadian Industries Sector Organizations (CISO) Global Funding Program

The CISO Global Funding Program was designed to provide funding for “sustained organizational structures and programming for the sector organizations.”⁴⁷

Capacity Building Initiative Grants (CBIG)

CBIG grants obtained through CBIG were “to facilitate the transition of the five CISOs to fully realized industry sector representative bodies and to assist in the transition to the anticipated competitive global funding program.”⁴⁸

Creative Economy Entrepreneurial Fund (CEEF)

The CEEF was designed to replace the former Cultural Industries Development Fund (CIDF). It was designed to provide special project funding to maintain “the CIDF practice of disbursement of funds in order to not destabilize any organization or sector during the transition towards the anticipated competitive program model.”⁴⁹

Creative Economy Partnerships Program Fund (CEPPF)

The CEPPF was aimed at supporting “important initiatives of key creative industries stakeholders, on a case-by-case basis, in keeping with the spirit of the ... [CIGS] Agreement.”⁵⁰

Awards and Sponsorships

The awards and scholarships were to support significant cultural industry events.

Flexible Loan Program (FLP)

The FLP was launched in March of 2010, and is currently operating. The program was “designed to support individual artists, arts businesses and arts organizations in developing new business opportunities or to expanding existing opportunities to ensure the creation, production, promotion and dissemination of high quality and authentic cultural products. Funds would be awarded on the

⁴⁷ CIGS Program Year-End Report, 2008/2009, SAB, p. 1.

⁴⁸ CIGS Program Year-End Report, 2008/2009, SAB, p. 2.

⁴⁹ CIGS Program Year-End Report, 2008/2009, SAB, p. 2.

⁵⁰ CIGS Program Year-End Report, 2008/2009, SAB, p. 3.

basis of a business case, the goals and objectives of the Creative Industry Growth and Sustainability Program and the respective mandates of the Creative Industries.”⁵¹

Key Findings – Section 3.0

- The central objective of the CIGS program was to facilitate commercial development in the creative industries to ensure that they are ready for growth. Five provincial cultural organizations representing five key sectors (music, film, crafts, visual art and book publishing) were designated as “Creative Industry Sector Organizations” and moved into the CIGS program, with a sixth organization (SPAGA, or SaskArt) later added to this program.
- Some of the key outcomes desired for these organizations included ensuring that they would become more financially sustainable, sell more cultural products, develop a presence in other national and international markets and raise the profile of Saskatchewan-made products. Furthermore, it was hoped that the program would facilitate partnerships and collaboration among the creative industries, with private sector partners as well as with entities dedicated to promoting economic development and tourism.
- In addition to creating a “global” funding program that provided operational funding to these CISOs, a number of dedicated programs were also established that were intended to underwrite activities related to entrepreneurship, capacity building and partnerships. These funds were later rolled into the annual funding allocation provided to the CISOs and used to support specific CISO activities.

⁵¹ Agreement between TPCS and SAB, June, 2008, Appendix B.

4.0 CIGS OPERATIONS AND STAKEHOLDER RELATIONS

The following section provides an overview of the key findings pertaining to how CISOs have operated while funded through the CIGS program. It is based on data provided as part of the reports each CISO submitted to the Arts Board, as well as on observations made by stakeholders who were interviewed for this evaluation. Each of these categories also includes a descriptive analysis that follows a logic modeling process which includes a description of how these categories evolved during the course of the program and where they might be progressing. (For a summation of this process, please refer to the Updated Logic Models attached in Appendix A).

4.1 Organizational Adjustment to the CIGS System

As discussed earlier, the six CISOs which now receive funding through CIGS and the Saskatchewan Arts Board were initially funded through the Saskatchewan Lotteries Trust Fund. One of the areas of inquiry was to determine how this change impacted the CISOs from a financial and organizational perspective.

Progress To Date

The key benefit identified by the majority of CISO representatives was that the move from SaskCulture to the Saskatchewan Arts Board allowed them to change the focus of their organization. Prior to the CIGS program, there was a sense among certain CISOs that their activities were confined to “cultural development” within Saskatchewan. For organizations such as SaskMusic, SMPIA and the Saskatchewan Craft Council, in particular, this was regarded as limiting, as domestic programming was not viewed as a means to achieving greater commercial success for local artists. By being able to adopt a broader commercial focus that included significant efforts to develop markets outside Saskatchewan, these organizations were able to engage in a number of growth-related commercial activities.

To offer some examples of how this ultimately developed by some CISOs, here we provide some examples which were highlighted in the SAB’s most recent interim report for the April 1, 2011 – August 31, 2011 period:

- CARFAC consulted with SPAGA and SCC to explore possibilities for a joint Export Development Forum
- SCC conducted targeted marketing of the Traditions Handcraft Gallery which was reported to have “resulted in new sales and promotion opportunities for Regina craft artists.”

- SaskMusic “showcased artists at BreakOut West and Canadian Music Week, and in partnership with the Province of Alberta, and participated in a trade booth at the SXSW music festival in Austin, Texas
- SMPIA: The Digital Media Initiative pilot was reported to have developed “new business opportunities for film, television and interactive media creators and producers”
- SPG: CIGS funds were used to make website improvements and an online bookstore
- SaskArt (SPAGA) conducted market research and launched a targeted online and billboard marketing campaign in the Calgary market.⁵²

But while the new program allowed CISOs to engage in significantly more commercial activities, there was also a learning curve associated with this transition from SaskCulture to the SAB. For 2008 and 2009, in particular, a number of CISO representatives and other stakeholders indicated that they mostly spent this period trying to comprehend and define the scope of the program. Once the parameters were established, however, the majority of CISO representatives interviewed felt that they were able to move forward under this new framework. From a strategic planning perspective, the logic modeling work and the assessment tools developed midway through the program provided indications of how each CISO was adjusting to this program.

Anticipated Future Direction

Most of the adjustment to this new program has been made by most CISOs, with clear signs that efforts are being made to improve the commercial success of the creative arts. However, one organization (CARFAC) is leaving the CIGS program and returning to the former SaskCulture program, while another organization (SaskMusic) intends to leave the program and enter into a direct funding relationship with the Ministry. None of the other CISOs indicated that they wish to go back to the SaskCulture model, however, nor was there any suggestion that CISOs should revert to their former focus on fostering cultural activities within Saskatchewan.

⁵² David Kyle, Executive Director, SAB, letter to Wynne Young, Deputy Minister, Tourism, Parks, Culture and Sport, January 28, 2012, pp. 1-2.

4.2 Relationship between CISOs and SAB

Progress To Date

For three of the six CISOs that came to participate in the CIGS program (SaskMusic, SMPIA and the Saskatchewan Publishers Group), this program marked the first time that they had a funding relationship with the Saskatchewan Arts Board. Although the other three organizations had a pre-existing relationship with the SAB via their participation in other Arts Board programs, all of the organizations consulted closely with the SAB at the beginning to develop a working relationship and determine how they would participate in this program. In addition to these discussions, the Creative Industries Backgrounder document published in 2008, in particular, helped the SAB familiarize itself with the needs of the creative industries and oriented the different parties to potential issues and concerns that these organizations might have. At the same time, a couple of CISO representatives indicated that, initially, they were not happy with having to deal with the SAB because they felt that the relationship had been “imposed” upon them without their input.

