

# Requirements to Support Commercialization Objectives of Saskatchewan's Creative Industries

A Report Prepared by HJ Linnen Associates Ltd.  
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for Enterprise Saskatchewan

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## Executive Summary

This study was undertaken for Enterprise Saskatchewan to examine support structures and delivery mechanisms for Saskatchewan's creative industries. The primary objective was to develop a number of potentially viable options for maximizing the commercialization for music, literary arts, crafts, visual arts and theatre.

The study team of HJ Linnen Associates and Derek Murray Consulting and Associates conducted interviews with sector organizations, examined best practices and conducted a review of relevant studies, reports and statistics.

A gap assessment identified a number of critical issues requiring action if Saskatchewan is to significantly enhance commercialization of the creative industries:

- Saskatchewan is a late adopter of strategies to build a creative economic sector.
- The sector suffers from a lack of data that would define the economic structure of the creative industries and key performance characteristics such as employment, revenues and exports.
- From the economic data that is available, Saskatchewan greatly lags other jurisdictions in regard to the economic performance of its cultural sector.
- Saskatchewan's creative industries sector lacks a vision as to where it wants to go and how to get there.
- The cultural industries sector is not performing like an industry sector.
- The creative industries are facing major challenges, especially in regard to the digital economy.
- There is a persistent lack of federal financial support for the creative sector in Saskatchewan as compared to other provinces.
- The creative industries sector is lacking a cohesive model that can drive the sector's development.

In summary, the industry suffers from a lack of capacity and structure around commercialization. Five options were developed for consideration by Enterprise Saskatchewan; these options are not listed in any order of priority or preference:

- Option 1 – Establish "SaskFilm and Music."
- Option 2 – Expand the Saskatchewan Arts Board's commercialization role.
- Option 3 – Adopt a Manitoba creative industries model: "Creative Saskatchewan."
- Option 4 – Establish a development corporation focusing on Saskatchewan's creative sector: "Saskatchewan Creative Inc."
- Option 5 – Establish an interprovincial industry organization: "Creative West Inc."

## Introduction

In recent years, there has been increasing emphasis on commercialization of Saskatchewan's creative industries. This has included the introduction of *The Arts Profession Act*, a new Flexible Loan Program, support to creative industry associations through a Creative Industry Growth and Sustainability Program and market development support through a new Culture on the Go Program.

While there is great potential for commercial development of the creative industries, there are also many challenges in the design and delivery of support structures that help deliver cultural products and services to market.

This document is the report of a study commissioned by Enterprise Saskatchewan (ES). ES contracted the combined team of HJ Linnen Associates and Derek Murray Consulting and Associates to examine support structures and delivery mechanisms that underpin the commercial outcomes of Saskatchewan's creative industries.

The immediate goal of commercialization is to increase creative sector's sales and revenue, and hence its long-term, sustainable growth. The primary objective for the study was to develop a number of potentially viable options for maximizing the commercialization for music, literary arts, crafts, visual arts and theatre.

The options developed in this study can provide a basis for determining the best strategies for enhancing creative industry commercialization in the future.

Abbreviations and acronyms used in these document are:

CARFAC	Canadian Artists Representation Le Front des Artistes Canadiens
CHRC	Canadian Human Resources Council
CIDS	Cultural Industries Development Strategy
CISO	Creative industries sector organization
COGO	Culture on the Go program
DFAIT	Department of Foreign Affairs and International Trade Canada
ES	Enterprise Saskatchewan
PCO	Provincial cultural organization
SAB	Saskatchewan Arts Board
SCC	Saskatchewan Craft Council
SCIDC	Saskatchewan Cultural Industries Development Council
SMPIA	Saskatchewan Motion Picture Industry Association
SODEC	Societe de developpement des entreprises culturelles
SPAGA	Saskatchewan Professional Art Galleries Association
SPG	Saskatchewan Publishers Group
STEP	Saskatchewan Trade and Export Partnership
TPCS	Saskatchewan Ministry of Tourism, Parks, Culture and Sport
TS	Tourism Saskatchewan

## Study Scope

While a later chapter will address this in more detail, the term creative industries is a broad one. At its core is the concept of creativity or the development of a creative class within society. This broader definition includes artists, designers, architects, new media creators, festivals and the advertising sector.

For the purposes of this project on Saskatchewan's creative industries, Enterprise Saskatchewan has defined the following components for study:

- music;
- publishing;
- crafts;
- visual arts; and
- theatre.

Although the film and television sector is a prominent contributor to Saskatchewan's economy and cultural fabric, it is excluded from this study because a separate review was recently released by the Film Industry Task Force, which focuses on key levers to enhance the commercial development of the sector.

In addition, over the past 10 years, there have been multiple studies examining various support structures and delivery mechanisms for the film and television industry.

# Methodology

The primary objective of the study is to develop a series of options for enhancing the commercialization of the Saskatchewan creative industries, specifically: music; publishing; crafts; visual arts; and theatre. The study team analyzed the current support structures and delivery mechanisms for these creative industries in Saskatchewan, and identified significant trends, key players, opportunities and challenges. Models for potential relationships, support structures and delivery mechanisms for the creative industries were also examined. The options that are developed delineate the roles of the major players, and the supporting structures and delivery mechanisms required to further grow the industries and maximize their commercialization objectives. Roles that were examined included:

- financing implications;
- partnerships;
- roles and responsibilities of key partners/stakeholders;
- programming requirements;
- governance/organization structure;
- accountability;
- legislative implications; and
- implementation.

Support structures and delivery mechanisms that were explored included:

- budget/funding sources;
- the nature of partnerships, relationships and stakeholders and their roles and responsibilities;
- programming;
- services;
- governance structures;
- organizational structure;
- accountability structures;
- legislation; and
- process for implementation.

The consultants, working closely with a Project Management team from Enterprise Saskatchewan, progressed through six major components in the project.

## 1. Stakeholder Consultations

Leaders of the following industry organizations were interviewed:

- CARFAC Saskatchewan (visual arts);
- Saskatchewan Craft Council;
- Saskatchewan Professional Art Galleries Association;
- Saskatchewan Publishers Group; and
- SaskMusic.

The theatre sector does not have an industry association. As a result, interviews were carried out with individual theatre companies such as the Globe and Persephone Theatres.

Other arts-related organizations interviewed included:

- Saskatchewan Arts Board;
- SaskCulture;
- Ministry of Tourism, Parks, Recreation, Culture and Sport; and
- Tourism Saskatchewan.

A more detailed list of contacts appears in the appendices of this report.

## **2. Industry Needs Assessment**

In addition to key stakeholder interviews an analysis of the creative industries sector was undertaken. This included assessing the industries' performance relative to other jurisdictions, as well as a review of previous studies and reports. Various trends were identified such as the impact of technology.

## **3. Gap Assessment**

The current support structure for commercial development in the creative industries sector was described. In particular, the assessment focused on identifying gaps in support services, programs and mechanisms available to the sector to support commercial development.

## **4. Best Practices Research**

A key component of the project's methodology was best practices research. In this case, the research was focused on comparing Saskatchewan to other jurisdictions such as Manitoba, Nova Scotia, Canada, the United Kingdom, the United States and Australia. We looked for models that were based on successes in regard to commercial development for the creative industries sector. We examined how these models were structured in terms of governance, organization, programming, financing and partnerships.

## **5. Analysis**

Using the foregoing components, stakeholder interviews, needs and gap assessments along with best practices, an analysis of the current support structure and delivery mechanisms for the creative industry sector was undertaken. This analysis focused on key findings and formed the basis for various options to drive the sector's current and future development.

## **6. Option Development**

This was the principal outcome for the study. The study team's primary objective was to develop a series of potentially viable development options or models that Enterprise Saskatchewan could consider. For each option the roles and responsibilities of the key players were determined and the support structure for industry commercialization was described as well as identifying funding implications and implementation.

## Defining the Creative Industries

In order to provide a context for a study of creative industries in Saskatchewan it is important to determine what is meant by the term creative industries. This also emerges in conducting an inventory of best practices both nationally and internationally.

