

<CN>Chapter 15:</CN> <CT>Conclusion

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<NP>As argued in the introduction, this collection had two main aims. The first was to understand, through a series of detailed case studies, how and why particular MSMEs in these four countries operate, describing both their organization and relationships and analysing the values and motivations that underlie their strategies. The second was to find out if there were common elements in how they conduct their business that might explain why they had been able to survive and become successful. The principle underlying this collection has been investigative rather than instrumental: we do not posit any general recipes for success and sustainability; as Lucy Küng-Shankleman (2000: 202) argues, every production culture is unique and context-dependent, making it difficult to formulate general rules. However, with these provisos in mind, our aim in this conclusion is to fulfil our second aim by drawing out from the individual analyses of particular companies any common factors that have emerged that could constitute what Wittgenstein (1967) calls a ‘family resemblance’: not identical but sharing some of the same traits in different combinations. Identifying these traits or resemblances will help to understand the broader factors that influence how film or television companies are created and sustained despite the different national contexts. Our evidence is drawn from the case studies, but we discuss the similarities between our conclusions and those put forward by some leading media management theorists or consultants.

<TEXT>The conclusion consists of four parts. It begins with reflections about the complexities of the term ‘success’ that was a key focus of our investigations. The next two sections use Edgar Schein’s basic division of company culture into internal integration and external adaptation as a broad framework for our comparisons. The discussion of external adaptation leads to a final section that assesses the importance of the broader industrial context.

<H1>Different understandings of success

<NP>The case studies in this collection employed a working definition of 'success': companies that have managed to survive for more than five years and which have received critical acclaim and/or have been popular with audiences. The ones analysed exhibit a wide range of different understandings of success, showing that its meaning is variable, can change over time as a company evolves and has several dimensions. This is perhaps most clearly illustrated in Chapter 4 on the making of *Lilyhammer* where each company or agent involved had a different understanding of the benefits. What seems to matter most to the companies analysed in the case studies is producing work they can be proud of – as in the determination of the Dutch company Column Film to make films 'with a signature' (Chapter 10). However, like all the companies scrutinized, Column recognizes the need to balance this desire against more commercially orientated work. The Danish television company STV, analysed in Chapter 8, demonstrates a classic combination of idealism and pragmatism, balancing formulaic feel-good factual entertainment against more ambitious and hard-hitting documentaries, thus fulfilling the ambitions of its staff and also satisfying its principal paymaster, the public service broadcaster DR. Aardman Animations, discussed in Chapter 14, tries to create opportunities for experimental work within a strategic framework that maintains the highly distinctive Aardman brand.

<TEXT>Other companies have somewhat different priorities and hence a different understanding of success. The Dutch television company Jv tv can be described as a socially committed company that wishes to contribute to the well-being of children (Chapter 11). By contrast, the goal of the Norwegian film company Paradox (Chapter 3) is to become an important player on the European film market by making several feature films per year, a mix of art cinema and children's films. Zentropa (Chapter 7) has been committed to expansion and is much more concerned to maintain its international reputation for producing controversial and challenging films for an art cinema audience. The film companies studied in Chapter 5, such as Mer Film and Filmbin, pride themselves on using local talent and resources to make a contribution to regional economies and cultures, thereby contesting the centralizing pull of the capital, Oslo. The UK company Number 9 Films (Chapter 13) has tried to position itself as a

medium-budget, artistically orientated European firm whose success is constituted by its ability to maintain close overall control over choice of material and aesthetic treatment rather than box office earnings.

In the highly competitive, risky and volatile milieu of film and television production, maintaining production over time is itself a form of success. All the chapters considered the question of sustainability and in this regard the family resemblances between the firms are more strongly displayed.

