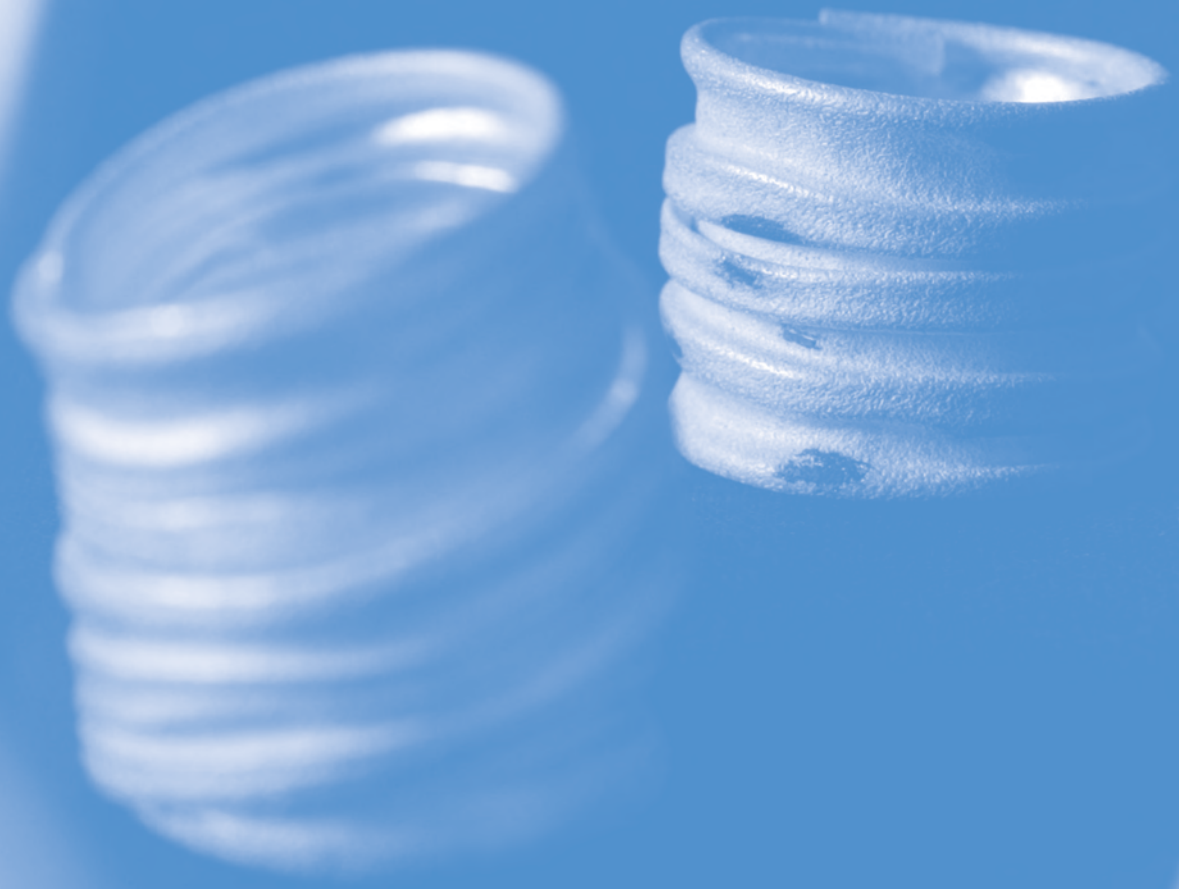




Developing Entrepreneurship for the Creative Industries

The Role of Higher and Further Education



Front cover image courtesy of Arts Council *England*, South West. Silver bangles made by Cornish artist Stephanie Johnson. Photo: Simon Burt/Apex

Department for Culture, Media and Sport

Creative Industries Entrepreneurship Task Group

CHAIR

Dr Marilyn Wedgwood	<i>Manchester Metropolitan University (MMU)</i>	Pro Vice Chancellor and Director of External Relations
---------------------	---	--

SECRETARY

Gaynor Richards	<i>Department for Culture, Media & Sport (DCMS)</i>	Higher and Further Education Development Manager
-----------------	---	--

