

## **Economy, Energy and Tourism Committee**

### **Economic impact of the creative industries**

#### **Submission from Interface-The knowledge connection for business**

Interface- The knowledge connection for business welcomes the opportunity to submit written evidence to the Economy, Energy and Tourism Committee with respect to its consultation *“To consider how Scotland can grow sustainable TV and Film, and video games industries”*

#### **Background**

Interface-The knowledge connection for business [www.interface-online.org.uk](http://www.interface-online.org.uk) provides Scottish SMEs a central point of access to the expertise available in Scotland's 23 Higher Education and Research Institutions. Our core mission is *“to enable business-academic collaborations for economic and societal benefit”*.

The Interface support to business includes;

- bespoke brokerage for one to one projects between business and academia,
- establishing collaborative projects where groups of businesses and academics look to solve industry wide challenges,
- access to cutting edge and cost effective facilities and existing technologies and
- advice on innovation related funding streams – most notably managing the Innovation Voucher Scheme which provides business with up to £5,000 for their first academic partnership.

To date Interface has supported over 2,700 enquires from businesses (SMEs) from all sectors seeking expertise with incremental and step change innovation projects, which has led to nearly 1,000 collaborations with Scotland's Higher Education Institutions. In addition 756 businesses have been awarded standard innovation vouchers. The fundamental aim of the Innovation Voucher scheme and Interface brokerage is to bring business and academics together and foster this relationship for future, larger collaborations.

A copy of the Interface Annual report can be found via this link: [2013-14 Annual Report](#).

Due to its role in supporting businesses from all sectors (life sciences to creative industries, food and drink to engineering) from all regions throughout Scotland, Interface provides a unique overview of the strengths, weaknesses, opportunities and threats relevant to the innovation and growth of TV and Film, and video games industries through links with academia.

The table below illustrates the numbers of businesses supported in these areas via Scottish Funding Council Standard Innovation Vouchers and via Interface Brokerage

to identify an academic partner to support innovation requirements within the business.

## **TABLE ONE**

### **Standard Innovation Vouchers awarded by Sector (2008- July 2014)**

### **Interface Brokerage to SME businesses by Sector (2005 – Sept 2014)**

<b>Industrial Sector</b>	<b>No of Vouchers</b>	<b>%</b>	<b>Interface Brokerage to businesses</b>	<b>%</b>
<b>Total</b>	<b>756</b>	<b>100%</b>	<b>2673</b>	<b>100.0%</b>
Creative Industries (Software & Computer Services, interactive leisure, video games software)	73	9.66%	234	8.8%
Creative Industries (Film, TV & Radio, Perf.	27	3.57%	64	2.4%
<b>Comparator sectors:</b>				
Food & Drink	163	21.56%	393	14.7%
Life Sciences & Medical Devices	56	7.41%	271	10.1%

## **Responses to the consultation**

### **The role of the public sector agencies and the effectiveness of the support that they provide:**

The Interface impartial brokerage service and the Innovation Voucher programme are funded through a partnership approach led by Scottish Funding Council in conjunction with Scottish Enterprise and Highlands and Islands Enterprise. Therefore the public sector agencies are very effective in the joined up support that they are providing with respect to business –academic engagement.

As can be seen above, through a pan Scotland approach there is good uptake from the TV and Film, and video games industries for engagement with academia and the figures are comparable to the take up by the Life Sciences Sector but much lower than the Food and Drink sector.

Interface has access to hundreds of academic experts and facilities within Scotland's Universities useful to the creative sector from new product development and brand management through to sustainability, business strategy, design and engineering.

### **The role of private sector investment in supporting the video games and the TV and Film sectors**

Many of the SME businesses are supported by Interface and the Innovation Voucher programmes to prove / demonstrate their early stage concepts in conjunction with an academic institution. Following this they then need to raise investment from private sector or other sources to bring the product to market. In recent years, we have noted a considerable number of businesses relying on crowd-sourcing of funding to

draw in investment. More research needs to be undertaken to understand the effectiveness of this approach by the Creative Industries sector and in particular the resources required to undertake this versus the return on investment.

### **How the issues that hinder the growth of creative industries can be overcome and how to capitalize on opportunities**

There have been a number of independent reviews of the impact from Higher education (HE)- business partnerships facilitated by Interface which demonstrate what is working well and what barriers have been encountered. The key conclusion from these studies is that HE knowledge and expertise is making a significant contribution in helping to realise the Scottish Government's outcome of becoming a better educated, more skilled and more successful country that is renowned for its research and innovation. Through its focus on small and micro enterprises, Interface is fulfilling an important gap in Scotland's current knowledge exchange landscape by helping to make engagement between SMEs and academia more cost effective and efficient.

The studies have found evidence that Interface is effectively reaching harder to reach small and micro enterprises with little experience of engaging with academia. This is particularly true of the TV and Film, and video games industries.

From the studies the main barriers encountered by the businesses are:

- Time-scales too long/ unfinished projects due to change in direction.
- Cost of support.
- Lack of commercial focus/flexibility.
- Open and timely communication.

The Innovation Scotland Forum <http://www.sfc.ac.uk/aboutus/partners/InnovationScotlandForum/InnovationScotlandForum.aspx> are reviewing these challenges and barriers and taking forward an action plan to better enhance academic – business engagement across all sectors.

### **Example of a successful case study from academia supporting TV and Film, and video games industries**

Shed Media Scotland partnered with CTVc and MTV to deliver an interactive drama, Being Victor, a phenomenally exciting and ambitious project that treads new ground within a digital media space. Shed Media wanted to incorporate an additional element of “flash quizzes” as part of the online interaction to provoke debate and questions to young people. The company was looking to collaborate with an academic group that was currently researching trends / social aspects of online /internet privacy to devise the key questions on this aspect for the flash quiz. Interface facilitated a collaboration with Robert Gordon University who were currently researching trends and social aspects of online internet privacy. The resulting partnership had a unique opportunity to gather information and views from young

people across the UK on the subject of online privacy. See <http://www.interface-online.org.uk/case-studies/shed-media>

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