<H1>Internal integration

<H2>*Transformational and charismatic leaders*

<NP>Leadership is very important to internal integration of the companies and to their sustainability. All the companies discussed in this collection have CEOs who are also the founders, owners/major shareholders and managers as well as producers of films or television programmes. They enjoy, in other words, an unrivalled position of authority in their companies and a strong personal relationship to their organizations, summed up by the CEO of the Dutch television company JvTv, analysed in Chapter 11, as ‘the professional is personal’. JvTv took the decision to reduce in size in order to concentrate on programmes that represented its own tastes and values. Our research has shown that the basic motivation of all these leaders in founding their own company seems to be the opportunity to continue as film or television producers rather than to become company managers. They value the independence afforded by companies set up to pursue their own tastes and preferences without interference. This strong, emotional attachment to the products they make enables these leaders to communicate that passion, enthusiasm and commitment to their production teams. The respect that employees have for their leaders is closely connected to the products they have conceived and developed. The majority of these company founders can therefore be described as transformational leaders (Küng 2007), acting as inspiring role models that enables them to establish a common vision for their employees. They are often, as exemplified most strongly by Lars von Trier and Peter Aalbæk, the twin founders of the Danish company Zentropa (Chapter

7), charismatic leaders who use their exceptional personal charm to inspire their employees to extraordinary efforts. However, in Zentropa's case, this can lead to employees becoming over-dependent on their leaders that can be detrimental.

<H2>Shared leadership: Complementary competencies

<NP>Leadership in the companies we have analysed is often shared. Most were founded by two people who have continued in that role: the Norwegian companies Paradox, Cinenord and Filmbin; Zentropa; three out of the four Dutch companies – Column Film, BlazHoffski and JVtv; and two of the UK companies, Number 9 Films and Aardman. Two of the Norwegian companies use the striking metaphor of the 'two-headed troll' to describe a complementary division of labour in which one of the leaders is primarily engaged in project development whereas the other is principally focused on the management of the company's finances and business affairs while both sharing the same vision. In the case of the STV, the founder, René Szczyrbak, hired Maria Thastum to be a forceful, business-orientated manager in order to offset his own characteristics as a 'cosy Dane' who lacks commercial discipline. It seems that twin ownership or leadership, with one person focusing on management and strategy while the other focuses on creative processes, is an effective model for MSMEs to become successful and sustainable. This division might seem to reflect what Chris Bilton (2007: 12–13) identifies as the classic split between creativity and commerce, between those involved in finance, accounts and marketing and those whose role is directly to produce outputs. However, the perceived gap between the project developers and the administrators varies and is dependent upon the size of the companies. In Cinenord, one of the small Norwegian film companies (Chapter 3), the friendship between the person dealing with finances and the leaders of the company blurs this distinction. In addition, these divisions are, in practice, subsumed into the collective approach described above where producing successful programmes is the glue that holds the company together, overriding these differences or lessening their importance. In Aardman's case, for instance, although David Sproston has, over time, developed the necessary business skills to 'make the

numbers work', he remains passionately interested in the practice of film animation and thus stays close to the creative process that is the company's prime focus.

<TEXT>This commitment to the centrality of creativity is characteristic of the sector we have analysed, where company founders and leaders were educated in media production and/or trained in film or television project development rather than in business management. The founders of Zentropa, von Trier and Aalbæk, for example, both studied at the Danish film school; the founder of the Dutch company Rinkel Film graduated as a documentary director from an art school; and the leader of the Dutch company Column Film was a journalist and film producer before founding his own company. David Thompson, the founder of Origin Pictures, had worked closely with the filmmakers he commissioned when he was head of BBC Films for fifteen years before becoming an independent; both Elizabeth Karlsen and Stephen Woolley at Number 9 Films had extensive experience as producers before setting up their company; Woolley had co-led two previous film production companies. In the MSMEs we have analysed, the passion and commitment of the leaders about what they produce seems to be more important than having been trained in management skills. Despite the fact that these firms need accountants and business 'sense', they seem to be sustained and thrive, as noted, on what Chris Bilton (2007) characterizes as a 'multitasking culture' in which managerial and operational tasks interlock and which enables leaders to develop strategies that would not be possible if they have a more limited range of responsibilities.