MEMBERS

Patricia Ambrose	<i>Standing Conference of Principals (SCoP)</i>	Executive Secretary
John Baker	<i>Department of Trade and Industry</i>	Assistant Director, Management Leadership & Skills Unit
Stuart Bartholomew	<i>The Arts Institute at Bournemouth</i>	Principal
Prof Ron Cook	<i>University of Salford</i>	Associate Dean, Academic Enterprise, Faculty of Arts, Media & Social Science
John Cowan	<i>Department for Education & Skills (DfES)</i>	Higher Education Directorate
Amy Donnison	<i>Department for Culture, Media & Sport</i>	Project Officer, Creative Industries Division
Owen Fernandez	<i>Department for Education and Skills</i>	Higher Education Directorate
Michael Harris	<i>National Endowment for Science, Technology and the Arts (NESTA)</i>	Research Manager
Prof Lee Harvey	<i>Sheffield Hallam University</i>	Director, Centre for Research & Evaluation
Kirsty Leith	<i>Department for Culture, Media & Sport</i>	Education & Skills Manager, Creative Industries Division
Andy Lovatt	<i>North West Development Agency (NWDA)</i>	Creative Industries Manager
Paula Moses	<i>Skillset</i>	Interactive Media & Animation Manager
Kate O'Connor	<i>Skillset</i>	Director of Policy & Development
Gail Robinson	<i>Department for Culture, Media & Sport</i>	Head of Export, Education and Policy Co-ordination
Ian Robertson	<i>National Council for Graduate Entrepreneurship (NCGE)</i>	Chief Executive
Richard Smith-Bingham	<i>NESTA</i>	Head of Policy & Research
Prof Flavia Swann	<i>University of Sunderland</i>	Dean, School of Arts, Design, Media & Culture
Prof Maureen Wayman	<i>Manchester Metropolitan University</i>	Dean, Faculty of Art & Design
Anamaria Wills	<i>Creative Industries Development Agency (CIDA)</i>	Chief Executive

Contents

	Page
Executive Summary	6
Introduction	9
The Case for Intervention	11
The Creative Industries are important to the UK and global economies	11
The Creative Industries have a wider cultural and social significance	12
Creative graduates have a propensity towards self-employment	13
Further and higher education are key providers of creative talent for the sector	14
The creative sector is ripe for investment	15
The importance of situated learning experiences	16
Exploring the Key Issues	18
Cultural Issues	18
<i>Understanding 'Entrepreneurship': Lack of a common terminology</i>	18
<i>Tensions between creative expression and commercial realities</i>	19
<i>Compartmentalisation of HE provision</i>	20
Lack of sustainable learning opportunities	21
<i>Lack of sector-specific provision</i>	21
<i>Lack of support within the curriculum</i>	21
<i>Lack of scope and scale in external agency programmes</i>	23
Lack of an evidence base	23
Lack of sustainable funding	24
Diversity of the sector	24
Lack of appropriate information, advice and guidance	26
Specific issues facing further education	27
Problems with supply chains in the creative industries	28
Existing models of provision	29
1. Curriculum Embedded	29
2. Extra Curricular	30
3. Postgraduate Courses	31
4. Continuing Professional Development	32
5. External Agency Support	33
Summary	33

International Comparators	34
What are the key barriers to Development?	35
Lack of a coherent policy framework	35
Lack of understanding of what works	35
Lack of incentives	36
Lack of relevant, sustainable opportunities for entrepreneurial learning	36
Lack of common terminology	37
Creative vs commercial tensions	37
Information, Advice and Guidance	38
What changes are needed	39
Conclusions	41
References	42
Contributors	44

Executive Summary

1. The Creative Industries is the fastest growing sector of the UK economy growing at an average of 6% per annum and 10% globally. It contributes 7.9% towards UK GDP and almost 2 million people are employed within its 13 sub-sectors. It is a dynamic and innovative sector, characterised by a preponderance of small and micro-enterprises that rely heavily upon a constant influx of entrepreneurial, creative and flexible individuals. Rapid transformation in recent years caused by the impact of new technologies, particularly digital media, has altered the relationships between industry sub-sectors as well as breaking down the boundaries between creative producer and creative consumer. The Creative Industries coupled with the cultural sector also has a wider social significance and impacts on individuals, communities and society in ways that cannot be measured in simply economic terms. The sector is one of the most highly educated with around 43% having degrees or higher level qualifications, significantly more in some sub-sectors, compared with 16% of the workforce as a whole. We also know that graduates from creative arts, design and media courses are more entrepreneurial than their peers with around one third of all self-employed first degree graduates coming from these disciplines. Despite this, the current shortage of meaningful opportunities for entrepreneurial learning within HE and FE means that the majority leave education unprepared for the realities of forging a career in the sector.
2. This paper provides the background and evidence for encouraging and investing in graduate entrepreneurship to underpin the growth and development of the Creative Industries. It has been produced on behalf of the Department for Culture, Media and Sport's Entrepreneurship Task Group in recognition of the increasingly important contribution made by the Creative Industries to the UK economy and the critical role played by graduates. The paper has been developed and refined through a lengthy process of information gathering, collation of existing reports, studies and research followed by wide consultation across the education and Creative Industries sectors and represents a synthesis of the experience, evidence and findings of over 200 individuals from around 150 organisations and institutions.
3. This consultation process identified a number of key barriers that have prevented higher and further education from developing any long-term strategies for helping creative graduates to capitalise fully on their latent entrepreneurial talent despite the increased emphasis on the Creative Industries and the entrepreneurship agenda in recent years. In particular:
 - a. *The lack of a coherent national policy framework* that addresses entrepreneurship for the sector and the 46,000 graduates from the creative subjects annually has led to short-term, non-sustainable interventions with many existing programmes relying on short-term, external funding (eg European structural funds, Higher Education Innovation Fund (HEIF) projects and Regional Development Agency (RDA) funding) and lacking exit strategies for continuing support after funding ends.
 - b. *A lack of understanding of what works.* There is currently no real body of evidence or research that tells us what types of approaches to entrepreneurial learning work and in which contexts. In the absence of any specific guidance, institutions have been left to make their own decisions as to whether to introduce entrepreneurial learning opportunities, at what stage and of what type.