Several CISO representatives who were interviewed specifically praised the consultant with SAB and her work in strengthening the relationship between the CISOs and the SAB. These individuals pointed out that the SAB consultant provided a great deal of useful advice and worked closely with the CISOs to help them with their reporting requirements and to answer any questions they might have about the program. They also worked closely with the SAB consultant when conducting their self-assessments.

At the same time, however, a number of the sector representatives who were interviewed reported that the working relationship with SAB included its share of difficulties. These complaints were typically related to the processes implemented as part of determining how funding would be allocated as well as decision-making processes. Although the SAB implemented a modified adjudication process for the CIGS program, a couple of the CISO representatives interviewed felt that the process was not sufficiently transparent. Others felt that the processes put in place were not sufficiently “nimble” to meet immediate funding needs, and that the reporting and application processes were cumbersome and overly bureaucratic. Another complaint that was raised had to do with how input from the CISOs was gathered – although some stakeholders felt that the Creative Industries Advisory Committee (CIAC) was a good forum for the CISOs to share information and provide advice, others felt that its input was not given a great deal of weight. Another comment made by one observer was that the existing industry forums, such as the Saskatchewan Cultural Industries Development Council, were marginalized and should have played a more significant role. However, it should be noted that in the initial transition plan, this organization was cited as having

had limited success and operated without having “articulated performance measures tied to industrial success.”⁵³

Anticipated Future Direction

There are some key differences of opinion among the CISOs and other stakeholders regarding how the relationship between the SAB and these organizations will continue into the future. The majority of the CISO representatives interviewed expect their relationship with the SAB as it relates to CIGS to be strengthened now that the program has been in place for more than three years. For these organizations, whatever “growing pains” may have initially existed have been addressed, and severing the relationship at this point would cause further adjustments and organizational challenges. For CARFAC and SaskMusic, however, the relationship is in the process of being terminated, albeit for different reasons. In CARFAC’s case, this is because it wishes to return to its previous status as a Provincial Cultural Organization (PCO), while in the case of SaskMusic this is because it wishes to be responsible for its own marketing initiatives with funding provided directly from the Ministry.⁵⁴

⁵³Saskatchewan Arts Board, *Creative Industries Interim Report and Transition Plan*, Feb. 4, 2008, p. 2

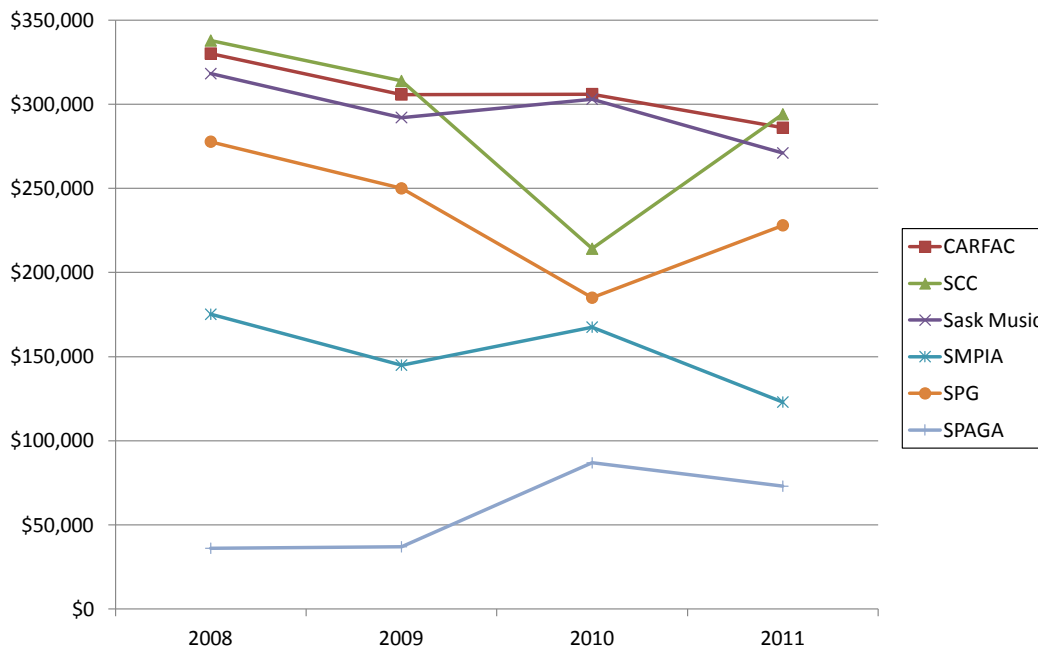
⁵⁴ This position is articulated in a January 30, 2012 letter from SaskMusic to the Saskatchewan Arts Board.

4.3 Usage of CIGS Programs

Progress to Date

As part of the \$2.5 million provided as transitional funding while the CIGS program was being established in 2007-2008, \$1.05 million was allocated as transitional funding to CISOs, which included an additional \$330,000 in their base funding as well as an additional \$720,000 for various “one-time” strategic initiatives. In its first year of operations (2008-09), a total of \$1,475,000 was allocated, including \$850,000 in base operating grants (at this point, SPAGA/SaskArt was not part of the initial CIGS funding). For the following year, a total of \$1,343,000 was allocated, including \$885,500 in base operating grants. For the contribution period of September 1, 2010 to August 31, 2011 – at which point other strategic funds like CEEF and CBIG were rolled into each CISOs’ global funding – a total of \$1,275,000 was allocated. SCC, SMPIA, SaskArt and SPG had been previously funded for a portion of this period because of their later fiscal years. For these CISOs, the variance in allocation for 2010 is largely attributed to the change to the new common contribution period. As the graph below illustrates, the effective amounts provided to each CISO varied considerably year-over-year for some organizations based on their specific activities, as determined by the external assessment process.

CIGS: Allocations to CISOs
(By Application Year: Base Contributions & Other Funds)



It is apparent that CIGS continues to serve an important role in providing funding supports to CISOs. For the most recent contribution period of September 1, 2011 to August 31, 2012, the amount of funds allocated for CISOs through the CIGS program totalled \$1,275,000.⁵⁵ The specific amounts for each organization for this most recent period are as follows:

- CARFAC - \$286,000
- SCC - \$294,000
- SaskMusic - \$271,000
- SMPA - \$123,000
- SPG - \$228,000⁵⁶
- SaskArt (SPAGA) - \$73,000

It should be noted that unlike previous years, the extended one-year period for CIGS funding did not support one-time initiatives, hence these figures are solely “Base Contribution” funds.

In Sections 5.3 and 5.4, we review the extent to which these allocated funds were used for encouraging the economic viability of the industries these CISOs represent, as well as capacity development among their members.

Regarding the Flexible Loan Program (discussed in additional detail in Section 6.0), the most recent data suggest that this program has only attracted a modest amount of interest and uptake:

- A total of 202 general inquiries were received from the FLP’s inception on March 2, 2010 to September 30, 2011 (the end of the most recent reporting period).
- Four applications were received and six loans were approved during this same period. Since September 2011, however, two additional loans have been approved.

Therefore, the FLP appears to be underutilized in its present form.

Anticipated Future Direction

At this point, there is a great deal of uncertainty regarding future allocations to these CISOs, as the funding to be provided depends on what decision is made as a result of this evaluation. The hope for most of these organizations, however, is that their activities and operations will continue to be funded. As for the FLP, it is expected that it will be underutilized if it continues in its present form.