<H2>***Strong, but flexible visions***

<NP>This high investment in the quality of the product also generates what management analysts, notably Lucy Küng, argue is the 'clear inspiring vision' that is central to company success and sustainability because it 'will resonate with pre-existing, intrinsic motivation and lay the seed for ultimate success in that it sparks off both creative response to the core idea and a deeper sense of commitment to its fundamental goals' (2007: 9). This contention is supported by the leaders interviewed in this book, who all have strong ideas about what they

want to achieve, coupled with the flexibility to adapt to changing circumstances in industries that evolve rapidly.

<TEXT>The strong, inspiring vision described by Küng is most evident at Zentropa where von Trier's status as a critically acclaimed international celebrity **auteur** acts as an inspiration for the company's employees, giving them a sense of being part of something exceptional. However, Zentropa is also characterized by its strict control and adherence to deadlines, thereby creating what Bilton (2007: 76) identifies as the 'bounded conceptual space of a specific artistic domain combining expertise, tradition and experience', which is commonly regarded as essential for creativity to flourish. Aardman provides a strong creative vision through the work of co-founder Peter Lord and its 'star' animator Nick Park, the creator of the Aardman brand, which is coupled with a 'rigorous coaching process' to safeguard that brand. However, Aardman's leaders also recognize the necessity to be flexible and ensure that project teams have a degree of creative autonomy. They are also – as mentioned above – careful to create opportunities for more experimental work that falls outside the core activities in order to keep the ferment of ideas and new knowledges that ensure the company remains at the forefront of animation innovation.

<H2>***Nurturing talent, tolerating risk and creating a supportive working environment***

<NP>Chapter 3, about the Norwegian film companies, emphasizes that they are *lifestyle businesses*, not just a means to earn a living but a way to create a meaningful and emotionally engaging existence for themselves and their workers and thus different from traditional bureaucracies. The leaders and the employees of several of the companies analysed in this collection say that they regard the company as a family in which details of employees' private lives are shared on a daily basis. The leaders of these firms consider themselves to be nurturing, becoming surrogate fathers or mothers rather than distant authoritarian bosses. This family feeling is strengthened by the flexibility and informal work patterns that are tolerated, even encouraged; in the smaller companies, in particular, employees can come and go as they like as long as they get the job done. Our research showed that all the companies take steps to ensure

that their staff mix, socialize and team-build, fostering inclusivity and an ethos of collective commitment to the quality of the work created.

<TEXT>This family ethos also extends to characteristically informal hiring processes based on recommendation from colleagues or friends, attaching most importance to finding like-minded people. As one of the leaders of the Norwegian company Paradox admits: he his policy was to 'hire for attitude and train for skill'. Although this practice might not always locate those who are most competent and might exclude ones belonging to minority groups, it strengthens the feeling of being a close-knit family, which is important to the internal integration of the firms and the ability of the employees to tolerate risk and be able to ride out crises. In Zentropa's case, the company seems to actually thrive on repeated crises that engender creative renewal.

Several chapters focus on the importance attached by these companies to the quality of the working environment as a stimulus to creativity and to retaining staff. The two Dutch television companies JvTv and BlazHoffski, analysed in Chapter 11, have relaxed informal work places that contribute strongly to their ethos and brand. Zentropa occupies an old army base and uses original or recycled furniture to create a strange blend of military discipline and hippie collective, which helps inculcate the ethos of an unpredictable, 'alternative' company. Aardman has had the resources to take this concept of the creative environment furthest; its leaders actively engaged with local architects to design the company's purpose-built headquarters as a 'creative building' in order to forge the ambience of an 'artists' studio' rather than a functional business conducted on factory lines.