- c. *A lack of incentives* for institutions to focus on this area. Current Further Education (FE) and Higher Education (HE) Policy and funding does not promote the development of 'home-grown' entrepreneurial talent and there is little recognition or encouragement for academic staff who engage in enterprise activity and who might become effective leaders and enterprise champions.
 - d. *A lack of relevant, sustainable learning opportunities* both within and outside degree programmes means that graduates leave university unprepared for the realities of self-employment and that those already employed find it difficult to supplement their skills and knowledge gaps with appropriate training.
 - e. *Lack of a common terminology*. In many cases, the language and words used by the sector, by educators and by Government are incompatible and inconsistently applied. The Government's focus on 'enterprise' and 'entrepreneurship' lacks relevance for creative individuals whilst preferred terms such as 'self-employed' and 'freelance' can have pejorative connotations and do not carry the political weight needed to convince policy makers.
 - f. *Tensions between creative expression and commercial realities* whereby academic staff and students are uncomfortable with the perceived conflicts between creative freedom and real-world utility.
 - g. *A lack of appropriate information, advice and guidance*. Careers advisers in HE and colleges are not sufficiently 'clued-up' about careers in the creative sectors or entrepreneurship and often fail to promote or recognise the importance of self-employment as an option.
 - h. In addition, there are a number of specific issues facing the FE sector that arise largely from their relationship with the Learning and Skills Council (LSC), however the sector does have a lot to offer in terms of close links with local communities and business.
4. The Task Group has identified that there is a growing body of good practice across higher and further education and five distinct provider models for entrepreneurial learning and development have emerged. These emergent models provide a useful starting point and represent an increasing body of experience and understanding for further analysis to inform future developments and build relevant and sustainable opportunities. There is currently insufficient understanding about these different approaches, their effectiveness and impacts, although evidence suggests that the curriculum embedded 'assimilated' model appears to offer considerable benefits for both institutions and students. Different combinations of these models are in operation in different institutions, within different departments and courses and across various disciplines and they can be broadly categorised as follows:
- **Curriculum Embedded** *Assimilated /Bolt-on*
 - **Extra-curricular activities**
 - **Post-Graduate Courses**
 - **Continuing Professional Development**
 - **External Agency Provision**

5. The evidence clearly identifies the need to increase capacity for entrepreneurial learning across HE and FE to maximise opportunities for all students to develop entrepreneurial qualities to ensure the continued success and competitiveness of the Creative Industries. To achieve this, a more strategic approach is recommended and The Task Group has identified the following priorities for action which are explained in greater detail in the accompanying paper, *Making the case for Public Investment*:
 - a. Development of a National Framework for entrepreneurial learning.
 - b. A comprehensive investigation and evaluation of the existing provider models.
 - c. Investment in curriculum innovation and creative infrastructure to create incentives.
 - d. Establishment of a National Creative Enterprise Programme that builds on existing good practice and exemplars to increase the scope and scale of opportunities.