⁵⁵ These figures are derived from Saskatchewan Arts Board, *Creative Industry Growth and Sustainability Program Interim Report: Report Period: April 1, 2001 – September 30, 2011*, January 26, 2012; Also, SAB data provided file: “CIGS CISO TALLY.”

⁵⁶ This figure includes \$100,000 for the purposes of the Publisher’s Grant.

4.4 Collaboration Among Industry Stakeholders

Progress To Date

Several informants expressed the view that collaboration among industry stakeholders has been virtually non-existent. Indeed, with the exception of the work done by participants on the Creative Industries Advisory Committee, interviews with representatives of each CISO and other stakeholders uncovered the perception that these organizations have not collaborated to any great extent, with most collaborative efforts being focused within their own specific sectors. One notable exception to this, however, was SMPIA's Digital Media Initiative (DMI) – a couple of key informants familiar with this project felt that while it was in existence, the DMI did lead to cross-sectoral collaboration. However, it was said these efforts dissipated once this initiative was not renewed.

In the visual arts and crafts sectors, some stakeholders felt that the CIGS program has clarified the effective role of each of the participating organizations: CARFAC, SaskArt and the Saskatchewan Crafts Council. While the SCC, in particular, is seen to have a strong commercial focus as a result of its work, CARFAC is regarded by stakeholders as playing a different role that is more in keeping with its focus on helping artists with professional development and other related activities. In this regard, the CIGS program is seen as a catalyst for helping clarify those respective roles for these groups.

At the same time, a couple of the “sectoral” stakeholders interviewed indicated that even if there is not a great deal of collaboration between CISOs, these organizations now have a stronger relationship with organizations engaged in economic development and tourism. Most of those who were interviewed regarded this as a positive development.

Anticipated Future Direction

There was not a strong sense among informants that the CIGS program will lead to future opportunities for collaboration, although some did say that they would like to see CIAC play a stronger role in this regard. Others, meanwhile, asserted that involving a cross-sectoral group such as SCIDC could lead to greater collaboration and discussions regarding the common issues facing the various CISOs.

4.5 SAB Governance

Progress To Date

There are a number of conditions related to governance in the original CIGS program agreement. These include the general expectation that the SAB will “practice good governance, including management of program staff and fiduciary responsibility for the program.” A number of other specific expectations were also included, such as:

- Developing details related to program design and the adjudication of grants and loans
- Working with CISOs to develop their “strategic and operating plans” (i.e. business plans) to ensure that their transition to the new program “moves smoothly and does not disrupt their operations.”
- Creating and maintaining an advisory committee, made up of sector representatives and Ministry officials, to provide advice on program design, implementation and evaluation.
- Developing and implementing performance measures for the program.

As well, the SAB was expected to provide the Ministry with semi-annual reports on program progress, as well as a report at the end of each fiscal year that included a financial statement, a description of the previous year’s program activities, and a general plan for the upcoming year. A review of the materials provided by TPCS and SAB, as well as observations from key informants, indicate that the expectations in this agreement have been met. This includes creating a modified adjudication process for use with this program, establishing the Creative Industries Advisory Committee, and implementing performance measures to report on “key result areas” for the program. The SAB also worked closely with the CISOs in helping them transition from the Saskatchewan Lotteries Trust Fund to the new program, in particular by providing additional funding to maintain their existing operations and by helping them engage in business planning. Although some CISOs were able to develop more detailed strategic and operational plans than others, it is clear that these activities did take place and that they helped set the direction for these organizations going forward.

In the interviews, a majority of CISO representatives pointed to some difficulties that they experienced as they adjusted to the new program from the former system. In particular, there were complaints that this process was imposed upon the CISOs, with no opportunity for prior consultation. The adjustment to this new system (including the self-assessment process) and the development of the program parameters in the early phase of CIGS program (2008-2009) meant that some organizations found the transition challenging. After these initial difficulties, however, most CISO representatives felt that they became used to the new system.

Another important component of governance is the role of the Creative Industries Advisory Committee (CIAC), which was created to give CISO representatives input into the program. While this committee was seen as a means for the CISOs to have this voice into how the program is operated, the committee's exact role is not clear to some stakeholders. Although it was regarded as a forum for suggesting improvements to the program and offering feedback, it was seen by some observers as not particularly effective. To some, the CIAC was viewed as a "rubber stamp" where decisions that have already been made were presented *a fait accompli* to committee members. There was not a strong sense of what the committee's role was intended to be.

Anticipated Future Direction

Overall, there is an expectation that current governance-related practices will continue to be followed. With regard to CIAC, however, there is hope among a number of sector representatives and other stakeholders that the committee's role will be clarified and re-evaluated. Some individuals, including those who sit on the committee, felt that this committee should meet more regularly and should provide the CISOs with more information about its activities. In some cases, there was a sense that there is a disconnect between sector representatives who sit on this committee and the CISOs. One other individual interviewed felt that the Saskatchewan Cultural Industries Development Council (SCIDC) would be a more appropriate forum for having these types of discussions, and would be a more appropriate venue for participating in the governance of the CIGS program.

Key Findings – Section 4.0

- The establishment of the CIGS program had a positive impact on a number of CISOs, as it allowed these organizations to focus more on commercial opportunities and less on delivering programming within the province. While some CISOs eagerly embraced this new role, others found it more difficult – so much so that one organization (CARFAC) has left the program and returned to its previous funding model. These findings perhaps reflect the fact that the CISOs had, and continue to have, different mandates and motivations, and may have had varying abilities in being able to fully take advantage of this program.
- Overall, the relationship between the CISOs and the SAB has been fairly smooth, although there were acknowledged challenges in the beginning as the organizations made the transition to the new program. Although the organizations worked well with the SAB consultant, there were complaints from some CISOs that they felt disconnected from funding decisions and that the SAB's decision-making processes were not always responsive to their needs.
- Annual funding provided via CIGS to each CISO varied somewhat depending on the specific activities being undertaken by each organization. For each organization, the funding was used in slightly different ways, with marketing activities and professional development workshops being the main activities funded. A number of capacity development activities were also supported, including the development of business plans and workshops for organization members about specific capacity-related issues.
- The program led to relatively little collaboration among CISOs, but it was perceived to have led to a broader dialogue regarding the importance of the creative industries at a macroeconomic level, with more discussion taking place between creative industries representatives and those engaged in economic development and tourism.
- In terms of governance, the SAB largely met its requirements in terms of providing good governance and living up to its fiduciary responsibilities. It provided highly-detailed reports to the Ministry regarding program activities and worked closely with the CISOs to have this information available. It also established and maintained the Creative Industries Advisory Committee, although a number of stakeholders felt that this committee was not always used as an effective vehicle for sector input.