<H1>External adaptation

<H2>***Innovation – Diversified revenue streams and finding new markets***

<NP>Our analyses have shown that innovation among these MSMEs is characterized by finding new business opportunities rather than forging technological advances. The small film companies, in particular, face the problem of financing each film from scratch using a patchwork of sources. Chapter 10, which concentrates on two Dutch film companies,

demonstrates that their innovative thinking is deployed in finding new sources of financing, including ways to attract private investors. This is in line with the Olsberg report *Building Sustainable Businesses* (2012), which recommends that film companies establish '[d]iversified revenue streams across a number of activities, each providing different risk/return parameters' (2012: 10). However, there are pressures on television companies as well to innovate financially. STV (Chapter 8) has evolved an interdependent production strategy with its subsidiary Mayday Film in which STV continues to produce traditional television programmes whereas Mayday concentrates on branded content and advertiser-funded programming (AFP). In Norway, it is very important for film companies to follow closely the changing priorities of the state support system and therefore adjust their production strategies accordingly. Here, as in the other countries studied, companies also have to look for a mixture of public support and private finance. Increasingly, this means looking beyond their national context in order to find additional financing. Zentropa has set up subsidiaries in several countries in order to benefit from their national support systems. Digitalization has created new online markets, and several companies in our study now 'repurpose' productions across various platforms that can reach different audiences. Aardman has taken this opportunity furthest, creating a separate division within the company for 'apps, games and interactive', and building a multiplatform strategy into every new project from the outset. It remains to be seen how important online markets are to these MSMEs' sustainability.

<H2>Negotiated dependencies and being well connected

<NP>Although these companies attend to the marketing and promotion of their outputs with increasing use of social media and eye-catching websites, with the exception of Zentropa and Aardman, they try to communicate not with the public at large but with other media companies and corporations, presenting themselves as attractive to investors and commissioners. Thus the key to their success and sustainability is the nature and value of their relationships *within the industry* and their ability to maintain, extend and enhance those relationships. These relationships can be characterized as a series of 'negotiated dependencies', which are

asymmetrical (the financiers or commissioners have the most power) but which nevertheless have some reciprocity and afford companies a degree of choice and creative control. This is particularly the case with the public service broadcasters (PSBs) with which almost all the companies studied in this volume have extensive dealings. PSBs do not necessarily apply a purely commercial logic to their negotiations but have other cultural priorities such as fostering and supporting a broad and diverse production base in their respective countries, both in film and in television.

<TEXT>Examples of these negotiated dependencies include the Norwegian film companies discussed: Motlys, Paradox and Cinenord (Chapter 3). Cinenord, for instance, made its first film based on a deal with SF, one of the leading distribution companies in the Nordic countries. Origin Pictures was underpinned by ‘sweetheart deal’, a three-year first-look development arrangement with BBC Fiction, which included both feature film and television drama, enabling it to negotiate a first-look deal with the international sales company Fremantle, as well as a co-financing agreement with the production company Distant Horizon; Number 9 Films relies on the support of the BBC, the other major UK PSB, Channel 4, or funding from the British Film Institute to part-finance its productions. The Danish television company STV is closely tied to the PSB DR and the Dutch company JvTv relied heavily on relations with former colleagues in public service channels for assignments. MSMEs also rely on networks of other companies, as in the case of Aardman, which now has partnerships with more than 30 digital companies and an American advertising firm. Since 2009 BlazHoffski has enjoyed ‘exclusive cooperations’ with another production company (Levy Productions), collaborates with several ‘independent creatives’ and merged with another small television company (Dahl TV) in 2010.

Increasingly, as noted above, companies need to cultivate international relationships and partnerships, which contribute significantly to their ability to sustain production (Olsberg 2012: 12). Here there are clear differences between the film and television industries. International collaboration between film companies is achieved principally through co-production arrangements – encouraged by incentive schemes and other subsidies. This kind of *horizontal collaboration* contrasts with the *vertical integration* that often characterizes the television

sector in which MSMEs act as production arms for the PSBs that are now required to commission, distribute and broadcast programmes made by a range of external production companies. STV and Jv tv until the time of writing have remained independent (see Chapters 8 and 11), but increasingly both large and small television production companies are becoming acquired by multinational conglomerates. However, this need not mean the eradication of their identity. The Dutch company BlazHoffski, which became part of Warner Bros. in 2011, viewed this takeover as an opportunity to expand its own formats and to gain access to new ones, and thus to grow significantly.