The terms cultural industries and creative industries are often used interchangeably. The term creative industries has become more popular but has yet to be adopted by institutions such as Statistics Canada and the Conference Board of Canada.

Wikipedia defines creative industries as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.”

Creativity is at the core of this definition. It is considered the basis for creating employment and wealth either through artist expression or in the development of intellectual property.

The UK is considered to have one of the largest creative economies in the world at over 5% of its GDP. UK music artists such as Mick Jagger and Paul McCartney are some of the richest individuals in the world. The UK Government Department for Culture, Media and Sport defines creative industries this way: “The creative industries refers to a range of economic activities which are concerned with the generation or exploitation of knowledge and information. They may variously also be referred to as the cultural industries.”

Although the terms for this study involved a narrower definition of creative industries, the reader will see in the following pages that expanding the definition is an important option that the study team recommends for consideration when a commercialization strategy is developed.

As shown in the following table, the UK’s definition includes the 12 subsectors that make up the creative industries sector.

<b>UK Creative Sectors</b>
• <b>Advertising</b>
• <b>Architecture</b>
• <b>Arts and Antique Markets</b>
• <b>Crafts</b>
• <b>Design (also Communication Design)</b>
• <b>Designer Fashion</b>
• <b>Film, Video and Photography</b>
• <b>Software, Computer Games and Electronic Publishing</b>
• <b>Music and the Visual and Performing Arts</b>
• <b>Publishing</b>
• <b>Television</b>
• <b>Radio (DCMS, 2006)</b>

In North America, the description of creative industries has been popularized by a number of economists such as Richard Florida. While largely focused on major cities, Florida's concept of a creative class includes concentrations of technology workers, artists, musicians, diverse and open populations.

This approach fosters the growth of a creative class which in turn attracts more creative people, as well as businesses and capital. It is estimated that 30% of the American workforce could be described as creative workers, up 20% from 1980. Further, the average salary for a creative-class worker was twice the level as working class and service class workers. The creative class has been the principal economic driver for cities such as San Francisco and Austin, Texas.

In Canada, Gordon Hume of Hume Communications describes the concept of the CRINK economy – creative, innovative and knowledge-based. Similar to Richard Florida, Hume sees a dynamic economic relationship between culture, education and innovation in building strong urban economies. The argument is that this relationship is critical to both the retention and attraction of young people and young families – that culture and cultural assets are at the core of revitalizing cities as livable and prosperous communities.

Arguably, the Canadian official definition for the creative (cultural) industries is defined by data that is collected to measure the sector. Statistics Canada has developed a framework for cultural industries statistics that includes the following subsectors:

- written media;
- film industry;
- broadcasting;
- sound recording;

- music publishing;
- performing arts;
- visual art;
- crafts;
- architecture;
- photography;
- design;
- advertising;
- museums;
- art galleries;
- archives;
- libraries; and
- culture.

Saskatchewan's Tourism Parks, Culture and Sport Ministry has more recently defined the creative sector as "the businesses and people involved in the production, distribution and marketing of cultural goods and services that have aesthetic, intellectual, and emotional appeal to the consumer and value in the marketplace." While this definition is not as detailed as the previous descriptions, the description also does not limit what the creative sector parameters are. As such, this definition fits with the previous descriptions from other jurisdictions and is in line with current best practices.

## Economic Profile

This chapter examines the economic structure of the creative industries sector for Canada, other Canadian provinces and Saskatchewan.

### Canadian Creative Industries Sector

Canada's culture or creative industries sector was valued at \$46 billion or 3.8% of Canada's GDP in 2007 and employed over one million people. Canadians spend in excess of \$20 billion annually on cultural products.

In Canada, the creative industries tend to be concentrated in urban centres, as is the case of the U.S. and the UK. In Canada, creative industries are highly concentrated in the cities of Toronto, Montreal and Vancouver. Of 27 census metropolitan areas, these three cities account for 64% of the creative industries labour force. As the following table shows, cultural GDP has been growing in Canada.

<b>Nominal GDP, Culture Industries in Canada (\$ millions)</b>			
	<b>1996</b>	<b>2003</b>	<b>2007</b>
Culture Output, All Categories	29,104	43,183	46,000
Source: Conference Board of Canada, Statistics Canada			

With respect to employment, total employment in the sector is estimated to have dropped from 2008 to 2009 after two years of substantial growth. This trend is likely more tied to the global recession than the cultural sector.

<b>Nominal GDP, Culture Industries In Canada (\$ millions)</b>				
<b>Cultural Occupations</b>	<b>2006</b>	<b>2007e<sup>1</sup></b>	<b>2008e</b>	<b>2009e</b>
Creative and artistic production	275,415	287,272	291,741	290,104
Heritage collection and preservation	15,655	16,559	16,127	16,259
Cultural management	32,160	33,213	33,647	33,243
Technical and operational	188,945	197,281	200,550	198,942
Total cultural occupations	512,175	534,325	542,066	538,548
Labour Market Information report for Canada's Culture Sector 2010				

<sup>1</sup> e – estimate.

## Canadian Provinces

The table below has been prepared by Statistics Canada and shows the culture workforce for Canada by province based on the labour force survey Conference Board of Canada and the Labour Market information Report generate by the Cultural Human Resource Council.

<b>Culture Workers and Total Employment, by Province 1997 to 2009</b>			
	<b>1997</b>	<b>2009</b>	<b>% Culture<sup>2</sup> Workers</b>
Newfoundland	2,668	4,430	1.8%
PEI	1,004	1,650	2.2%
Nova Scotia	8,880	13,385	2.8%
New Brunswick	5,180	8,070	2.1%
Quebec	95,067	140,130	3.5%
Ontario	150,817	211,185	3.2%
Manitoba	11,989	14,890	2.4%
Saskatchewan	7,774	11,065	2.1%
Alberta	32,053	50,270	2.6%
British Columbia	47,943	79,425	3.6%
<b>Canada</b>	<b>363,375</b>	<b>536,560</b>	<b>3.1%</b>
Source: Statistics Canada, Labour Force Survey, Conference Board of Canada 2008, Cultural Human Resource Council. Labour Market Information, 2010.			

The statistics provide some basis for comparisons between provinces. The definition of a cultural worker includes cultural industries and arts employment as well as employment in heritage, libraries and other culture activities.

The table shows Saskatchewan lagging other provinces in terms of employment at just 2.1% of the province's total workforce, tied with New Brunswick and exceeding only Newfoundland. It is well below the Canadian average and lags all four western provinces. One possible reason for this is Saskatchewan's lack of a major urban centre.

More recent work also confirms the poorer performance of Saskatchewan's cultural sector and employment. A study prepared by Baardman Consulting in 2008 for the Saskatchewan Arts Board, "A Creative Industries Backgrounder" makes the following observations about the economic performance of Saskatchewan's cultural sector:

- Cultural output for Saskatchewan ranks sixth among Canadian provinces and last in Western Canada (2003).

<sup>2</sup> The number of culture workers expressed as a percentage of the total employed labour force.

- The value of cultural products exported internationally was only \$7.7 million compared to \$98 million for Manitoba and Alberta at \$47 million (2003).

## Saskatchewan

This study of Saskatchewan's creative industries has largely been restricted to a narrow definition that includes the following subsectors:

- music;
- publishing;
- crafts;
- visual arts; and
- theatre.

While it is recognized that film and video production is a creative industry, as mentioned earlier, it has undergone a separate analysis. However, some commentary on the film and video sector is indicated here in order to provide a context for the various industry development options that are put forward in a later chapter of this document. Some of those options will have a direct relationship to the film and video industry.

Though there have been a number of studies of Saskatchewan's creative or cultural industries sector – with the possible exception of a 1997 study, which is now outdated – there has been no set of consistent industry performance statistics that could provide for proper analysis of the creative industries sector. There has been no consistent methodology that has been applied that would allow for comparisons between the various subsectors from music to theatre. Sectors such as music and film have undertaken their own economic impact studies. Sectors such as crafts and theatre have no comparable economic data.