5.0 COMMERCIAL VIABILITY, FINANCIAL SUCCESS & CAPACITY DEVELOPMENT

5.1 CISOs' Financial Success

Progress To Date

To what extent have Saskatchewan's creative industries had greater financial success, market opportunities and increased sales? While this is difficult to measure in a comprehensive manner, a review of reports prepared by SAB and its funded CISOs provide specific examples of commercial successes for CISOs and their members. Examples include the following:

- SPG membership has grown from 54 members to 80 in 2010, and one of its mandates is the promotion of Saskatchewan books. One indication of success is its Display Program which created total title sales of \$24,834 in 2010 for Saskatchewan publishers, an increase of \$2,886 from \$21,948 in 2009.⁵⁷
- During the September 2010 to August 2011 period, SCC reported \$761,107 in sales for its members, and attributed these to marketing activities funded through CIGS.⁵⁸
- The Saskatchewan music industry generated \$82.8 million in revenues in 2007, with artists earning \$17.2 million and service providers earning \$65.6 million.⁵⁹ And in his President's Report at the end of 2011, Mike McNaughton reported on how the industry was continuing to generate activity and international visibility.⁶⁰

Anticipated Future Direction

Based on the in-depth interviews, there are quite varied opinions regarding how effectively the CIGS program has put the CISOs (and the individual artists) in these sectors for a stronger financial position for future development. For some organizations, such as the Saskatchewan Craft Council, the program is really regarded as an important catalyst for helping the SCC sell more of its members' work. By strengthening the SCC's capacity via strategic planning and working with the SCC to take advantage of market development opportunities, the CIGS program was regarded as helping Saskatchewan artists in this sector tap into national and international markets. For other organizations, though, this was not the case. Representatives of the film and music sectors, in particular, expressed frustration at the fact that marketing initiatives they wished to do were not always funded, or were only funded on a one-time basis. In the case of the film industry in

⁵⁷ SPG, *CISO Final Report: 2010*, submitted May 11, 2011.

⁵⁸ While this is a large sales figure, it should be pointed out that this was 20.6% below targets for that year, which were due largely to less than expected sales figures for the Traditions Handcraft Gallery and poor attendance at Wintergreen 2010, both of which are reported to have since recovered. SAB, *Interim Report, April 1, 2011 – September 30, 2011*, op cit, p. 5.

⁵⁹ Kisquared, *SaskMusic Economic Impact Assessment of the Saskatchewan Music Industry: Final Report*, 2008, p. 5.

⁶⁰ "President's Report," *SaskMusic: Annual Report 2010/2011*, p. 2.

particular, there was also a perception expressed by some observers that the marketing activities of SMPA in national and international markets overlapped the marketing activities of SaskFilm in this regard. At the end of the day, it was felt that the CIGS program, as presently constituted, will not help these organizations and their members reach their financial potential. Other organizations, meanwhile, expressed the view that the CIGS program essentially constitutes the “status quo” by providing the same level of funding that they received under the SaskCulture system, and that if this trend continues it will not particularly contributing one way or the other towards their financial success.

5.2 Balancing Commercial and Artistic Goals

Progress To Date

The consensus among nearly all of those interviewed was that as the program has evolved, it has allowed CISOs to balance their commercial and artistic goals without having these activities conflict with one another. About half of the CISO representatives interviewed regarded the implementation of the CIGS program as a welcome development, as it allowed them to focus more on marketing and commercial development and less on delivering programming within the province. By being freed to focus more on commercial activities and marketing (and in some instances having these activities supported for the first time), CISOs were able to undertake activities on behalf of their member artists that would allow these individuals to focus on the creation of high-quality content.

At the same time, however, the opinion was expressed by some CISO representatives and other stakeholders that the commercial aim of the CIGS program did not sit comfortably with the traditional mandate of the Saskatchewan Arts Board. There was a perception that the SAB has had a historic mission to fund “art for art’s sake” and has established programs and processes to do this that did not mesh well with the commercial objectives of CISOs. The adjudication process, in particular, was held up by a couple of informants as problematic in this regard, as some CISO representatives felt that the decision-making process was cumbersome and lacked transparency. Some questioned whether those making the funding decisions really understood the particular commercial and marketing needs of CISOs, although a couple of observers credited the SAB for taking steps to adjust to CISO needs. Needless to say, however, there were some tensions in this regard between the CISOs and the Saskatchewan Arts Board.

Anticipated Future Direction

A number of CISO and stakeholder representatives felt that despite some initial challenges, the tensions between fostering artistic excellence and achieving commercial goals can be balanced going forward. Others, however, questioned whether this can ever be managed without a major overhaul of the SAB's mandate.

5.3 Capacity Building

Progress To Date

A key objective of the CIGS program is that it encourages organizations to strengthen their own internal capacity and engage in a greater degree of strategic planning. Several of the CISO representatives indicated that the degree of strategic planning that they were required to do would not have happened in a systemic way had they not gone through this program. Furthermore, the fact that the program allowed CISOs such as SaskArt to hire professional staff for the first time (and supported administrative staff salaries at other CISOs) was also regarded as an important contributor to organizational capacity, as these organizations were able to run more efficiently and better use professional time for more-sophisticated marketing activities. In this regard, the CIGS program was regarded as a very important contributor to organizational capacity.

Similar observations were also made with regard to financial sustainability. Again, organizations such as SaskArt reported that the funding provided by the CIGS program made them more financially secure because this program funded the salaries of professional staff for the first time. Others who have achieved greater commercial success, such as the Saskatchewan Craft Council, viewed the CIGS program as an opportunity to diversify their funding base so that it was less reliant on government grants. For other organizations, however, this was not the case. Organizations such as SMPA pointed out that they were losing ground financially because operational grants were not increasing, while SaskMusic representatives contended (in reports to the SAB) that their funding was actually being reduced on a year-over-year basis.

The following is a summary based on a review of reported outcomes, and also provides a number of examples on how operational and one-time initiative CIGS funds have been used towards building capacity among the CISOs and their members.⁶¹ Although this provides an overview of activities throughout the life of the program, there is a specific emphasis on the period of

⁶¹ SAB, *Creative Industry Growth and Sustainability Program Interim Report, Report Period: April 1, 2011 – September 30, 2011*.

September 1, 2010 to August 31, 2011 – a point in the program where ongoing capacity development efforts would be firmly established:

CARFAC: CARFAC conducted a strategic planning and best practices project and later developed an artist mentorship program. Among the aforementioned 27 workshops held by CARFAC, in 2010-11 there were workshops relating to copyright, contracts, professional development and other capacity related topics. CARFAC enabled members to access the financial advisory services of the accounting firm Meyers Norris Penny. One-time initiative funding was also used to establish a mentoring programming for 33 visual artists, and to also work with other provinces to establish a national mentoring network.

SCC: The SCC received funding to develop a business plan in 2009 and also held a number of workshops for their members to assist them with their commercial activities. Perhaps due to its emphasis on other developing marketing and promotional activities (as discussed earlier), little is reported on capacity development efforts for the April to September 2011 period, and at one part of the SAB summary of outcomes, it is reported that SCC is having “capacity issues” which has affected some of its other endeavours.

SaskMusic: SaskMusic had previously undertaken a great deal of work related to capacity development, including activities related to developing management skills, board governance skills, and implementing its strategic plans. As of 2010-2011, SaskMusic was also very active in providing workshops and information sessions for its members on a wide range of issues relating to the industry, while also providing “pro-bono legal services” to twenty-seven members on 60 different issues or files.

SMPIA: SMPIA developed a sector plan in 2008 and also accessed funds to conduct a business planning session the following year. Among its recent capacity development efforts, the most noteworthy were its creation of the Online Membership Database and shared knowledge and consultations through the Digital Media Initiative.

SPG: An example of capacity development is SPG’s hosting of two “Professional Development Seminars” with a total of 84 registrants. Also, as of March 2012, SPG will be receiving a finalized consultant’s report with recommendations for future directions which was previously delivered in draft form to its Board of Directors.

SaskArt (SPAGA): CIGS has been instrumental in promoting capacity for this CISO. Using CIGS operational funds, SAB reports that SaskArt/SPAGA has “matured as a creative industry group with the hiring of a bookkeeper and part-time coordinator” which has resulted in reduced administrative workloads for its executive and the ability to develop a “strategic vision.” SaskArt was also able to use operational funds to develop a business plan through the assistance of a business consultant.