Introduction

1. Higher and Further Education are in an unparalleled position to support the growth and future sustainability of our Creative Industries, not only by developing the creative entrepreneurs of the future, but also by engaging with the sector in research and knowledge transfer activities. They have the potential to address entrepreneurship within and outside the curriculum, and both during and after undergraduate programmes provided they have the means and the motivation to so.
2. In recognition of this potential, as well as a realisation that more needs to be done in order to achieve it, the Department for Culture, Media and Sport established a Creative Industries Higher and Further Education Forum, chaired by Creative Industries Minister, James Purnell, to explore and develop the potential for engagement between HE, FE and the sector. The Entrepreneurship Task Group was set up as a working-group of the Forum in 2004 and is chaired by Dr Marilyn Wedgwood of Manchester Metropolitan University and its main focus is the development of graduate entrepreneurship for the Creative Industries.
3. For a number of years, academics and policy makers amongst others have been exploring the issues of entrepreneurial learning and entrepreneurship in the Creative Industries and interest has grown significantly across the sector. We now have a far better understanding of the issues, however the resulting evidence and information is contained within a vast range of documents, publications and sources held in different locations. This paper has been developed as an attempt to make sense of the situation by synthesising the available evidence and bringing this together with current knowledge and the recent experiences of a range of stakeholders. It brings together information from a variety of sources including reports, studies, research papers and Government documents in an attempt to draw out the key issues, barriers and opportunities faced by the education and Creative Industry sectors when trying to develop opportunities for entrepreneurial learning. The paper was widely circulated and during the summer and autumn of 2005, a series of meetings, discussions and consultations were held with a range of stakeholder organisations, institutions and individuals to test the themes and arguments of the paper and tease out any additional areas to be addressed.
4. This process has identified and confirmed a number of key issues and barriers that have prevented the development of opportunities for entrepreneurial learning and increases in the scope and scale of existing provision. In particular, it is clear that the lack of any defined national policy or strategy has led to a fragmented and piecemeal approach to development that leaves the majority of creative graduates unprepared for the realities of self-employment. The situation is similar to that faced by the science, engineering and technology sector some years ago which was addressed effectively by the introduction of a ten year strategic framework.
5. The paper was presented to and approved by the DCMS Creative Industries Higher and Further Education Forum in December 2005. The paper and the Task Group's work has the explicit endorsement of the Council for Higher Education in Art and Design (CHEAD) and UK specialist Art and Design Colleges (UKADIA).

6. This paper brings together the insights gleaned from the investigative and consultative processes and provides background evidence to support the case for increased emphasis and investment in the development of entrepreneurial learning for the Creative Industries set out in the companion document *Making the case for Public Investment* in which four key recommendations are put forward. The Task Group would like to thank all those who have contributed to the consultation process, provided case studies and exemplars and helped us to build a better understanding of the issues.

The Case for Intervention

7. The Government has pledged its commitment to developing the latent entrepreneurial talent within our HE institutions through the establishment of the National Council for Graduate Entrepreneurship (NCGE) in 2004. Policy makers and HE institutions have historically looked to science, technology and business to deliver significant entrepreneurial activity, yet it is increasingly evident that the creative industries offer a wealth of opportunities that have so far been largely untapped. Some remain sceptical about the ability or responsibility of post-school education to turn creative people into entrepreneurs, however the following arguments outline some of the reasons why this is an area for development that we cannot afford to ignore.

The Creative Industries are important to the UK and global economies

"The most successful economies and societies in the twenty-first century will be creative ones. Creativity will make the difference – to businesses seeking a competitive edge, to societies looking for new ways to tackle issues and improve the quality of life."

Chris Smith, former DCMS Secretary of State, 2001

8. The Creative Industries are recognised as the UK's fastest growing industry sector, growing by twice the rate of the economy between 1997 and 2002 at an average of 6% per annum. Within this, the largest growth has occurred within the Television and Radio, Advertising and Software industries. DCMS statistics show that the Creative Industries accounted for 8% of Gross Value Added (GVA) in 2002 and 7.9% of Gross Domestic Product (GDP) in 2000 – a higher proportion than in any other country. Furthermore, the widespread recognition of UK creative talent overseas means that exports have grown by an average of 11% per annum during the same period, contributing £11.5 billion to the balance of trade, more than the construction, insurance and pensions industries and twice that of the pharmaceutical sector. It is clear that the creative industries are an important contributor to the UK economy.
9. The Creative Industries are also important in terms of their interrelationships with and contribution to other sectors of the UK economy. The recent Cox review concluded that creativity and innovation are vital ingredients for enhancing productivity within the Small and Medium Enterprise (SME) base and that harnessing innovative design leads to sustainable business success across the range of industry sectors. The sector is also linked to the science and technology agenda with much of the recent economic growth stemming from the development of 'new' industries such as interactive media, computer gaming and music technology that rely on the interface between creative arts and technological development. We also know that the 'virtuous circle' of research and development, innovation, application and reflective learning is vital to the continued success of our creative industries.
10. The sector is a major economic driver globally accounting for approximately 7% of GDP and growing at 10% per annum with an increasing number of countries, regions and cities forming investment strategies that position the Creative Industries at the heart of economic development.

Queensland, New Zealand, Hong Kong and Singapore have Creative Industries Strategies and investment frameworks that address education as a key priority for developing the sector. Now China is investing heavily in the Creative Industries and applying a broad definition of creativity that has impact across the breadth of their industrial/commercial base.