In summary, there is no accurate economic snapshot of the creative industries sector. Compared to other jurisdictions, Saskatchewan's key information – even the definition of what constitutes creative industries – is significantly lacking.

This study is focused on commercialization of the industry. An economic footprint is necessary to give this some context: How big is the industry? What are its structure, participants, employment and the economic expenditure captured by Saskatchewan?

The following analysis is by no means an accurate or up-to-date assessment of the sector. It is largely an estimate taken from various studies and the limited information available. The entire sector would benefit from a consistent and comprehensive analysis of its key economic characteristics. This work will necessarily form an important component of an economic development strategy for the sector.

The following table provides estimates of broad economic activity for some of the sectors and was obtained from previous studies as footnoted.

Estimate of Economic Value for Select Saskatchewan Creative Industries				
	Year	Volume/Revenue	Employment	
			Direct	Direct/Indirect
Music <sup>1</sup>	2007	\$ 82.7 M	759	1,314
Film <sup>2</sup>	2000 - 2010	\$47.0 M	418	819
Visual Arts <sup>3</sup>	2003	\$ 23.0 M	264	N/A
Theatre <sup>4</sup>	2010	\$ 10.0 M	N/A	N/A
Publishing <sup>5</sup>	2005	\$ 2.1 M	39	N/A
<p>1. SaskMusic – <i>Economic Impact Assessment of the Saskatchewan Music Industry – Final Report</i> – September 15, 2006, prepared by kisquared.</p> <p>2. Final Report – <i>Economic Impact Statement for the Saskatchewan Film and Video Industry</i>. Prepared for Saskatchewan Industry and Resources in Partnership with Saskatchewan Culture, Youth and Recreation, prepared by Derek Murray Consulting Associations, May 2004. Given the large fluctuations in annual film production revenue, a 10-year average for the period 2000-2010 was used.</p> <p>3. (This includes the craft sector.) <i>A Creative Industries Backgrounder</i>, prepared for the Saskatchewan Arts Board by Baardman Consulting, December, 2008.</p> <p>4. Estimated by the consultant based on interviews (Globe Theatre and Persephone Theatre combined have budgets of over \$7.0 M alone).</p> <p>5. Same source as per Visual Arts Sector.</p>				

This table provides some order-of-magnitude estimates regarding the economic footprint for the cultural industries sector.

Clearly there will be issues with the year chosen and sources of data. For example the film industry, of the various creative industries, is the most unstable in terms of revenues. Total industry revenue over the last decade has varied from a high of \$75 million in 2007-08 to a low of \$22 million in 2001-02 and \$21 million in 2009-10. This has a significant impact on industry employment.

In terms of industry volume, music, film and video dominate Saskatchewan's creative industries. As defined here, the creative industries, including film and video, directly employ fewer than 2,000 people, which would equate to less than 0.5% of Saskatchewan's employed labour force, making it relatively small sector of economic activity within the overall context of the Saskatchewan economy.

However, the sector does have potential for growth and more importantly achieving an element of economic diversity for the province. There are also a number of indirect benefits such as creating an identity for the province both externally and internally and enhancing the quality of life for provincial residents. Arguably, the latter may be viewed as more important than the direct economic benefits generated by the creative industries sector.

## Current Commercialization Structure of Saskatchewan's Creative Industries

Over the last two decades there have been a number of studies of Saskatchewan's cultural sector. A number of those studies and reports have dealt with the need for cultural policy for the province. "Pride of Saskatchewan: A Policy Where Culture, Commerce and Community Meet" is the most recent and current cultural policy for Saskatchewan. It is based on a review of previous studies and public policy discussion about culture policy as well as a province-wide "Reflections on Cultural Policy" survey and a community dialogue conducted by the TPCS.

Current policy is based on an increasing emphasis on the economic potential of the Province's cultural sector, including increasing commercialization opportunities within the creative industries sector. Historically, there has been only modest direction and support for expansion to national and international markets for Saskatchewan cultural products ("Moving from Reflection to Action – Towards a Cultural Policy for Saskatchewan").

The introduction of *The Arts Profession Act* (2010) recognized the need for artists – many of whom are self employed – to make an adequate living.

In regard to economic potential, the goal of "Pride of Saskatchewan: A Policy Where Culture, Commerce and Community Meet" is to increase the economic potential of the cultural sector by facilitating commercialization opportunities. In addressing this goal, the policy recognizes some of the challenges involved such as building export markets, improving infrastructure and developing specialized business skills.

The following outcomes were identified as primary for realizing the cultural sector's economic potential:

- Creative industries, organizations, artists and cultural workers achieve their commercial goals.
- High quality cultural products have brand recognition, sales and market opportunities, provincially, nationally and internationally.
- A symbiotic relationship exists between tourism and culture in which the vibrancy of one sector strengthens the other.
- Where appropriate Saskatchewan's First Nations and Métis Culture producers are accessible to a growing audience.
- There are partnerships between culture, business and technology and educational institutions which allow for and encourage creativity and innovation that fuel the economy.

With regard to the music, publishing, visual arts, crafts and theatre sectors, there are four key pillars to this sector of Saskatchewan's creative industries:

- **Artists, Creators and Creative Enterprises**

This pillar is the core – it provides the context for the creative sector. It includes thousands of individuals that participate either fully, partially or through a business enterprise or on a self-employment basis in Saskatchewan's culture sector.

- **Government**

- **Municipal Government**

Municipal governments provide support to the culture sector largely through grants. The largest area of expenditure by municipal governments has been libraries. Unlike cities in other provinces, there has been limited focus on creative arts or culture districts that are planned to develop a community's creative class. However, this is an emerging focus for municipalities.

- **Provincial Government**

The Government of Saskatchewan has the largest expenditure on culture and heritage in Saskatchewan. Historically Saskatchewan has had limited success in capturing federal expenditure for culture and heritage.

There are several organizations that have both a direct and indirect relationship (impact) with culture STEP, Tourism Saskatchewan and Enterprise Saskatchewan to the Justice and Government Services to name a few. However, the lead agency is the Ministry of Tourism, Parks, Culture and Sport, the major player in terms of funding cultural organizations such as the Saskatchewan Arts Board. TPCS is not directly involved in the delivery mechanisms or support programs for the sector, but is responsible for Saskatchewan's culture policy.

- **Federal Government**

The federal government, historically, has had a limited role in regard to culture in Saskatchewan, particularly in comparison with other provinces. Currently there are few federal-provincial agreements impacting the culture sector. The main areas of federal involvement are through Canadian Heritage, CHRC training for Arts and Culture and the Department of Foreign Affairs and International Trade Canada (DFAIT) regarding export markets. Lastly, Industry Canada has been playing a role in regard to the impact of the digital economy on industry sectors such as culture.