Anticipated Future Direction

The future direction as it relates to organizational and financial capacity really depends on the individual situation of each CISO. For some, like the SCC, the future looks quite bright; for others, and based on findings arising from stakeholder interviews, the future looks less positive or “status quo” at best. Although there is some degree of recognition that these organizations have developed additional capacity, some CISOs do not see this program contributing to their long-term success and want to see major changes to the CIGS program implemented.

5.4 Ability to Create and Market Products

Progress To Date

There was no clear sense that this program has directly assisted with the process of content creation, as the intent of the CIGS program has been to support marketing activities, capacity development initiatives and other related administrative activities. One notable exception, however, is the inclusion of the SPG's Grants to Publishers program within the CIGS envelope, as this program helped publishers produce and distribute Saskatchewan books to local and national audiences.

In terms of marketing, a review of market development outcomes relating to CIGS and the six CISOs as reported by SAB for the period of September 1, 2010 to August 31, 2011 in particular (as well as for earlier periods) provides a wide range of examples of how the CISOs have used operational and one-time initiative funds to support the commercial activities of their members.⁶²

CARFAC: In 2010-11, CARFAC conducted a total of 27 workshops in six communities, with a range of themes, including some which were commercially-specific. This included workshops on "Business of Art" and "Pricing Your Art Work". It also held Artists Resale Information Sessions in Regina and Saskatoon. Another endeavour which might prove to have future commercial benefits were the discussions it held to establish a joint program with SCC and SaskArt for an Export Development Forum.

SCC: Direct marketing was conducted for a wide range of retail activities, including craft and art fairs and the development of a patron database. Also, the launch of a website listing of "Where to Buy" Saskatchewan craft products and the creation of promotional materials and auctions were conducted, while national and international exposure was promoted through trade show activities. The SCC reports that its marketing activities during this contribution period "directly resulted in \$761,107 in sales for Saskatchewan craft producers." The SCC also used one-time initiative funding (\$15,000) to promote markets for its members, including promoting sales through wedding registrations, 'Meet the Artist' series, and enhancing the Traditions Handcraft Gallery website.⁶³ It also used another one-time initiative fund (\$31,000) for its Gallery Representation Program for helping locally successful artists access galleries located elsewhere in Canada and internationally, which succeeded with three artists gaining access to markets beyond Saskatchewan.

⁶² SAB, *Creative Industry Growth and Sustainability Program Interim Report, Report Period: April 1, 2011 – September 30, 2011*.

⁶³ See <http://www.traditionshandcraftgallery.ca/>, accessed March 13, 2012.

SaskMusic: Activities and outcomes from operating funds and which related to marketing and promotion during the last completed contribution year included workshops on “Making Money from Music”, and having a trade show booth at the Aboriginal Music Festival in Saskatoon. One-time initiative funding was used for its Market Development Program (\$17,000), which included attending tradeshow and showcasing artists at BreakOut West and Canadian Music Week, as well as operating in conjunction with the Province of Alberta an expanded trade booth with musical promotions at the South by South West (SXSW) tradeshow in Austin, Texas.⁶⁴ Prior to this, SaskMusic used funding to enhance the information available on its website.

SMPIA: SMPIA used one-time initiative funding for marketing-related activities, which included the Digital Media Initiative pilot (\$69,500) to encourage explorations of new business models and innovation and the use of funds (\$15,000 in 2010-11) for improving the sector’s visibility and profile in other regions, including at national and international film festivals and conferences. This built upon previous visits to various industry events, conferences and film festivals.

SPG: Marketing and promotions based on operational funding were chiefly focused on displays, distributing catalogues, sponsoring reading events and reaching out to customers through its website. These activities included its Books in School catalogue of which 1,500 were printed and distributed across Saskatchewan, as well as via email to schools in neighbouring provinces. Through one-time initiative funds, with the Technology Investment program (\$15,000) SPG was able to launch a new website and online bookstore using a new Internet host. It also distributed 50,200 catalogues through the *Western Producer* which generated “an unprecedented level of order activity” that is being handled efficiently with the new system.

SaskArt (SPAGA): Prior to 2010, SaskArt used funds to visit various trade shows. Following from a business plan that was developed in May 2011, this organization identified a number of new goals, which included strengthening the brand by “bringing art to the people,” and subsequently renaming itself as SaskArt. The organization also developed a partnership with Tourism Saskatchewan in order to sell member art in its Regina offices. Using one-time initiative funding, SaskArt conducted a billboard and street poster campaign in Calgary (7 billboards), Regina (5 billboards), and Saskatoon (5 billboards). The organization also allocated \$1,374 (from both operational and sector initiative funds) for Facebook advertising in Calgary and across Saskatchewan, which drew

⁶⁴ See http://sxsw.com/trade_shows, accessed March 13, 2012.

243,195 impressions and 443 “click throughs” to the SaskArt website. SaskArt’s Facebook following have grown from 183 to 621 ‘fans’.⁶⁵ This information from the online campaign helped target the artwork to be used for the aforementioned outdoor ad campaign in Calgary, Regina, and Saskatoon.

5.5 Perceptions of Saskatchewan Creative Industry Products

Progress To Date

Although the evidence is largely anecdotal and based on individual perceptions, most stakeholders who were interviewed for this report did suggest that generally, the CIGS program has had a positive effect on making products produced by Saskatchewan’s creative sector more visible. This was particularly true in the craft sector, which has seen very tangible and easy-to-measure successes in terms of sales and national/international market opportunities. Among the obvious high-profile successes raised in the course of the interviews included the prominence of The Sheepdogs, yet this band’s success obviously cannot be directly attributed to the CIGS program.

Anticipated Future Direction

For the craft and visual arts sectors in particular, the continuation of the program would support efforts to market cultural products and allow these sectors to continue to make these products more visible. In other sectors, however, there was not a clear sense that the program would lead to enhanced recognition of Saskatchewan-made cultural products.

⁶⁵ It should be noted that this is also listed under its outcomes from operational funding.

Key Findings - Section 5.0

- Some CISOs – particularly the music, craft and publishing sectors – were able to point to concrete examples of how marketing activities led to increased sales of cultural products, including in a variety of national and international markets that had not been accessed before.
 - For other CISOs, however, the link between funded activities and sales was more indirect. Organizations such as CARFAC, for instance, support activities that give visual artists the ability to sell their work more easily, but they do not “market” work in a traditional sense. For some, the focus on marketing and sales was welcome; for others it was problematic because it was too narrow to define how program-funded activities support the sales of specific products.
 - For those in the film and music sectors, there was some frustration regarding how marketing activities would be funded. Although representatives of these sectors travelled to national and international events to promote Saskatchewan artists, these activities were only funded once when multiple visits to these places were seen as necessary. There was also a perceived overlap in the marketing activities of SMPA and SaskFilm.
- For the most part, the CISOs felt that focusing on commercial activities did not compromise the ability of artists to achieve artistic excellence. However, a couple of informants questioned whether or not the traditional mandate of the SAB to foster artistic excellence has diminished as a result of this focus.
- Regarding capacity building, the fact that the CIGS program supported activities which helped organizations engage in strategic and operational planning was seen as a positive outcome. Although organizations with less internal capacity welcomed the fact that the CIGS program helped them develop organizational capacity by funding professional staff, for more mature organizations such as SMPA and SaskMusic the program was seen as financially limiting because funding for specific activities did not increase.
- Although views regarding whether the CIGS program helped make Saskatchewan cultural products more “visible” were largely anecdotal, on the whole the program was seen to have helped build visibility.