11. The Scottish and Welsh Assemblies both recognise the importance of the sector as an agent for regeneration and in Northern Ireland, the 'Unlocking Creativity' initiative brings together four Government Departments to make connections between education, business, the cultural sector and the community to reflect the cross-cutting nature of creativity. In recognition of the regenerative capacity of the sector, the United Nations Conference on Trade and Development has established a high-level panel on Creative Industries to help developing countries strengthen their Creative sectors as a potential source of employment, export earnings and poverty alleviation and there are plans to establish an International Centre for Creative Industries in Brazil. It is vital that we act now to capitalise on our creative talent if we are to maintain and improve our competitive position in the UK.

The Creative Industries have a wider cultural and social significance

"Creative and cultural industries do not matter just because they are a large and growing part of the economy. They matter because they also provide benefits to the rest of the economy and society. They have a multiplier effect that stems in part from the way that creative skills and thinking are vital to most industries."

Leadbeater 2005

12. Alongside these arguments, we must bear in mind that the Creative Industries have a more far reaching significance than can be expressed in simply economic terms. We know from the relatively low levels of salary reported by creative entrepreneurs that financial reward is not the key motivational factor in choosing self-employment. There is also reportedly an increasing trend towards social entrepreneurship amongst creative graduates and many others will seek careers in the cultural and not-for-profit sectors. It is easy to downplay the importance of such activities as they are often not seen to have direct economic benefits, however examples from across the UK show that development of the cultural sector does lead directly to regeneration, increased investment and growth (for example Manchester's Northern Quarter and Quayside in Newcastle where commercial businesses have been attracted by the development of a cultural and creative hub). As Richard Florida (2002) puts it: *"Artists are the canaries down the mine of the creative economy: when artists thrive in a town it's a sign that the environment is healthy. Investment will tend to go where clusters of creativity, knowledge and talent come together."*
13. Increasingly, there are a growing number of examples of the cultural sector engaging with industry and creating opportunities for commercialisation and diversification, for example museums and galleries undertaking commercial projects, and HE has a role in facilitating such developments. Furthermore, the portfolio nature of employment of creative individuals means that they move freely between the cultural, creative and educational sectors, taking with them experience and knowledge from which each sector benefits. A vibrant creative economy relies on the co-existence and cross-fertilisation of cultural institutions and creative industries.

Creative graduates have a propensity towards self-employment

"In the cultural and creative sectors people are three times as likely as the working population in general to become self-employed, most often as solo businesses without employees"

Baines and Robson, 2001

14. Evidence has shown that graduates from creative disciplines are more likely to become self-employed, set up businesses or undertake freelance work than their peers studying in other subject areas. In 1999, the 'Destinations and Reflections' longitudinal study of art and design graduates from 14 HE institutions found that not only were they more likely to be involved in self-employment overall (42% of the sample had undertaken some form of self-employed work during the five years since graduation), they are also more likely to become self-employed at an earlier stage in their career, whether on a full-time or part-time basis.
15. More recently, the National Council for Graduate Entrepreneurship organised a series of Flying Start rallies in 2005 across the UK for graduates interested in self-employment and business start-up. These rallies were open to graduates from across the spectrum of academic subjects, however applications showed a large bias towards the creative industries. Of the 84 selected for the Flying Start Programme in Cambridge, 50% are setting up in the creative industry sectors. Compare this with the overall picture of first degree graduates where those from creative programmes constitute just 14% of the total Higher Education Statistics Agency (HESA) and we see clearly that creative graduates have a higher inclination towards business start-up and entrepreneurship.
16. A report by Graduate Prospects in 2005 showed that despite a very low proportion of first degree graduates going into self-employment overall (2.3%), of those who did, over a third had studied creative arts and design subjects (36.8%). This represents 1 in 12 of the total cohort of creative arts and design graduates and is the highest figure across all subject categories.
17. There are a number of reasons for this increased bias towards self-employment including the following:
 - a. Creative disciplines direct graduates towards the creation of new, innovative or desirable products and aesthetic experiences that by definition have some market value. Unlike the majority of HE programmes which have a more academic, theoretical and analytical basis, most (although not all) art, design and creative programmes offer practical and professional experiences that prepare graduates for the development of creative product and original content.
 - b. The emphasis on creative freedom and the ethical considerations of many creative graduates also means that they are less likely to be satisfied by work which involves compromising their individual creativity at the behest of an employer and therefore they are more likely to seek avenues that allow them to express their creativity more freely. A number of creative entrepreneurs consulted through the discussion process reported significant tensions between their creative endeavours and the day to day concerns of running a business that they felt impeded their creativity.
 - c. We need also to bear in mind that many creative graduates will become self-employed through necessity rather than choice as the preponderance of micro businesses means that employment

is often hard to come by and the desire to work within the sector often means that the individual has no choice but to set up alone. There are suggestions also that the failure of our wider industry base to recognise the value of creativity means that there are few job opportunities for creative graduates to use their skills outside the creative sector. Research by NESTA suggests that many graduates become self-employed almost by accident, establishing businesses as a by-product of the process of creative practice.