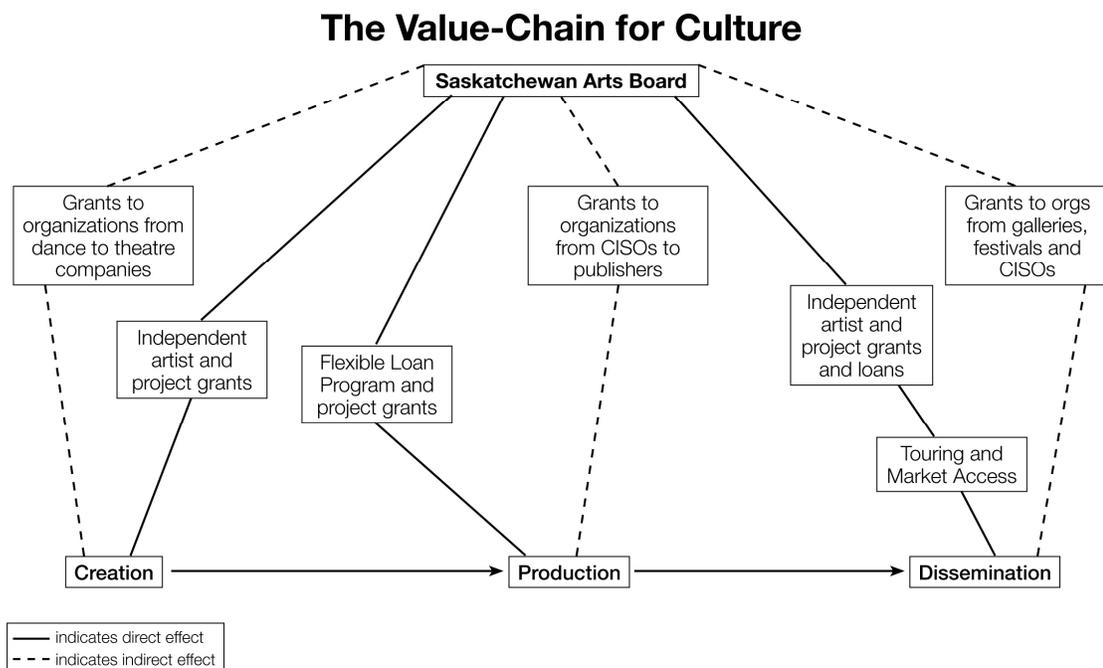
- **Saskatchewan Arts Board**

The SAB is a major player in support of artists and creators in Saskatchewan, with an annual budget in excess of \$10 million. Similar organizations in Manitoba (Manitoba Arts Council) and Alberta (Alberta Foundation for the Arts) have annual budgets of \$10 million and \$34 million respectively.

In recent years the SAB has moved from a position of supporting artists in terms of content and creation to production (Flexible Loan Program) and supporting industry associations (grants to CISOs) and to market development and distribution (COGO).

Currently, support for commercialization within the creative industries is largely driven by the SAB. This is a new role for the SAB and appears to be unique within the prairie provinces. The Alberta Foundation for the Arts and the Manitoba Arts Council provide market support as well as support to the creative industries and do not have the same focus as the SAB on commercialization and commercial loan programs. While not under consideration here, SaskFilm provides a full suite of marketing and commercialization support services for the film and video industry that includes tax credits and equity investments, as well as production facilities.

The following graphic displays the current structure of support mechanisms and programs for commercialization in the creative industries sector.



Source: TPCS of Tourism, Parks, Culture and Sport

The SAB has a number of programs that have a direct and indirect impact on commercialization.

- **Creative Industry Growth and Sustainability Program**

This program is funded through a three-year agreement between TPCS and the SAB. Through contribution agreements the focus of this program is to support creative industries sector organizations (CISOs) to build industry capacity.

Examples of commercialization and export development activities being undertaken by the CISOs that are supported through this program include the following:

**CARFAC Saskatchewan**

- Level II Advanced Mentorship Program with a focus on sustainable practices
- Industry Standards/Best Practices regarding contracts and negotiation

**SaskMusic**

- Market Development Program: including North American Folk Alliance, SXSW, etc.
- “Making Money from Music” workshop series

**Saskatchewan Craft Council**

- National and International Marketing Initiative with a focus on business grooming. One-time funding provided for pilot with anticipated cross-over “learnings” from the other creative industry sectors
- Crafts Markets

**Saskatchewan Motion Picture Industry Association**

- Digital Innovation Program: SaskInteractive Summit 2010, SHRED IT (research and development); and Multi-PlatFORUM. One-time funding provided for pilot with anticipated cross-over “learnings” for the other creative industry sectors
- Trade mission to American Film Market

**Saskatchewan Professional Art Galleries Association**

- Advertising research and campaign directed to expand markets into Alberta
- Promotional campaign to promote commercial galleries and the purchase of Saskatchewan art

**Saskatchewan Publishers Group**

- Book tours, including the Congress of the Humanities and Social Sciences
- Twice yearly professional development workshops

○ **Flexible Loan Program**

This program, administered by the SAB, has a budget of \$1.15 million. It provides loans of up to \$25,000 to increase individual artist's entrepreneurial and economic capacity. Uptake in this program has been low.

○ **Entrepreneurial Training Program**

This is a pilot program funded by Advanced Education, Employment and Immigration and is managed by the SAB. The pilot program assists self-employed artists with acquiring skills, tools, self-awareness and networking resources to help them turn their art practice into sustainable revenue generating businesses.

Manitoba is enjoying good success with its entrepreneurial and industry training programs. In 2009-10 approximately 700 participants were involved in training programs.

○ **Culture on the Go**

Similar to the Creative Industries Growth and Sustainability Program, the Culture on the Go program is funded through a 3-year agreement between TPCS and SAB to provide touring assistance for artists to access new markets. It has a budget of \$800,000.

In 2010, SaskMusic took two Saskatchewan bands to California to perform at five venues in Los Angeles, San Francisco and Sacramento, including an invite-only performance for film and television music supervisors. The tour aimed to provide the bands with greater opportunities in the international market.

Currently, the Arts Board is piloting a Culture on the Go project to support strategic marketplace development projects of the Creative Industry Sector Organizations. The purpose of the pilot project is to support one-time-only opportunities for creative industry sector organizations and individual artists to pursue market development initiatives that advance their strategic goals in relation to the promotion of Saskatchewan cultural products.

The foregoing forms the core of the SAB's programming focus in commercialization and export market development. In addition, the SAB has several other programs that support artists such as:

- travel grants;
- festival support such as the Regina Folk Festival;
- support to provincial cultural organizations;
- support to professional arts organizations such as the Regina Symphony Orchestra;
- artists in residence;
- partnerships and sponsorship support of the arts; and
- theatre.

- **SaskCulture**

Whereas the SAB has a focus on the individual artist, SaskCulture focuses on the community. The intent is to build culturally vibrant communities through support to approximately 140 member organizations.

SaskCulture has multiple impacts in several sectors including tourism, arts, heritage, multiculturalism as well as creative industries.

Government has transferred support for the creative industries sector organizations to the SAB. It was determined that supporting commercialization was not within SaskCulture's mandate, and that SaskCulture would focus mainly on community, not individuals, individual businesses or cultural industry organizations.

## Needs Assessment: Current Perspective

Creativity may be the core shared by all sub components of the creative industries, but there are major differences between each of the subsectors. This is particularly true for production. The craft sector is very different from either the sound or film sectors. While sound and film have direct connections, the connections between visual arts, sound and film are much less. Market structures also vary. The crafts industry has a strong reliance on the domestic market, whereas sound and film tend to look out of the province for market development to sustain industry growth.

The following is a summary of key observations that emerged during the consultation process.

**In general, there is support for the emphasis on commercialization that is now occurring.**

It should be recognized that the recent focus on commercialization in the creative industries sector (i.e., 2008-2011) is relatively new. As noted, the uptake in some programs has been slow (for example, the Flexible Commercial Loan Program). Despite some disagreements in how such programs are being delivered such as entrepreneurial training, representatives for the various industry sectors agree with the recent direction government (TPCS) is taking regarding the focus on commercialization.

**Entrepreneurial training and professional development are regarded as industry priorities**

There is widespread agreement around the need for entrepreneurial training in the creative industries. Sectors believe this is fundamental if the industry is to move to the next level.

However, a broad-based entrepreneurial training program may not be sufficient if it is a one-size-fits-all entrepreneurial training model. While there is some agreement that there are common business skills that can be taught, each subsector believes it is unique and that therefore effective entrepreneurial training requires adaptation for each subsector.

**There is some discomfort with the creative industries sector regarding SAB as the most appropriate organization to drive commercialization and marketing for the sector.**

At the same time, an alternative is less clear. Few other delivery options are clearly defined. SaskCulture, largely due to its mandate, expresses no interest in delivering this kind of program. Government, through TPCS, has largely moved away from direct program delivery, instead placing a greater focus on policy and stewardship.

The industry associations themselves (CISOs) vary in capacity and currently could not deliver this kind of programming. In the case of film, the separate SaskFilm organization was created to deliver commercialization and market development. The Saskatchewan Cultural Industries Development Council has no resources and is no longer a provincially registered not-for-profit organization, though they continue to meet on industry issues.