6.0 FLEXIBLE LOAN PROGRAM

As part of the overall evaluation of the CIGS program, an analysis of the Flexible Loan Program (FLP) was required. The Flexible Loan Program was established as part of the 2008 agreement between the Saskatchewan Arts Board and the Ministry. This one-time allocation of \$1.15-million fund was re-allocated from a previous investment fund. It was created to provide recoupable, low-interest loans to artists, arts businesses and arts organizations that would help them develop new business opportunities or expand their existing activities.

After consultation and design, the FLP was launched in early 2010 with the following “broad goals” in place:

- There is balance between the need to operate the FLP in a sustainable manner as a revolving loan fund with the entrepreneurial development needs of the eligible sectors
- The FLP is a new financial resource and does not merely duplicate or replace existing financial resources and grants
- The FLP is relevant to and accessible by all the eligible sectors and to a broad range of participants within the sectors
- The FLP is flexible and responsive to the changing needs of the eligible sectors
- The program has a confidential, fair and transparent review and assessment process.⁶⁶

6.1 Current Usage of the FLP

Progress To Date

As of the end of the 2010-2011 program year (September 30, 2011), only six artists, companies and/or organizations had accessed the FLP. Since then, two additional loans have been approved, bringing the total number of loans made to eight during the lifespan of the FLP. The majority of these loans (5 out of 8) were made to artists or entities in the book publishing sector, with loans also made to one applicant each in the music sector, the film sector and the craft sector. In addition to the eight loans that were approved, an additional application was withdrawn by the applicant and another “draft application” that was received was denied due to a lack of information from the client. Altogether, a total of \$110,395 was loaned from the FLP – less than 10 percent of the total amount available in the fund.

Since the FLP’s inception, the SAB has kept detailed records regarding inquiries made by individuals and organizations regarding this loan program. This detailed information was collected up to and including October 2010. Overall, it shows that 202 inquiries were made about the FLP

⁶⁶ Saskatchewan Arts Board (2010), *Flexible Loan Program: Guidelines and Procedures*, p. 1.

between March 2010 and October 2011, and the SAB held 27 one-on-one meetings with potential clients during this period.

In March 2011 the SAB also conducted an online survey of those who had inquired about or applied to the fund. Although the results should be interpreted with a great deal of caution due to the very small number of respondents (n=13), this survey produced a number of interesting directional findings, including:

- Slightly more than half of those who inquired about the FLP operated an existing business.
- Only about half of those who responded had a business plan in place.
- Grants, bursaries and forgivable loans tended to be regarded as more relevant than interest-bearing repayable financial instruments (i.e. term loans, lines of credit) to the ability of these artists/organizations to achieve their commercial objectives.

From the interviews, it emerged that those who have successfully used the FLP indicated that they did so for a specific purpose, or because they required funds immediately for a particular commercial venture and had neither the time nor the ability to apply for either a conventional loan or other grants. Overall, these applicants report that the program met their capital needs, and that having access to these funds meant that they were able to finance a specific need. Interestingly, this was the case for successful applicants in a number of creative industries: the presence of the FLP and their knowledge of it allowed them to take advantage of a specific opportunity that emerged. By and large, none of these individuals had complaints about potential issues such as the terms of repayment, or the reporting conditions attached to this loan.

Anticipated Future Direction

When asked to consider how the FLP might be tweaked to make it more responsive to applicants' needs – as well as accessed on a more-regular basis – successful applicants and other key informants provided a variety of opinions. These issues came down to two broad ideas – more marketing, and more flexibility in terms of capital provision.

In addition to the suggestion of making some or all of the FLP forgivable, several of those interviewed suggested that more should be done to market this fund to artists throughout Saskatchewan. In particular, it was suggested that more should be done to market the FLP online, whether through the SAB website, via email, or via social media. Nearly all of those who had heard of this program indicated that they had heard about it through word-of-mouth. Although Saskatchewan's creative industries are relatively interconnected and built on interpersonal

relationships, it was felt by a couple of observers that more should be done to market the program online.

6.2 Capital Requirements and Barriers

The perceived presence of barriers to capital for those in the creative industries played a major role in the creation of the FLP. In his background document regarding the creative industries, Sam Baardman noted that those in the creative industries face a unique set of challenges that are effective barriers to private investment. This includes the fact that creative entrepreneurs and organizations have significant sunk costs associated with their products, difficulty “collateralizing” intellectual property and the inability to know whether a specific cultural product will actually be sold to a buyer.⁶⁷ This lack of capitalization of small companies and individual entrepreneurs in the creative industries is a continual hurdle – it stifles the ability of new creative start-ups to get established, and impedes the growth of companies. Cultural products are expensive to develop and produce, and the creative industries have always benefitted from a certain level of public investment.

A great deal of other secondary literature also indicates that artists and creative industries businesses/organizations face significant challenges related to access to “working capital” that will finance their activities. Part of this is also because these artists and organizations often experience peaks and troughs in demand, with significant spikes in business activity offset by slow periods where these individuals and organizations do not have the cash flow to finance future production.⁶⁸ Indeed, a number of global case studies point to ways that governments and other creative sector partners have tried to provide capital to those engaged in these industries.⁶⁹ The intent of the FLP was to take steps to mitigate this barrier for Saskatchewan artists. The question, however, is whether it is perceived to have done so.

Progress To Date

Indeed, virtually all of those interviewed acknowledge that access to credit remains a significant challenge for those in Saskatchewan’s creative industries. While some artists and organizations may have the means to finance their activities via conventional lending, for others the emphasis of

⁶⁷ Baardman, *A Creative Industries Backgrounder*, pp. 20-21

⁶⁸ Government of South Australia, *Creative Industries in South Australia*, p. 8. Retrieved from: http://www.arts.sa.gov.au/webdata/resources/files/CI_REPORT.pdf

⁶⁹ See for example, the 2008 Creative Britain Strategy,

financial institutions on analyzing previous financial information as opposed to projections makes it difficult to access capital.

However, the lack of “uptake” on the Flexible Loan Program suggested that this particular program failed to address this challenge, with several of those interviewed indicating that it should be redesigned in order to better meet the short-term financing needs of artists, artistic organizations and CISOs. Many of those who were interviewed perceived the main problem to be that the FLP does not provide enough of an additional incentive (i.e. a grant, a forgivable portion of the loan, etc.) to attract interest from those in the creative industries. Indeed, a number of those who inquired about the FLP indicated that they were more likely to be seeking grants as opposed to a term loan. And – although it is based on an extremely small sample size – the finding from the FLP survey that grants were perceived to be more relevant contributors to commercial success than loans could also be taken as an indication that the FLP, as presently situated, is not seen as meeting their needs. At the same time, it is important to note that successful loan applicants have been able to repay their loans on time, and to date the FLP has not had to write off any “bad debt” as a result of an applicant being unable to repay his or her loan.

Another factor that a couple of informants reported was that rather than going through an application process, many in the creative industries rely on other, more accessible sources of short-term credit, such as a credit card or lines of credit from a financial institution, because it is easier to apply and lending rates are relatively low. While this may work for certain artists and artistic organizations with access to these types of financial tools, it was felt that this does not address needs among artists who lack access to either short-term credit sources, or to solid financial information upon which they could base sales projections – which would strengthen their application for larger lending amounts.

