

CREAM –Call for Creative Futures

2.10.06

Content industry and venture capital: The Rudolph -initiative

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Film and the content industry are increasingly growing businesses. From the point of the user, the barriers between traditional film projects, digital content and computer and video games are disappearing.

But compared to the US entertainment industry, European content companies are facing challenges related to internationalisation and funding. Despite the high growth rate in film and content industry, there is a lack of private investment. Projects are funded on project-to-project basis, and mainly with TV financing, ticket advances and institutional grants, with strong cultural considerations.

Lack of investment means film and content companies fail to achieve their full commercial potential. In addition, the European markets tend to be small and fragmented, with products rarely achieving international success. With producers' concentrating on getting each project funded, there is little concentration on sustaining company growth.

The problem of investment is two-fold. First, European producers need better understanding of the needs and criteria of investors. Producers also need tools to develop their companies and to control and utilize their intellectual property. Secondly, investors need to understand the specific nature of film and content business –which significantly differs from investing in traditional companies. On both sides, there is also a lack of understanding on how intellectual property can be used in business creation. New financing tools are needed in for development of projects to increase their commercial potential, international marketing and investment potential.

In the Creative Lapland seminar in Rovaniemi in April 2006, quite a few interesting points were raised. The European film industry is currently at a loss in how to deal with emerging content formats. In the future, sustainable growth in the content sector will be based on cross platform project development and distribution on all new platforms now available such as internet, TV and Mobile screens. Innovative marketing techniques utilizing the new possibilities are needed in order to reach the right audiences in right time. Producers need to learn how to further benefit from their Intellectual Property in order to create new streams of revenues through multiple channels. The problem is lack of knowledge and the lack of tailored funding.

Public-private partnership for project development

An initiative in Lapland is focusing on this specific need. An initiative called Rudolph is establishing a public-private fund that has a strong focus on project development. The aim is to create an understanding between producers and private investors and help production companies maximize their control of intellectual property.

For producers, the fund offers a possibility to understand investor needs and expertise in management of intellectual property. For the investor, the development fund offers a low-risk look into a growth industry, and the possibility to invest in to lucrative projects with expert advice.

For the region, the fund is part of a wider strategy to become an international player in the competitive film and audiovisual industry. The proposed fund answers existing needs and complements already established funding instruments in Finland and the Nordic countries.