**The creative industries want to see more effective linkages with other agencies such as STEP and Tourism Saskatchewan.**

There have been instances where STEP and Tourism Saskatchewan have worked with the creative industries. For example, Tourism Saskatchewan is working with SPAGA – and some crafts producers have worked with STEP – to assist with export activity. However, this appears to be intermittent. A more structured relationship is desired -- an ongoing relationship, particularly for marketing and branding.

**There is perceived value in working together in addressing common constraints and opportunities, but stakeholders expect such collaboration to be very focused.**

SaskMusic expresses considerable interest in pursuing a Manitoba model where film and music are represented by a single development organization, Manitoba Film and Music, but with separate industry organizations. At the same time, SaskMusic sees value in a broader, collaborative creative industries organization.

Other industry organizations are not interested in an organization that would focus on a broader mandate such as cultural branding. Rather such an organization is seen as having to add value and be very focussed on functional areas such as training, marketing and financing.

**The Saskatchewan Cultural Industry Development Council (SCIDC) has not provided the desired focus for cultural industry development.**

The SCIDC already exists to provide coordination and a vision for the development of Saskatchewan's cultural or creative industries. Established after the completion of the Cultural Industries Development Strategy (CIDS) Report in 1997, the SCIDC was to "foster and nurture the cultural industries in Saskatchewan." SCIDC has done some market development (such as cultural market export development forums) but has not engaged in this activity in the recent past. The SCIDC is unstaffed and was never resourced for ongoing operations; its primary role has been the allocation of its funds to separate sub-sectors. By comparison, the Arts and Cultural Industries Association of Manitoba (Creative Manitoba) has a staff of 8-10.

**The SCIDC has considered alternative models for commercialization and marketing.**

The SCIDC has identified a proposed model that was considered to work best for the creative industry sector. It includes three broad components:

- commercial support to CISOs mostly as it occurs now;
- CISO specific industry training; and
- a new creative industry marketing entity (similar to SaskFilm) that would include marketing and some form of commercial tax credits.

There are various options for delivering the foregoing such as:

- continue to expand SAB's role (with additional funds); or
- create a new commercialization and marketing entity with representation from SAB, STEP, TPCS, SaskCulture, ES, and Tourism Saskatchewan. The entity would have its own board but be linked to SAB.

**Saskatchewan's creative industry sector is also interested in Manitoba's model for creative industries sector development.**

In addition to SaskMusic's interest in a Manitoba Film and Music model, there is considerable interest in Manitoba's model built around the Arts and Cultural Industries Association of Manitoba (Creative Manitoba) which focuses on the development of entrepreneurialism, creativity and innovation in Manitoba's creative industries. See the Best Practices Research section of this report for a more detailed explanation of the Manitoba cultural model.

## Gap Assessment: The Problem to be Addressed

This chapter identifies the key gaps that exist in the current program and delivery structure for commercialization within the creative industries.

**Saskatchewan is a late adopter of strategies to build a creative economic sector in terms of commercial support.**

Earlier in this report a discussion and analysis was presented regarding the definition of creative industries. For some time Saskatchewan has had a very narrow definition of the creative industry sector compared to other provinces' definitions. Only recently has this definition been expanded.

And despite adopting the term creative industries, it is only recently that programs have been introduced to increase economic activity (for example, the introduction of a loan program for artists and entrepreneurial training).

**The Sector suffers from a lack of data that would define the economic structure of the creative industries and key performance characteristics such as employment, revenues and exports.**

As this report has already pointed out, economic data must be drawn from divergent reports over several years.

This is not to say that all subsectors of the sector have poor data. The film sector has developed a reasonably good database to track its economic performance, likely related to the industry's Film Employment Tax Credit and the need to determine the Government of Saskatchewan's return on investment in that program.

However, as a group or sector, there is no consistent or accurate economic impact statement for the creative industries. This is a significant gap in the way of any commercialization programs.

**From the economic data that is available, it appears that Saskatchewan greatly lags other jurisdictions in regard to the economic performance of its cultural sector.**

In terms of employment, Saskatchewan's creative sector as defined for this report currently employs less than 2,000 people on a full time equivalent basis.

Based on available data, Saskatchewan's creative industries lag other provinces in terms of economic performance. Saskatchewan exports only \$7 million in cultural or creative industry products compared to almost \$100 million for Manitoba. Saskatchewan has one of the lowest cultural industry employment ratios in the country at 1.6% of the total provincial employed labour force compared to 2.6% nationally. Saskatchewan's ratio is also the lowest in Western Canada.

## **Saskatchewan's creative industries sector lacks a vision as to where it wants to go and how to get there.**

Most industries have strategies that include directional goals and how to achieve those goals. Manitoba developed a Creative Manitoba Strategy that focussed on a goal of increasing the slow employment growth in that province's cultural sector, and this led to the Creative Manitoba, the arts and cultural industries association of Manitoba.

Following that precedent, a Saskatchewan strategy might focus on such goals as:

- increase employment in Saskatchewan's cultural sector – to at least a national average or close to doubling current employment levels; or
- increase international exports from \$7 million to \$50 million.

The process such strategic thinking would employ would likely include proven business methodology:

- 1-defining strategy;
- 2-developing programs;
- 3-preparing budgets;
- 4-specifying timeframes;
- 5-implementing programs; and
- 6-monitoring and measuring outcomes.

While some individual industries have clearly defined goals, this is not true of the sector as a whole.

## **The cultural industries as a whole are not performing like an effective industry sector.**

One of the major differences between Saskatchewan and Manitoba is industry sector organization. A reason for Manitoba's success is that it has performed as a joint industry sector. This has led to the ability to leverage training dollars for the sector, especially from the federal government.

In Saskatchewan, only a few sectors have inclusive, formal industry associations that have, for example, developed human resources or labour market development strategies. This includes the Saskatchewan Construction Association, the Saskatchewan Mining Association, the health care sector, the oil and gas industry and the environmental industries sector.

While SaskCulture does post culture-sector job openings on its website, the cultural or creative industry sectors do little to promote careers in its industry. By comparison, Saskatchewan's mining industry, facing major challenges in developing its labour force, has prepared a forecast of its growth and labour demand, and is now actively engaged in developing a labour supply to meet that demand.

A visit to the Saskatoon and District Industry Education Council web site would indicate how other industries such as health care, construction and mining are trying to connect young people with careers in their respective industries. The creative industries sector has yet to paint a picture of career and employment opportunities in its sector.

## **The creative industries are facing major challenges, especially in regard to the digital economy.**

One of the biggest challenges facing the creative industries is the move from traditional models to new business models that incorporate a growing digital economy. Web and digital technology is having a major impact on the way consumers are accessing cultural or creative industry products. The publishing sector has the greatest challenges with forecasts suggesting digital books will soon account for as much as 80% of the book market.

The digital economy poses both opportunities and threats. The cost of production for music production is being reduced. Technology allows smaller independent artists to reach a wider audience.

To both realize the opportunities and deal with the threats of the digital economy, the creative industries will have to change their business models. The sector lacks programs and supports to deal with that transition to digital. There is a significant lack of broader entrepreneurial training, support for innovation, and research and development for the sector. There is a need to pursue innovation, including the potential for tax credits for the industry or dedicated loan support for the adoption of new technology.

### **There is a shortfall in federal financial support**

Historically, Saskatchewan has continually attracted low federal capital expenditures for cultural activities, compared to other provinces. On a per capita basis Saskatchewan receives less than half the national average for federal cultural expenditures.

Resolving this gap will require the industry, in collaboration with the provincial government, to undertake a more in-depth analysis and then determine a strategy to address the federal government's cultural expenditure deficit.

The questions that need to be pursued are:

- What would be Saskatchewan's solution to closing this gap?
- What are the priority projects and programs?
- What does the province propose?
- What are the potential investment ideas and partnerships needed to achieve change?