Anticipated Future Direction

The main observation offered by informants is that the FLP, as presently established, will not address the capital barriers faced by those in Saskatchewan’s creative industries. To do this, a couple of observers indicated that major changes would have to be made to the FLP, including offering some kind of grant component. One idea was to have grants provided to help applicants develop more detailed business plans, including financial/sales projections that would strengthen their case for financing and better prepare them for success. Other models for this type of grant program presently exist, and it was suggested by one informant that they could be adapted to the FLP. For example, the Clarence Campeau Fund (which provides financing to Métis businesses)

provides a Business Plan Assistance Program that provides 75 percent (to a maximum of \$10,000) of the cost of hiring a professional consultant to help prepare a business plan.⁷⁰

6.3 Linkage Between FLP and Commercial Activity

Progress To Date

The FLP was created with the intent of ensuring that it would meet the “entrepreneurial development needs of the eligible (creative) sectors.” While the FLP did this quite clearly in some specific instances where applicants received funds in order to finance various commercial activities, the impact of this was not exactly widespread if a handful of applicants successfully accessed the program. Indeed, two of the successful applicants who were interviewed indicated that they used this money to conduct various types of marketing activities. As well, it also allowed artists and organizations to get their products “to market” – that is, by having them in front of prospective buyers. While these activities were seen by these individuals as being successful in these particular instances, they were not perceived to be particularly widespread given how few artists, businesses and CISOs ultimately accessed this program.

Anticipated Future Direction

In general, many key informants felt that more needs to be done to ensure that the FLP fosters commercial activity in Saskatchewan’s creative sectors. As it presently stands, the FLP is only doing this in a very limited way for a relatively small number of artists and organizations.

⁷⁰ See <http://www.clarencecampeau.com/ccdf/programs/businessplan.php>. A similar program for First Nations entrepreneurs also exists in Manitoba, but provides up to \$20,000 towards the development of a business plan. See: http://www.firstpeoplesfund.ca/business_plan.php

Section 6.0 - Key Findings:

- Numerous inquiries have been received regarding the FLP since it was created in 2010, however, as of March 2012 only eight loan applications have been approved. Five of these were for applicants in the book publishing sector, with loans also approved to applicants in the music, film and craft sectors.
- Although the FLP was regarded as serving specific purposes for those who did apply, there is a widespread consensus that more should be done to make sure this program is accessed by other artists. This may include increasing marketing efforts, as well as easing some of the criteria around loan repayment.
- There is a great deal of evidence (and anecdotal agreement) to suggest that this program would be more widely used if it included a grant component. Although successful applicants have been able to repay their loans without difficulty (and no client has defaulted), it was felt that a grant component would lead to more applications and could be used to support business planning objectives.

APPENDIX A: UPDATED LOGIC MODEL

PROGRAM OPERATIONS AND STAKEHOLDER RELATIONS					
Area of Inquiry	Starting Point	Progress to date	Anticipated Future Direction	Summary	Analysis
Overall adjustment to new CIGS system	High degree of initial adjustment for several organizations – unprepared of impending changes	<p>Developed program framework, provided transitional funding (2008-2009)</p> <p>CISOs conducted self-assessments (2009-2010)</p> <p>CISOs submitted annual reports on activities, including specific measures related to marketing and commercial development</p>	<p>Potential adjustment to changes stemming from this evaluation</p> <p>CARFAC and SaskMusic intending to leave the program</p>	<p>All CISOs have adjusted, to a certain extent, to new focus on marketing and commercial development. This is reflected by activities reported to SAB.</p> <p>One CISO (CARFAC) is returning to the former model.</p> <p>Another CISO (SaskMusic) wants to be funded directly by TPCS outside of the CIGS program framework.</p>	Although steps were taken to help CISOs adjust to the new program, these changes were not seen as beneficial to two of the CISOs in the end.
Relationship between CISOs and SAB	Only 3 of the organizations (CARFAC, SaskArt and SCC) had a previous funding relationship with SAB.	<p>Creative Industries consultant hired (2008)</p> <p>CIAC terms of reference developed and board established (2009)</p> <p>Self-assessments conducted (2009-2010)</p> <p>Annual reports submitted to SAB</p>	Ongoing dialogue between CISOs and SAB regarding the program; however, CARFAC and SaskMusic terminating relationship with the program.	<p>The working relationship took some time to “gel”</p> <p>Most informants had positive experience working with the Creative Industries consultant</p> <p>Some complaints about SAB processes</p>	There are obvious challenges, with 2 of the 6 CISOs intending to leave the program. However, there are also clearer lines of communication after dealing with initial “growing pains” and undertaking evaluation.

Area of Inquiry	Starting Point	Progress to date	Anticipated Future Direction	Summary	Analysis
Collaboration among industry stakeholders	Little to no collaboration	Ongoing work of CIAC Group meetings with CISO representatives (2009-2011) and with other organizations pertaining to economic development Digital Media Initiative (2010-2011)	Little expectation of future collaboration Potentially an enhanced role for CIAC	There has been relatively little collaboration, with the exception of the Digital Media Initiative and meetings regarding common elements of the CIGS program. Roles of visual arts/craft organizations clarified.	There are opportunities for additional collaboration, but there is not a clear sense that this will take place. The focus on developing the creative industries has led to more collaboration with economic development and tourism organizations, which is seen as positive for the development of the creative industries.
Usage of CIGS programs	\$2.5 million in transitional funding \$1,475,000 allocated to CISOs in Year 1 (combined operational and one-time initiative funds)	\$5,359,000 in total allocated to CISOs in total agreements (combined operational and one-time initiative funds) o \$1.475m in Year 1 o \$1.343m in Year 2 o \$1.275m in Year 3 o \$1.275m in Year 4	Dependent upon future funding arrangements	Funding allocations have declined slightly from \$1,475,000 in Year 1 to \$1,275,000 in Year 4 (2011) period. However, allocation trend lines vary according to specific CISOs and their specific marketing and capacity development activities.	Based on the review of SAB interim reports, CISOs have been able to use CIGS for purposes as identified by the initial agreement.
SAB governance	Existing SAB governance structure	Development of CIAC (2009) Annual reporting to Ministry (2008-2011)	Expectation that CIAC's role will be clarified/strengthened, or industry groups will play a more prominent role	In general, governance practices were seen as good, although there was a concern about the effective role of CIAC in terms of giving CISOs input into decision-making.	The role of CIAC should be clarified and additional steps should be taken to make this a more effective vehicle for industry input.

