The Management of the Creative Industries Requires a Different Approach. An interview with Chris Bilton

by Dinara Tokbaeva

The leading creative and media business management scholar and culture researcher argues that strategy and creativity are and should be interlinked processes. Chris talked about various approaches to management and leadership of creative industries based on his research and experience, as well as how independent cultural producers can change their approach to the job in the fast-paced, digital environment.

How different is creative industries management compared to other sectors?

Chris Bilton: In the first place, defining 'the creative industries' is notoriously difficult – for example, I don't find the UK government definition very helpful, with its emphasis on 'individual creativity, skill and talent' and 'generating and exploiting intellectual property' – are there any industries which don't use individual talent and intellectual property in some form? I prefer to focus on Bourdieu's notion of 'symbolic goods' – what makes the creative industries and their products different from other types of industry is the fact they are dealing with ideas, images and experiences whose meaning and value depends upon an act of interpretation by the receiver. That simple definition is at the core of all the difficulties of managing the creative industries – unpredictability and subjectivity in the processes of production and consumption, consumer co-creation, short product life cycles, sustainability of project-based enterprise.

So I do think management of the creative industries requires a different approach. Managers need to be more adaptable, inclusive and interactive. They need to have excellent people skills and be able to work with small teams. They also need to understand the nature of the products or services they are dealing with – not just as 'products' but as carriers of symbolic meaning. This means that some of the artistic and creative sensibilities, which are often undervalued in our schools and universities, become integral to the tasks of management.

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Dr Chris Bilton is an Associate Professor – Reader at the University of Warwick and the founder of MA in Creative and Media Enterprises. Prior to joining academia, Chris worked as a writer, performer and arts manager in the UK. He was the Director of the Centre for Cultural Policy Studies from 2008 until 2014. Chris currently teaches Creativity and Organisation and Marketing and Markets at Warwick. He is an author of several volumes on creativity and regularly publishes in academic journals.

In your most recent book – *The Disappearing Product: Marketing and Markets in the Creative Industries* (2017) – you've argued that the new generation of intermediaries such as Google, Facebook, Amazon and Apple monopolise customer attention and may even devalue cultural products. What is the way for cultural producers to reclaim back their place in the current creative economy?

In the book, I argue that cultural producers must recognise that their ideas only become valuable through the act of consumption. Indeed you could argue that cultural products don't really exist outside the experience of consumption. This means that cultural producers need to take an interest in how their work is experienced by consumers – and if the consumer experience is effectively 'owned' by big tech companies (the so-called 'new intermediaries') then we have a problem. The solution is for cultural producers to reclaim that relationship with the consumer. To put it crudely, marketing is too important to be left to the intermediaries – cultural producers need to get involved too. In the book, I give some examples of how artists – especially musicians – are doing this, developing exciting new models of co-creation and audience experience through marketing.

In your 2009 book chapter on creativity in advertising, you talked about strategic creativity. Could you please expand on that by giving examples from various creative industries?

My co-author, Steve Cummings, and I felt that the separation of 'creativity' from 'strategy' was damaging to both – and also not a true reflection of either. Strategy is (or should be) creative, and creativity is (or should be) strategic. When a novelist is deciding which of several ideas to work up into a story, and which of several possible stories to work into a novel, that is a strategic decision-making process, based on her or his capabilities and understanding of her or his readership. When a director is rehearsing a play, they are making strategic interventions in the creative process of the actors, and connecting this into their own understanding of the play, the collaborative relationships with the designer and the lighting designer, the theatre building and especially with the experience of the audience. Again that is a strategic process – we argue that theatre direction and rehearsal offer valuable lessons in strategy and leadership, not just for the arts, but for any complex organisation.

What do you consider to be the biggest challenge(s) for creative organisations – motivation, managing innovation, coming up with a strategic plan or something else?

The biggest challenges are surely around the delivery and dissemination of the work. Ideas are cheap, ideas are easy – we are never going to run short of new ideas in the cultural and creative industries, the motivation and the capacity to innovate are always there. But none of this matters if we can't get people to take notice, if we can't get those innovative ideas to market. Historically, cultural policy has concerned itself mainly with production subsidy, based on a perception of market failure – people value cultural products, but they aren't prepared to pay for them. The bigger challenge is to connect cultural production with access to markets and finance (the two tend to go together – consider for example a film distribution deal). So building an infrastructure for distributing cultural products becomes a massive challenge for cultural policy – one that is currently being taken on instead by the likes of Google and Facebook.