The following table shows the differences in cultural spending between the levels of government. Saskatchewan has the lowest percentage of federal funding relative to the total expenditure.

Cultural Spending by the Three Levels of Government – 2007					
Province/ Territory	Level of government			Total gross expenditures	% of Funding from Federal Sources
	Federal	Provincial/ Territorial	Municipal		
	thousands of dollars				
Newfoundland and Labrador	44,414	62,980	13,994	121,388	36.6%
Prince Edward Island	21,780	16,090	4,115	41,985	51.9%
Nova Scotia	101,698	82,652	41,083	225,433	45.1%
New Brunswick	55,187	64,561	27,462	147,210	37.5%
Quebec	1,282,568	904,008	590,863	2,777,439	46.2%
Ontario	1,355,538	701,749	1,103,537	3,160,824	42.9%
Manitoba	80,906	172,169	63,962	317,037	25.5%
Saskatchewan	49,794	139,101	91,799	280,694	17.7%
Alberta	197,608	326,228	286,599	810,435	24.4%
British Columbia	207,277	328,594	384,566	920,437	22.5%
Yukon	19,552	17,078	418	37,048	52.8%
Northwest Territories	33,468	10,202	2,476	46,146	72.5%
Nunavut	12,238	5,386	395	18,019	67.9%
Other	274,664	...	...	274,664	100.0%
<b>Total expenditures</b>	<b>3,736,693</b>	<b>2,830,800</b>	<b>2,611,269</b>	<b>9,178,762</b>	

Source: Statistics Canada, 2007

**The creative industries are lacking a cohesive model that can drive development.**

The approach to creating and driving a vision for the development of a dynamic creative industries sector for Saskatchewan is fragmented between a number of agencies. With the exception of theatre, each subsector has its own industry association. The SAB is currently directing the industry's commercialization. There is a Creative Industries Advisory Committee in place. TPCS is advancing the adoption of a new culture policy for Saskatchewan. There is no structured involvement of other vital commercialization agencies such as STEP and Tourism Saskatchewan. The lack of connectivity to traditional commercialization agencies leads to issues in the sector around capacity and market potential. While partnerships have been made at some levels, there are still structural issues around how these types of partnerships could be forged to benefit the sector as a whole.

**Conclusion – the Essential Problem:** In summary, the overarching problem facing commercialization in Saskatchewan's creative sector is the lack of structure and capacity to drive the sector's development.

## Best Practices Research

The previous chapters are sprinkled with references to other jurisdictions such as the United States (Richard Florida), the United Kingdom (defining creative industries), Canada and Canadian provinces such as Manitoba. Successful examples are often centred in larger urban centres such as San Francisco, Austin, and London (UK). In Canada, creative or cultural industries are likewise clustered and concentrated in larger cities such as Toronto, Montreal and Vancouver.

Saskatchewan does not have a single large urban centre even as large as Winnipeg. A single large urban centre, accounting for 70% of a province's population makes industry cooperation, clustering and commercialization a lot easier. Saskatchewan has the challenge of two smaller urban centres, plus a rural and a northern economy. Over half of Saskatchewan's professional craft artists live and work in rural Saskatchewan or in small towns and villages.

None of these examples are necessarily a direct fit for Saskatchewan, but their strengths and successes identify possible strategies that could be adapted to build a made-in-Saskatchewan solution.

### Manitoba

There are two creative industries organizations in Manitoba of interest to Saskatchewan, Manitoba Film and Music and the Arts and Cultural Industries Association of Manitoba.

Manitoba Film and Music is similar to SaskFilm, but includes the music industry. Like Saskatchewan, Manitoba also has separate industry associations for film (Manitoba Motion Picture Association) and music (Manitoba Music). Saskatchewan's music industry has been interested in pursuing this model. However, there has not been any serious discussion between SaskFilm and the province's music industry association about pursuing this model.

Creative Manitoba, the Arts and Culture Industries Association of Manitoba, is also a model of interest to the Saskatchewan creative industries. It was formed in 2003 as a result of the Creative Manitoba Strategy. It is a non-profit organization with over 300 members. It represents the province's creative industries. Its focus is industry training and professional development. In particular, it has focused on entrepreneurial training, a need identified by Manitoba's creative industries sector. It has an annual budget of \$500,000 and 8-10 staff. It also houses other offices such as the Manitoba Craft Association.

### Quebec

Quebec focuses on cultural industries as a means to ensure the future of Québécois culture. SODEC, a provincial government agency, is the principal organization that provides funding assistance to Quebec's creative industries sector that includes film, television, publishing, crafts, music and a variety of heritage real estate.

SODEC provides the most extensive range of commercialization programs in Canada including:

- business assistance programs (project investments, grants and repayable subsidies);
- tax incentives for film, television, music and publishing;
- loans and loan guarantees; and
- marketing and export assistance at international fairs, trade shows and markets.

Quebec also provides venture capital for culture-based companies.

## Nova Scotia

Nova Scotia's cultural sector and support programs underwent significant upheaval over the last decade beginning with the dismantling of the Nova Scotia Arts Council in 2002. However, the previous system has now been restored with the establishment of Arts Nova Scotia, an arms-length body, with Nova Scotia overseeing funding support for Nova Scotia's artists similar to the Saskatchewan Arts Board.

Like Saskatchewan, Nova Scotia has also introduced Status of the Artist legislation. Nova Scotia has also established a Creative Nova Scotia Leadership Council to advise the Nova Scotia government on arts and cultural policy and lead the development of a cultural strategy.

Like Saskatchewan, Nova Scotia has a Cultural Industries Growth Program to work with cultural industries to:

- enhance out-of-province sales of Nova Scotia's cultural products;
- enhance market readiness for cultural products;
- improve technical and export capabilities of cultural export products; and
- expand market opportunities.

A major difference between Nova Scotia and Saskatchewan is that Government (Nova Scotia Tourism, Culture and Heritage) is directly responsible for delivery of its Cultural Industry Growth Program.

Nova Scotia also has a Nova Scotia Cultural Action Network which is a coalition of individuals representing Nova Scotia's arts and culture sector. It initiated a major report – *Nova Scotia Can: Building the Creative Economy in Nova Scotia*.

## Ontario

In Ontario, the Ministry of Culture and the Ontario Media Development Corporation (OMDC) co-administered the Entertainment and Creative Cluster Partnerships Fund. This three-year, \$7.5 million program, which ended in 2007, was aimed at assisting the commercial theatre, film, television, digital media, music, book, and magazine industries. The objectives of the program were:

- to facilitate the long-term growth of Ontario's entertainment and creative cluster industries;
- to encourage collaboration where joint efforts could overcome barriers, offset risk and small company size, activate other funds and resources, and build lasting partnerships with other jurisdictions;

- to support alliances between companies and trade associations with educational institutions and research organizations, creator groups, the public sector and other business groups aimed at increasing innovations and agility in the cluster, especially in response to major shifts in creation/distribution/delivery technologies.

## **Australia**

Australia has committed \$14 million (CAD) over four years to develop a Creative Industries Innovation Centre, which will bring together artists, cultural entrepreneurs, and researchers and make available to them the latest technology and business support programs.

This Centre will act as an incubator for small and medium sized arts and creative companies, providing business mentoring and training as well as shared facilities. Cultural industry entrepreneurs and researchers will be able to collaborate on research programs, and students will be able to interact with practitioners in a creative milieu.

The Centre will also develop a vibrant creative precinct by linking with the surrounding community. Digital design, creative communications, electronic gaming, film and television production, theatre, and contemporary music and dance companies are all expected to have access to this facility.

Australia's federal government anticipates that this centre will boost the capacity of the country's creative industries, thereby strengthening their effect on the economy and cultural life in general.

## **Glasgow**

Glasgow is credited with being the UK's first city to implement a strategy where the arts were used as a catalyst for urban regeneration. When Glasgow was designated Europe's Cultural Capital in 1990, \$64 million (CAD) was invested to prepare for the cultural capital designation. Funds came from a variety of sources, including city council, regional government, national government, and private sponsorships.