COMMERCIAL VIABILITY, FINANCIAL SUCCESS AND CAPACITY BUILDING

Area of Inquiry	Starting Point	Progress to date	Anticipated Future Direction	Summary	Analysis
Indicators of financial success for each CISO (market opportunities, increased sales, etc.)	Limited and underdeveloped – perceived need to increase commercial potential of CISOs members	Evidence shows increased revenues in creative sectors (SCC in particular), as well as increases in membership for some CISOs i.e. SPG, which went from 54 to 80 in 2010.	Stakeholders anticipate continuing financial viability for most of creative industries, with some being more advanced than others.	In conjunction with economic developments, it is expected that creative industries will continue to develop, although perhaps not as quickly or as thoroughly as some would hope	While no comprehensive data is available regarding all CISOs and their economic viability, interviews with stakeholders and examples drawn from reports show a strong potential for future financial success.
Artist/CISO efforts to balance commercial and artistic goals	Existing SAB programs CISO conflict with SaskCulture programming requirements vs. commercialization	Some CISOs now able to devote staff resources to marketing for the first time i.e. SaskArt, SPG Some conflicts/questions about SAB's adjudication process and ability to weigh sector needs and marketing approaches	No anticipated changes unless program changes or unless the SAB's mandate is changed.	Most indications are that the program helped organizations focus more on marketing and allow the "content developers" to focus on artistic excellence. Yet there was a sense that the traditional activities of the SAB related to arts funding conflicted somewhat with how the CISOs intended to engage in marketing.	Work will always be required to maintain the balance between commercial activities and artistic expression. There is some sense that these cannot be reconciled under the SAB's existing mandate, but generally most stakeholders feel the balance can be achieved collaboratively.

Area of Inquiry	Starting Point	Progress to date	Anticipated Future Direction	Summary	Analysis
Capacity building efforts among CISOs	<p>Existing professional development activities</p> <p>SaskMusic had developed strategic plan (2007-08)</p>	<p>Funded activities:</p> <ul style="list-style-type: none"> o CARFAC: Strategic planning, best practices project (2008), artist mentorship program (2008-09), workshops (2010-11) o SMPA: Sector plan and business planning session (2008-2009), Digital Media Initiative (2010). o SaskMusic: Sector development plan, economic impact study, professional development and consultation (2008-2009), workshops (2010) o SCC: Business plan development (2009), workshops (2010) o SPG: Professional development seminars, consultant's report (2010) o SaskArt: Funding for paid staff <p>Self-assessment tools (2009-2010)</p>	Varies by CISO and where they are in their individual development	<p>Most CISOs are further ahead in terms of their organizational capacity compared to where they were four years ago. A number of organizations have been able to engage in some degree of strategic planning and research around sector development. Actual outcomes and experiences vary, however.</p> <p>There are some questions raised by CISOs about their long-term financial sustainability if their base funding does not increase.</p>	All of the CISOs in this program have had their respective capacity "strengthened" to some extent. Most have been able to support activities related to individual professional development as well as sector development.

Area of Inquiry	Starting Point	Progress to date	Anticipated Future Direction	Summary	Analysis
CISO ability to create/produce products	All sectors are engaged in product creation.	<p>With few exceptions, difficult to tie CIGS directly to new product development among CISO members.</p> <p>One example: SPG: Grants To Publishers Program (2009-2011) – CIGS funding to continue existing program</p>	Unclear	The fact the Grants To Publishers Program was covered by CIGS was viewed as helping the publishing industry during uncertain/challenging times.	CIGS is more oriented towards the operational funding of CISOs which in turn help members build capacity and their ability to create and promote quality products. It is not clear that one can draw many direct connections between CIGS and product creation.
CISO ability to market products	Limited ability to market nationally and internationally under previous system, which focused more on programming in Saskatchewan	<ul style="list-style-type: none"> o SCC: Commercial galleries/booths at fairs (2009-2010), online directory (2009), patron database (2010) o SaskArt: Advertising campaign/website development (2009), market research (2010) o SPG: Trade fair presence (2009-2010) o CARFAC: Website information (2009-2010), workshops, export trade development (2010-11) o SaskMusic: Representation at industry events (2010), website development o SMPIA: Representation at industry events, conferences and film festivals (2010) 	<p>Marketing initiatives already underway will continue</p> <p>Some CISOs felt their ability to market products would be limited if they could not return to the same markets/events year after year</p>	<p>Many CISOs developed tools that will allow them to better market work created by sector members.</p> <p>Some marketing initiatives had mixed results, and were not continued.</p> <p>Many of these marketing activities require an in-person presence at industry events, such as trade fairs. While this is beneficial for some CISOs, others – particularly SMPIA and SaskMusic – have been hindered by the fact that access to these events was only funded on a one-time basis.</p>	<p>The program has helped CISOs better market creative products online, and provided increased understanding of opportunities that do and do not work.</p> <p>Marketing expectations – particularly for activities that require an ongoing, in-person approach – may not be working as well because of limitations on one-time funding. These should be reviewed.</p>

Area of Inquiry	Starting Point	Progress to date	Anticipated Future Direction	Summary	Analysis
Internal/external perceptions of Saskatchewan cultural products	Unclear and largely anecdotal	<p>Market research i.e. SaskArt survey regarding visual art (2010) and billboard campaign (2010)</p> <p>Increased presence of crafts via SCC initiatives i.e. gallery, Showcase, online directory</p> <p>Successes of high-profile Saskatchewan artists i.e. The Sheepdogs</p> <p>Presence of industry representatives at national/international events (SMPIA, SaskMusic, etc.)</p>	Unclear	<p>In general, there is a sense that the CIGS program has helped Saskatchewan's cultural products become better known in local, national and international circles. There have been a number of activities funded to support these efforts, but the extent to which this is the case, however, remains largely unknown.</p>	<p>The question of how "prominent" or "well-known" Saskatchewan's cultural products are is largely anecdotal and not quantified. This may require additional analysis.</p>

FLEXIBLE LOAN PROGRAM (FLP)					
Area of Inquiry	Starting Point	Progress to date	Anticipated Future Direction	Summary	Analysis
Current usage of FLP	No program in existence	As of March 2012: <ul style="list-style-type: none"> o 8 applications approved (\$110,395 in total) o 1 application withdrawn; 1 denied at the draft stage o 202 general inquiries about the FLP, with 27 one-on-one meetings (Mar. 2010-Sept. 2011 period) 	Little uptake without significant changes to the criteria, as well as additional marketing	<p>There is relatively little use of the FLP.</p> <p>Those who have accessed it did so for a very specific purpose, and it met their needs.</p> <p>It was expected to have more of a grant component.</p>	Outcomes related to the FLP have been relatively disappointing. The program has worked for those few applicants who successfully applied and received a loan, but the perception is that offering grants and/or doing additional marketing would lead to more program uptake.

Area of Inquiry	Starting Point	Progress to date	Anticipated Future Direction	Summary	Analysis
Capital requirements and barriers	<p>Acknowledged issue facing creative industries globally</p> <p>No program existed to address specific capital barriers in Saskatchewan</p> <p>Artists use other sources of short-term capital if they can.</p>	<p>Terms of FLP established to address these barriers (2009-2010)</p> <p>SurveyMonkey results</p> <p>Loans being paid back on time – no default</p>	FLP as presently designed will not address these challenges	See above	See above
Linkage between FLP and commercial activity	No program existed, although other sources of capital do exist and are used by artists.	FLP funds mainly supported marketing activities, as well as some production	Without making changes to the Fund (additional marketing and/or grant component), it is expected to have very little impact.	FLP is helping those artists who have received funds having minimal impact on creating additional commercial activity in Saskatchewan	In addition to marketing the FLP more effectively, the program may require re-calibration so it is more grants-based as opposed to a straight loan.

APPENDIX B: INTERVIEW MATERIALS

- Letter of Introduction to Key Informants
- Executive Interview Discussion Guide: CISO Representatives
- Executive Interview Discussion Guide: Creative Industries Advisory Committee (CIAC)
- Executive Interview Discussion Guide: Key Stakeholders
- Executive Interview Discussion Guide: Flexible Loan Applicants