The other huge challenge is a lack of diversity in the workforce – because of an assumption that creative work should be badly paid or unpaid, because of the importance of networking and knowing the right people to progress in a creative career, because a lot of 'high culture' especially is playing in to an audience of initiates rather than playing out to a wider public, the talent pool has become smaller and the barriers to entry for people from the 'wrong' background ('wrong' class, 'wrong' colour, 'wrong' gender) have grown higher. There has been a lot of interesting (and slightly depressing) research on this issue over the past 5-10 years. Again this seems like a challenge for policy initially, but creative organisations have a part to play too in opening up to a wider world of artists and audiences.

Could you please shed a light on the current project you are working on about the new forms of organisation in the creative industries? What are they and to what extent are they market- and/or industry-specific?

My current project is looking at new forms of creativity rather than new forms of organisation – together with my two co-authors, we are looking at how different, plural 'creativities' can work together combining different competencies, pathways and cultures. As for new forms of organisation, I think there are two challenges – how to balance individualism and autonomy with a unified organisational identity or brand, and how to balance one-off projects with continuity and growth. The interesting solutions are often in the form of networks – organisation as a pattern of decisions between people rather than as an institution. The way the advertising agency has evolved into a much more fluid set of relationships and partnerships rather than a one-stop shop might be one example of this.

What is the negative consequence of creativity, if any, for organisations and individuals?

In western culture, creativity is often equated (wrongly) with a restless pursuit of novelty and change for their own sake. This leads individuals to pursue a self-destructive dream of non-stop innovation or to become narcissistic self-promoters instead of working with others to build value. It leads some individuals to feel that they cannot contribute, because they don't conform to the stereotype. For organisations, there is a danger of casting aside the supposedly 'uncreative' ideas, products or staff members – only to discover too late that these were what allowed the 'creative'

parts of the organisation to function properly. Novelty without value is not really creativity. But we have allowed ourselves to believe that 'thinking different' and radical innovation are the key to unlock success in the creative economy. Actually, creativity is relational – definitions of what is novel and what is valuable depend upon a social and cultural context, and creativity must work within existing paradigms and values in order to change them.

How has the creative process changed for creative workers due to the rise of digital technologies? Which industries are the most and least affected?

The biggest challenge is perhaps the idea of 'free content'. Digital technologies of production and distribution reduce the marginal costs of reproducing and disseminating content to practically zero. Today we are used to consuming digital content – text, images, video, audio – without paying for it. And as Chris Anderson observed, it is very hard to compete against 'free'.

Of course, 'free' is an illusion. First, the person who wrote that book or made that music still needs somehow to be paid – the price may be zero but the cost of producing the content has not magically disappeared. Secondly, when we consume something for free, we become the commodity and we are paying for consumption with our attention and our time and our personal data. Unfortunately, these assets are not being funnelled back to pay the content creator, instead they are being syphoned off by third parties – the new intermediaries like Facebook and Google, which now have a near monopoly on digital advertising and online search, and whose market valuation is higher than the national GDP of many countries. Meanwhile, the earnings of writers and musicians continue to decline – in recent European surveys, the average wage of a published writer is less than the minimum wage. Can we afford for literature and music to become a part-time hobby rather than a viable living?

Music was the first industry to be affected by the phenomenon of free content, mainly because of the technologies of the MP3 format (originally intended to compress video, but applied to audio) and of file-sharing networks, represented by Napster and its imitators from 1999 onwards. Actually, music has also been one of the first industries to adapt, prioritising live music over recorded music and finding new ways to extract value through merchandising, image rights and fandom. The problems have not gone away, but arguably today's music industry is further down the road of adapting to the 'disappearing product' than many other creative and media sectors.

The newspaper industry is perhaps facing the biggest existential threat today, not least because the threat of 'free news' has been combined with the threat of 'fake news'. Hopefully consumers and governments are waking up to this, and realising that if we want to have a viable, functioning, accountable public sphere, we are going to have to find a way to pay for it, whether that's through subscription to 'bespoke' news services like Byline in the UK or the paid content of respected institutions like the FT or *Wall Street Journal,* or through public service broadcasting. The worrying part is a potential digital divide between those who can afford to pay for high quality, truthful journalism and those who cannot (or choose not to).