Throughout 1990, there were 3,400 events involving all artistic disciplines, 40 major works were commissioned, and 60 world premieres were presented in theatre and dance. Leading up to the Cultural Capital designation, significant investments were made in Glasgow's cultural facilities. The investments made for 1990 are credited with redefining Glasgow as a centre of culture, substantially increasing cultural tourism.

## **United States**

Cited elsewhere in this report, the American economist Richard Florida (currently at the University of Toronto) is a leading authority regarding the development of the creative economy. There are several examples of cities in the U.S. that are pursuing creative class strategies from San Francisco to Austin.

# Options for the Development of Saskatchewan's Creative Industries

The primary mandate for this study is to develop options that Enterprise Saskatchewan can explore in the development of a commercialization strategy for the cultural industries.

Five options have been developed – each as a different and potentially viable model for commercialization – and are presented in no particular order:

1. Establish “SaskFilm and Music”
2. Expand the Saskatchewan Arts Board's Commercialization Role;
3. Adopt a Manitoba creative industries model: “Creative Saskatchewan;”
4. Establish a development corporation focusing on Saskatchewan's creative sector: “Saskatchewan Creative Inc.,” and
5. Create an interprovincial solution: “Creative West Inc.”

Each of the five options is explored on the following pages in terms of a description, advantages, disadvantages and implementation.

Please note that these options are not presented in any order of preference or priority.

It should also be noted that these are options for exploration. Implementation of these options would require further study and exploration.

Finally, these options represent a spectrum of policy choices. There remains the potential to blend or revise any of the options to fit with broader objectives.

## **Option 1 – Establish “SaskFilm and Music”**

This option is based on SaskMusic’s desire to become part of SaskFilm. In this option, the industry association, SaskMusic, would continue to exist. SaskMusic would have the same relationship with SaskFilm as is the case for the film and video industry association and its relationship to the Saskatchewan Motion Picture Industry Association. SaskFilm would provide the music industry with similar services that it provides the film and video industry. With this model, the SAB would be responsible for commercialization support for the visual arts, crafts, publishing and theatre sectors while the newly created SaskFilm and Music would drive commercialization for the film and music sectors.

### **Description**

- This is close to status quo in that the SAB would remain the primary commercialization driver. Depending on the results from the current pilots (Flexible Loan Program, Culture on the Go, Entrepreneurial Training), the programs would continue to be delivered in the same manner and with the same budget as they have now.
- The major difference would be (a) putting the commercialization and marketing functions for the music sector with SaskFilm; and (b) expanding that corporation’s mandate to include music development. This would be very similar to how Manitoba Film and Music functions.
- The model (SaskFilm and Music) is preferred by the Sask Music Association. It can also be implemented with any of the other four options or models put forth in this report.

### **Advantages**

- Implementation is relatively straightforward compared to other models being suggested.
- Until evaluations are complete, little is really known about the delivery of existing commercialization programs that are being managed by the SAB.
- There are no major financial implications.
- The Manitoba model on which it is based appears to be functioning well.
- Of all the creative industry sectors, film and music are the most compatible.
- In terms of revenue and economics, it would be a marriage of relatively equal partners.
- The option would meet the objectives of the music industry.

### **Disadvantages**

- There have not been any serious discussions between the music sector and SaskFilm about this at the executive and board level.
- There are differences between SaskFilm’s board and SaskMusic’s board with the former being skills-based and the latter industry-based.

- The film and video Industry is currently struggling as it comes off one of its worst revenue years in at least a decade. The board may conclude that taking on the music industry could be a distraction from other urgent matters.
- There may be an expectation that music would receive tax credits like the film industry.

### **Implementation**

- Discussions need to take place between SaskFilm, SaskMusic and TPCS.
- A study would examine costs/benefits of this approach. Once such a study is complete, the two boards and TPCS can make a decision whether or not to proceed. If proceeding, the next step would be a business plan.

## **Option 2 – Expand the Saskatchewan Arts Board’s Commercialization Role**

This option expands the SAB’s role to address some of the sectors’ needs and gaps identified in the document. It recognizes and enlarges the SAB’s role as the principal delivery vehicle for programs and services that will drive commercialization in the creative industries.

### **Description**

- SAB’s role would be expanded to include:
  - develop CISO-specific training and entrepreneurial development initiatives;
  - expand the marketing role to include partnerships with STEP and Tourism Saskatchewan;
  - function like SaskFilm as the principal marketing agent for creative industries as well as develop some form of commercial tax credits; and
  - play a greater role in branding Saskatchewan arts and culture.
- SAB would require new resources to deliver its expanded role. Currently SAB has only one person delivering its commercialization and marketing programs.

### **Advantages**

- No new legislative entity would be required.
- Execution of this model would be much simpler than forming a new agency.
- SAB has traditionally been a responsible program administrator.
- The SAB does have a positive reputation within the arts community that it has served over past decades.
- SAB is already familiar with the creative industries sector.
- The move would necessarily include putting a creative industries development committee in place to include DFAIT, TPCS, STEP, Sask Tourism, Enterprise Saskatchewan and the CISOs to provide strategic advice regarding delivery and evaluation.

## **Disadvantages**

- An ever greater investment in SAB is required, creating an even bigger target for future budget cuts, which is a risk common in the sector.
- The comfort level of SAB, as well as the creative industries themselves, in moving from a support role to a more aggressive development role may not exist.
- No other arts board in Canada has such an extensive role in commercialization.
- New budgetary resources would be required for SAB to deliver this model and evaluation of its current commercialization, training and new programs would be required to provide a context.
- This would maintain the very narrow current definition of creative industries.
- The idea of an advisory committee, as suggested above as a necessary component, is a level of collaboration that does not have a strong history of success.

## **Implementation**

- The SAB would be tasked with the preparation of a business plan, defining how it would implement an expanded role.

## **Option 3 – Adopt the Manitoba Creative Industries Model: “Creative Saskatchewan”**

This option replaces the SAB with a new entity, perhaps called Creative Saskatchewan, that would become the primary delivery mechanism for a commercialization strategy for Saskatchewan’s creative industries including music, theatre, crafts, visual arts, publishing and film. The rationale would be that SAB – with its historical focus on supporting the artist’s production – is not an appropriate delivery mechanism for a commercialization strategy. The new entity, Creative Saskatchewan, would be responsible for commercialization and the SAB would be responsible for artistic and creative support and development.

### **Description**

- Historically and during the course of this current review, representatives from Saskatchewan’s creative industries sectors have referenced Manitoba as a best practice. There is a broad consensus that Manitoba is ahead of Saskatchewan not only in the development and economic significance of its creative industries, but also in its strategy, programs and services to support its development.
- The Manitoba model referred to is the Arts and Cultural Industries Association of Manitoba (ACI Manitoba), which markets itself under the brand of “Creative Manitoba” – a membership not-for-profit corporation with an annual budget of \$500,000 and 8-10 staff. Its current focus is training and entrepreneurial development in the creative industries. It provides training to approximately 600 “cultural workers” annually.
- While entrepreneurial development is the current focus for ACI Manitoba, it has a much broader mandate to work with relevant government agencies that impact the creative industries. There is also interest in broadening Manitoba’s current concept of the creative industries to include other sectors such as design and architecture.
- Adoption of this model would mean changing the current Saskatchewan Cultural Industries Development Council into the new Creative Saskatchewan entity – and adding representation from DFAIT, SAB, ES, TPCS, STEP, Sask Tourism, etc. The responsibility for training and development would be transferred to the new entity as well as a mandate to promote the development of Saskatchewan’s cultural industries. There would be some overlap with SaskCulture that also promotes cultural careers.