- d. Teaching methods and practices on many creative programmes, particularly in Art and Design, have a problem-solving and project based focus that encourages students to think creatively and identify opportunities thus making them more open to entrepreneurial thinking.
18. This increased inclination of graduates from creative disciplines towards entrepreneurial activity means that they must be a prime target for any initiatives aimed at encouraging greater numbers of sustainable graduate start-ups. These creative people often have something marketable to contribute and Higher Education is uniquely positioned to help them to develop the skills and knowledge to be able to capitalise on their talent.

Further and higher education are key providers of creative talent for the sector

"The Creative Industries are more graduate-rich than any other key sector in the UK economy. For example, in the South West region, 43 per cent of employees in the Creative Industries sector have a first degree or higher."

NESTA, 2003

19. Evidence from a variety of sources shows that the majority of those working in the creative industries, including creative entrepreneurs, have higher level qualifications than their counterparts in other industry sectors. This is particularly noticeable in areas such as digital content production where a recent 'vox-pop' in Greater Manchester carried out by the Creative Industries Development Service (CIDS) suggests that around 75% have higher level qualifications, although some sectors show lower levels of graduate employment (eg around 30% in music and 40% in design). Over 80% of freelancers in the audio-visual industries are graduates with 30% of these holding postgraduate qualifications (Spilsbury Research 2002).
20. For much of the creative sector, higher education is the main single source of entrants and given that the Government is committed to ensuring that 50% of all school leavers continue onto study in HE, it is clear that HEIs have a role in providing some level of vocational skills development. Furthermore, where self-employment and freelancing are identified as key employment options within a sector, it is not enough for HE to focus simply on developing creative and technical skills, it is vital that it also helps students develop their abilities to identify opportunities and link creative ideas with commercial know-how as well as providing a grounding in the realities of freelance working and an understanding of how to manage and develop their own career portfolios and expectations.
21. The picture as regards to further education is slightly more ambiguous with sources suggesting that FE programmes provide a route into HE creative programmes rather than directly into the industries (New Media Partners, 2004). The lack of nationally collated statistics on FE destinations means that we cannot be sure of the full picture, but one FE college in the northwest estimates that around

80% of those completing art and design qualifications progress to higher education. Whilst there are clearly some innovative centres within FE institutions that have established good links with industry to provide contextualised, vocational learning experiences, sometimes in partnership with HE through foundation degree programmes, it is not clear how well these programmes prepare students specifically for entrepreneurial activity as opposed to employment in general.

22. The HE and FE community as a whole is supportive of this agenda and has broadly embraced the fact that it has a responsibility for ensuring that students leave programmes prepared to some extent for careers in the Creative Industries, including self-employment. However, there is a clear understanding that this role should not be one of training students to be entrepreneurs, but rather developing their entrepreneurial capacity through encouraging a set of attributes and behaviours rather than simply developing business skills. This can best be served through curriculum models which facilitate experiences that allow tacit learning and development of self-efficacy and confidence as well as providing information and guidance and helping students learn how to manage their expectations and careers.
23. Some developments are already underway. In 2005, the Higher Education Funding Council for England (HEFCE) announced funding for 74 Centres for Excellence in Teaching and Learning (CETLs), 15 of which refer specifically to creative industry sectors, arts and humanities and others have a focus on work based learning and entrepreneurship. ArtsWork Learning Lab at Bath Spa University aims to: *“define new models of arts education, allowing students to explore innovative ways of learning and teaching so that they can enter the creative industries with a portfolio of skills and completed projects that have been shaped, developed and assessed in the context of the marketplace”*. Although these centres are in the early stages of development, they should provide a natural setting for the development of contextualised learning opportunities to develop entrepreneurship as well as wider skills for the sector.

The creative sector is ripe for investment

“Most creative businesses are like those in the computer games industry: they tend to be small, under-capitalised and under-managed. They get by with improvisational entrepreneurship, by the seat of their pants.”