<H1>Broader Context: Mechanisms of public support

<NP>The introductory chapters to each section provided a close-grained consideration of the support mechanisms that are available for MSMEs in each of these four northern European countries. In this section of the conclusion we will explore the overarching resemblances that exist between them and the nature of the transnational collaborations that are an increasing feature of European film and television production. We will explore their significance for these companies' sustainability by discussing the threats and opportunities that are present.

<TEXT>Because film and particularly television are regarded as having a cultural as well as economic value, they enjoy a level of public support through various arrangements; PSB commissions, already discussed, are a form of indirect support. The Olsberg report considered the 'consistent and reliable' direct provision of public funds was a vital, widely used and 'highly effective' support mechanism to enable 'film businesses become sustainable' (2012: 22). Some companies, for instance Number 9 Films and Warp Films in the UK, have benefitted significantly from 'slate funding', in which a portfolio of films is financed; this initial support insulated both companies, to a degree, from the full force of commercial competition, providing the space and time to establish their identity. However, for the most part it is single film projects that receive public funding, distributed locally, regionally or nationally. These are of huge significance for film production companies that often survive through production fees rather than from sales.

Although each of the four countries has a national film fund that subsidizes production for art-house as well as for mainstream commercial films, the level and significance of public support

varies. In the UK, as noted in Chapter 12, there are modest schemes that support MSMEs but the main mechanism – tax relief – principally benefits Hollywood studios and foreign-owned firms rather than indigenous businesses. Chapter 9 shows that the Netherlands is moving in the same direction with the introduction of a cash-rebate system in 2014 in order to increase the attractiveness of the Netherlands for both national and foreign film productions. In 2015, Norway (Chapter 2) also introduced an incentive scheme for productions filming in Norway. In the Netherlands, Media funds provided significant support for film productions that were screened on television, but this fund will be abolished in 2017. Even though these incentives all have a ‘cultural test’ that vets a project’s suitability for funding, they have been criticized as constituting a ‘race to the bottom’ in which countries compete to attract foreign productions rather than acting in the interest of the domestic production companies. The most developed and coherent system exists in Denmark, which spends a greater proportion of public finance on film subsidies and has allotted a special quota for its film *auteurs* such as von Trier to produce films for the international market. Thus although public provision for film production is available, it is, with the exception of Denmark, not providing the degree of support that MSMEs really need in order to grow and develop. It is patchy, piecemeal and fails to tackle the problems of distribution and the dominance of large multinational corporations.

Even though film is regarded as an important element in maintaining a national culture, in all four countries television is seen as more significant because of its greater audience reach and its provision of news and current affairs. Thus each country has highly developed subsidies for PSBs. The Danish and Norwegian PSBs adopted the BBC model, whereas the Dutch system is more diversified. These PSBs originally produced programmes in-house, but, as discussed in the individual overview chapters, since the 1980s, political commitment to a deregulated neo-liberalism has forced PSBs in all four countries to commission parts of their output from external production companies. We have already discussed the importance of the negotiated dependencies that MSMEs in our study have with PSBs, which provide both regular commissions and continue to be regarded as more culturally compatible than private sector companies, more prepared to tolerate a degree of experimentation and risk. However, there is an increasing tendency because of competition from foreign-owned private television

companies, for PSBs to commission programming that will be commercially successful both in the domestic and international marketplace. For instance, Aardman no longer experiments in its television programmes but produces episodes of *Shaun the Sheep* that can guarantee global sales.