### **Advantages**

- This model would also include the film industry as part of Saskatchewan’s creative industries sector or a combined film-music corporation.
- The model appears to be working well in Manitoba.
- Saskatchewan’s creative industries are already familiar with – and would be supportive of – this model.
- This model is not a major shift or radical organizational option for the creative industries. It would give some substance and direction to the original concept of a coordinating body for the creative industries as envisioned for the initial creation of the Saskatchewan Cultural Industries

Development Council. It would shift the responsibility for training and development to the new entity. Both SAB and the two universities could continue to develop programs, but the new entity would be responsible for focus and direction. Its role in the delivery of specific programs as they apply to the creative industries such as COGO would have to be determined. With the exception of a SaskFilm and Music option, the new entity would not have responsibility for industry financial assistance programs.

### **Disadvantages**

- While film is included under the umbrella of a new entity representing creative industries, it is still a very narrow definition of creative industries, based on a review of more dynamic regions that have had real success in developing a creative industries sectors.
- The model falls short of providing a single window for industry participants or individuals wanting to pursue a career or business in the creative industries sector.
- The adoption of this model would have to be preceded by an evaluation of existing programming in support of commercialization in the creative industries.

### **Implementation**

- This model resembles the model proposed by the Saskatchewan Cultural Industries Development Council (SCIDC). TPSC could work with and task the CISOs with preparing a business plan for the implementation of the model.

## **Option 4 – Establish a Development Corporation Focusing on Saskatchewan’s Creative Industries: “Saskatchewan Creative Inc.”**

This option is an expanded vision of the previous option, designed to place Saskatchewan on the same footing as other jurisdictions in terms of what is nationally and internationally accepted as creative industries. A new entity, Saskatchewan Creative Inc., would be the principal delivery mechanism for developing this broader definition of the creative industries sector. The responsibility for commercialization in the creative industries sector would rest with this agency.

### **Description**

- This model is based on a much broader definition of creative industries. The new entity would include publishing, crafts, sound, visual arts, theatre and film (existing CISOs) as well as other industries that have a high creative content such as design, architecture, advertising, software development, new media, etc. It would consolidate and support programming such as marketing, financing and training that would focus on a broader definition of creative industries (described earlier in this document) to include industries such as theatre, design and broadcasting.
- The organization would focus on building a dynamic creative industry cluster linking together creativity, innovation and entrepreneurship.
- The organization would work with both cities and smaller municipalities.
- The model would be a major paradigm shift linking together and building a much larger creative economic sector.
- The organization would brand and market Saskatchewan’s creative economy in collaboration with a number of agencies such as TPSC, STEP, Tourism Saskatchewan and Enterprise Saskatchewan.

### **Advantages**

- The model is based on best practices being adopted in Canada, the U.S., the UK and Australia.
- The model would have the potential to diversify Saskatchewan’s resource-based economy.
- The model would place Saskatchewan ahead of the curve – an early adopter of a new commercialization approach.
- There would be excitement. The model would create a “buzz” that could attract young artists and arts administrators who would help develop a larger critical mass.
- The option could include development of unique creative districts within cities or communities with creativity at their core.

## **Disadvantages**

- The idea of the creative economy, in terms of implementation, is still in its early stages. The best examples of such a strategy working are in major population centres such as San Francisco and Glasgow.
- The option may be seen as too great a stretch for Saskatchewan.
- Considerable education and consultation would be required prior to development and launch.
- The concept could create expectations that can't be met in the short run.
- Traditional creative industries may be sceptical of an expanded sector – concern for the loss of current support and funding.

## **Implementation**

- In this instance, given the expanded definition of Creative Industries, Enterprise Saskatchewan would work with TPCS, SAB, and the CISOs in preparing a business plan.

## **Option 5 – Create an Interprovincial Solution: “Creative West Inc.”**

This option is based on collaboration rather than competition between the western provinces. Saskatchewan has the smallest creative industries sector of the four provinces, but in a collaborative model it could be possible for Saskatchewan to have greater access to resources for the development of its creative industries. Regarding commercialization, a new western cooperative entity, Creative West Inc., would drive creative industry development in Western Canada.

### **Description**

- This option emerged out of discussions with some industry associations. As indicated previously there is interest in Manitoba as a best practise for creative industry development. Rather than emulate Manitoba, another concept would be to collaborate with Manitoba. This concept could be broadened to include all four Western provinces or it could be a prairie collaboration involving just Alberta, Saskatchewan and Manitoba. (British Columbia’s Film and Music sector would dwarf the other provinces.) The recent Western Country Music Awards provides an example of how a pan-western initiative can work.
- With this concept the participating provinces would agree to develop a creative industries development corporation, Creative West Inc. It would have its own Board representing the participating provinces. It would focus on three key functions – financing, marketing, and entrepreneurial and other industry training. Each province would establish its own office for service delivery.
- Rather than compete with one another, each of the provincial creative industries would cooperate in the exploration of ways to become more effective in delivering services and programs to the industry. Rather than competing with each other, each province would offer similar tax credits. Creative West Inc. would put together collaborative trade missions. It would offer comprehensive entrepreneurial training and professional development programs. Through collaboration, it would give the western Canadian creative industries the scale to offer more comprehensive financial, technology and market development programs.

### **Advantages**

- This is not a new concept. In the past the film and video industry had explored a similar concept.
- The British Columbia, Alberta and Saskatchewan governments are already cooperating with one another on a series of trade and economic issues/opportunities.
- The federal government has always shown interest in supporting and funding pan-western initiatives.
- Of the western provinces, Saskatchewan has the smallest creative industries sector and therefore could potentially benefit the most from such a concept.

## **Disadvantages**

- Producers/artists and industry organizations feel that they will lose their independence and control over their destiny.
- A fear that Saskatchewan would be swallowed by the other provinces and artists and businesses would migrate to other jurisdictions that are perceived to be stronger.
- Each province already has their own structure for financial, marketing and training. It may be too complex to integrate these functions within a pan-western organization.
- There is a high level of competition between the provinces that may interfere with cooperation.
- An interprovincial endeavour of this scale would likely require a very long lead time and significant political implications.

## **Implementation**

- If there is any interest in this concept from Saskatchewan's creative industries, two things would be required to advance it further. The first would be a concept paper that the industry would discuss. Next the concept paper would have to be discussed with the other provinces at the ministerial and executive levels. If there is still interest it would proceed to the development of a business plan that would be managed by a task force with representation from the four provinces.

## Appendix 1: Interviews

- Ken Alecxe, President, Alecxe Business Consulting
- Darrell Bell, Executive Director, Saskatchewan Professional Art Galleries Association
- Susanne Bell, CEO/Film Commissioner, SaskFilm
- Sheldon Born, General Manager, Persephone Theatre
- Patrick Close, CARFAC
- Kevin Dewalt, CEO, Minds Eye Entertainment
- Diane Ell, Communications Manager SaskCulture
- J. P. Ellson, Executive Director, SaskMusic
- Justin Gilbert, Senior Creative Industries Analyst, Tourism, Parks, Culture and Sport
- Karen Henders, Creative Industries Consultation, Saskatchewan Arts Board
- Susan Hetu, Executive Director, Culture and Heritage, Tourism, Parks, Culture and Sport
- Brenda Niskala, Saskatchewan Publishers Group
- Jonathan Potts, Director of Marketing, Tourism Saskatchewan
- Denis Rouleau, General Director, La Troupe de Jour
- Peter Sametz, Associate Executive Director, Saskatchewan Arts Board
- Ruth Smillie, Artistic Director, Globe Theatre
- Thom Sparling, Executive Director, Arts and Cultural Industry Association of Manitoba
- Mark Stobbe, Executive Director, Saskatchewan Craft Council

## Appendix 2: Terms of Reference

### **Description of the Study:**

This Study will analyze the current support structures and delivery mechanisms for creative industries in Saskatchewan (with a focus on provincial supports but also including municipal, federal and private). The review will identify significant trends, key players and threats. Models for potential relationships, support structures and delivery mechanisms for the creative industries will be drafted and tested in consultations using jurisdictional comparisons, best practices literature, needs assessment, and a gap analysis. The review will result in options that delineate the roles of the major players, and the supporting structures and delivery mechanisms required to further grow the industries and maximize their commercialization objectives.