Leadbeater, 2004

24. Much of the focus of entrepreneurship education to date has been on the science, engineering and technology departments where it has been assumed that the greatest potential for economic gains lies. The Science Enterprise Challenge Scheme (SEC) launched by the Office of Science and Technology (OST) in 1999 saw the development of twelve Enterprise Centres involving university partnerships and aimed to embed enterprise education within students' learning experience. Although this was directed towards developing entrepreneurship in the science, engineering and technology disciplines, it provides a useful example of how contextualising activity within programmes can have a greater effect on fostering entrepreneurialism.
25. Whilst the Science Engineering and Technology (SET) agenda has benefited from significant investments in recent years and continues to be prioritised through the Ten Year Science and Innovation Investment Framework, it can be argued that these disciplines do not have the same

potential for growth that we see in the creative industries, largely because of the high levels of investment and seed funding needed to get such businesses off the ground or to commercialise ideas in the marketplace. These enterprises often need huge levels of private investment that most of our universities simply do not have the experience in generating.

26. Compare this with the reality of creative start-ups. Although it is true that some businesses will need higher levels of investment in order to develop creative content, deal with complex supply chains and technological demands to thrive in a competitive marketplace, (for example, the computer games industry, film, animation and fashion) businesses from many of the sub-sectors are able to start up on a small or micro scale, developing on a project by project basis and utilising support from freelancers. The key asset in these businesses is the creative talent of the individuals involved and the resulting intellectual property which often does not rely on large scale investment to create marketable products. Difficulty arises because the value of these products is often symbolic rather than intrinsic and so relies on the consumer/audience recognising it. Creative producers have to develop and even educate their own markets. The barriers for creative businesses often arise at a later stage when the company tries to expand or sustain its market position yet lacks the commercial awareness to do so.

The importance of situated learning experiences in developing entrepreneurial behaviours

“Entrepreneurial learning in the cultural industries appears at its most powerful when entrepreneurs are ‘doing’ and reflecting on ‘doing’ business within their sector contexts.”

Raffo et al, 2000

27. Despite the encouraging statistics demonstrating the entrepreneurial intentions of many creative graduates, it is also true that these graduates often leave HE largely unprepared for the realities of forging a career in the creative industries. Whilst this lack of preparedness does not necessarily prevent graduates from starting businesses, it does cause difficulties in terms of poor management, planning and strategy that hinders development and growth.
28. The ‘Destinations and Reflections’ survey (1999) found that graduates valued business and professional studies elements in their programmes in terms of career development, however stated that this element was lacking from many undergraduate programmes. Speaking at the launch of the London Centre for Arts and Cultural Enterprise in 2005, former Minister for Culture, Chris Smith stated that HE has a number of key responsibilities in terms of building relationships with the cultural and creative sector, including providing “hard nosed teaching and development alongside thought provoking intellectual stimulation” and nurturing creative spirit and business skill.
29. For most, whilst they have been able to develop their creative skills, they have largely not gained any real experience of the industry or of commercialising their work or an understanding of how to go about this following graduation. Furthermore, they lack the commercial awareness, know-how (and ‘know-who’) as well as the confidence to successfully make the transition from education to the workplace. Responses from students in the *Destinations and Reflections* survey suggested that they did not feel that university had prepared them adequately for careers in the creative industries.

This point was reinforced by the creative graduate entrepreneurs consulted as part of this consultation who reported that their HE experience had lacked appropriate information and guidance resulting in their reluctance to set up as companies because of a lack of understanding of what that would entail. They feared that the transition would involve too much red-tape and would constrain them.

30. The 'Destinations and Reflections' survey shows that art, design and media graduates are also the least likely to have had access to a work experience placement opportunity whilst at university, although the vast majority of those who had agreed that the experience was beneficial to their future careers. There were strong concerns amongst the graduates over the 'lack of contact with the world of work' with only 29% having undertaken a work placement (ranging from 13% in fine art to 58% in fashion) and of these, only 7% had work experience of 35 weeks or more (most were less than 6 weeks). 70% of those who had undertaken a placement felt that it had been useful and important. More tellingly, the survey showed that those graduates who had work experience as part of their programme were significantly more likely to have been in full-time employment or self-employment since graduation than those who did not have this opportunity.
31. Whilst it is true that not all those graduating from art, design and other creative programmes will want to become self-employed, (or indeed that all those seeking to work in the Creative Industries will be from 'creative' disciplines) by developing the propensity for creative graduates to behave 'entrepreneurially', we not only help the drive towards increased numbers of new business starts that will boost the sector, we also increase the potential of creative individuals to make a strong contribution when working within a larger organisation, whether within the creative industries, or other sectors, be they public, private or voluntary.
32. The success of initiatives to develop entrepreneurial qualities and behaviours therefore will not only be reflected (in the short or long term) through an increase in the number of graduates starting businesses, but also in the increase in growth potential of existing companies employing these entrepreneurial individuals. It is important therefore that we address the ways in which creative programmes of study are able to instil in students an understanding of the realities of working in the sector along with an entrepreneurial mindset that will prepare them for portfolio careers and self-employment following graduation.
33. It is clear that work placements and other opportunities for contextualised learning such as live project work and mentoring schemes have real benefits for students and that by making links at this early stage with the sector, graduates are more likely leave university equipped with the skills, knowledge and access to networks and communities of practice that allow them to make their way more quickly and confidently in their chosen field.