However, increasing internationalization does not necessarily mean producing formulaic outputs, sacrificing quality and cultural specificity. Co-production agreements and the various European support mechanisms that are available, such as the Eurimages Fund, have led to the development of 'high-end' drama serials that are thematically and aesthetically ambitious. Unsurprisingly, given the quality of the domestic support mechanisms, Denmark has led the way with crime dramas that have created the international brand of Nordic Noir. These are a far cry for the much derided 'Euro-puddings' that emerged in an earlier period and act as an incentive for smaller companies to make similarly ambitious productions. *The Last Panthers*, analysed in Chapter 13, produced by Warp Films, is a striking but typical example, funded by multinationals (Sky Atlantic and Canal+), co-produced with the French company Haut et Court TV, and drawing funds from the European MEDIA programme as well as various other national funding schemes in France, Serbia, Germany and the United Kingdom. There are thus clear incentives for MSMEs to engage in these international co-productions, but the example of *Lilyhammer*, discussed in Chapter 4, demonstrates the complex, uneasy and somewhat fragile nature of these collaborations.

This increasing internationalization and patchwork or 'jigsaw' funding has made the business model of television production resemble that of filmmaking more closely. And because producing a television series is more stable and financially viable than producing single films, the business models for film and television MSMEs are beginning to converge. This tendency is exemplified by the Dutch firm Column Film (Chapter 10) and both Origin Pictures and Warp Films discussed by Audun Engelstad in Chapter 13, who coined the term 'telenomics' to describe this convergence. These reconfigured business practices are challenging for company leaders brought up on developing single projects rather than brand portfolios; the Olsberg Report (2012) observes that 'project skills' are no longer sufficient when running a film

company and recommend the need for professional leaders experienced in devising and delivering effective strategic plans. There is evidence from our study – with examples from the Dutch film company Rinkel (Chapter 10) and the Norwegian film company Motlys (Chapter 3) – that CEOs are accessing European-funded training programmes, but there is probably much more to be done to create the necessary entrepreneurial skills that will enable leaders of MSMEs to forge robust and sustainable businesses.

<H1>Concluding remarks – Perpetual learners: Practitioners and academics

<NP>In one of the last sections of *Organizational Culture and Leadership*, Edgar Schein underlines that we ‘basically do not know what the world of tomorrow will really be like, except that it will be different, more complex, more fast-paced, and more culturally diverse [...] This means that organizations and their leaders will have to become perpetual learners’ (2004: 393). Lucy Küng-Shankleman (2000: 202) also notes that successful production cultures are ones that are highly adaptive and embrace uncertainty. Their observations resonate with the film and television companies scrutinized in this collection, which, in a period of unprecedented turbulence and change in the audio-visual sector, have had to be constantly adaptive and innovative, seeking new markets, platforms and financial practices in order to succeed or even survive. This collection has shown that they have done so without, for the most part, losing their distinctive identities as companies or unduly compromising the vision and values that inspired their foundation. Their leaders have managed to retain a strongly personal relationship to their companies, infusing their staff with enthusiasm for the products they are making while creating, with some glitches, welcoming and family-like environments where staff are stimulated and enjoy a degree of creative autonomy. They need skill, knowledge and determination to be successful but also, as the Olsberg report recognized (2012: 10), ‘having more than your fair share of luck!’

<TEXT>In this collection we have focused on MSMEs not only because of the dearth of existing studies, but also because of our collective sense of their importance to the continued strength, diversity and creative health of the European audio-visual industries and to the economies of

their host nations. In the light of the prevailing tendencies towards conglomeration and homogenization, they deserve more recognition and greater public support than they have so far enjoyed. As the SIFTI research project unfolded and as these studies of individual companies demonstrate, we seem to be at a significant historical juncture in which the changes associated with digitalization, cultural convergence and increasing globalization are transforming the landscape of the media industries. If industry practitioners need to be perpetual learners, so do the academics who study them, responding to these changes in the rapidly mutating mediascape by revising and rethinking our understanding of how those industries work. This 'current moment of uncertainty' (Havens et al. 2009: 249) makes the task of conducting rigorous, richly textured, studies of production cultures urgent and important.

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