Exploring the Key Issues

34. This section examines some of the underlying issues, both cultural and operational within FE, HE and the creative industries that have resulted in the current fragmented landscape of support. These issues have resulted largely from a lack of focus and coherence across national policy initiatives which have impeded progress in entrepreneurial development.

Cultural Issues

Understanding 'Entrepreneurship': Lack of a common terminology

35. One of the first problems we encounter when working with higher and further education to encourage and develop an entrepreneurial mindset and culture is that we have largely lost sense of what entrepreneurship really means. Within HE and FE, entrepreneurship education has been developed almost entirely within or by the business schools and is seen as practically interchangeable with business start-up and enterprise. This attachment of entrepreneurship to business and commerce came about as long ago as the 18th/19th Centuries and has resulted in the present day perception of entrepreneurial activity which is divorced from its true context:

"Entrepreneurship is embedded in the restricted code of business and seems extraneous to a broader range of thought and action. This artificially limits the appeal of entrepreneurship to faculty and fields of study across the university."

Green, 2005

36. Contrary to its seemingly inextricable link with commerce, the original meaning of entrepreneur, derived from the French verb 'entreprendre' meaning 'to undertake', is a person who creates or starts a new project, opportunity, or venture. Kirzner (1973) defined the entrepreneur as a 'noticer of opportunity'. These interpretations show how entrepreneurship has a far broader significance across the breadth of the curriculum rather than being focused strictly on teaching graduates how to start-up and manage businesses. This concept of 'noticer of opportunity' also fits much more comfortably with the experience of the creative student and is perhaps the key to introducing entrepreneurial experiences and opportunities within the curriculum to augment the student experience.
37. This 'opportunity spotting' approach is not simply related to commercial gain but is part of developing a heightened understanding of how the creative process and product fit into the wider context of society, whether through project work, networks, social or commercial enterprise, cultural activity or other means. Some Art & Design and Media departments already provide such opportunities by encouraging students to participate in community projects and organisation of events (eg public exhibitions linked to final year shows), however this is generally dependent on the initiative of individual tutors and availability of external, short term funding rather than being formally incorporated within the curriculum structure or organisational aims.
38. The word 'entrepreneur' is widely disliked within the creative sector, largely because of negative connotations brought about by images in the media that have tended to depict entrepreneurs as either dodgy 'wheeler-dealers' (the 'Del-Boy' factor) or as hard-nosed business people (eg Alan Sugar

or BBC2's 'Dragons'). The sector lacks any appropriate alternative, preferring terms such as 'self-employed' and 'freelancer' which themselves carry implications of small, 'lifestyle' businesses with little commercial value, or avoiding the issue altogether by referring to specific roles (artist, designer, film-maker etc). The arbitrary 'demonization' of the word 'entrepreneur' may be difficult to overcome, however it is interesting to note that the preferred term 'freelance' has a far more unsavoury origin, deriving from a medieval feudal system where knights would pay mercenaries (free lances) to fight for them.

39. Entrepreneurship in its truest sense is not a sub-topic within the business curriculum but relates to a set of attitudes, beliefs and competencies that cut across all areas of life and contexts including, but not limited to self-employment, freelancing, social enterprise and employment in a larger organisation (often referred to as 'intrapreneurship'). The entrepreneur can be described as one who makes things happen, a 'mover-shaker', a creative thinker, a Go-getter. Entrepreneurialism is an alternative way of viewing the world to the analytical and critical viewpoints that are taught within HE and FE and which enables students to make the transition from academic theory and creative practice to understanding and capitalising on the wider application of their work in society.
40. The nature of many creative degree programmes and departments puts them in an ideal position to be able to help students make these connections and many programmes will already be providing learning experiences that allow students to develop these entrepreneurial skills. The trick is to identify, articulate and formalise these experiences to enable students to recognise what they have learned and how it might be applied across different contexts. The introduction of Personal Development Planning within HE could be one means of formalising and recording such learning experiences, as an example, the University of Winchester's Art and Design Faculty requires students to develop and continually update a 'live CV' which encourages them to articulate their experiences clearly and identify key learning.

Tensions between creative expression and commercial realities

41. Many academics see the introduction of entrepreneurship education as yet another government initiative that attempts to cram increasingly more content into an already over-full curriculum. The introduction of shorter terms, increased modularisation and pressure to move towards 2-year degrees means that students have less time for activities that they do not see as of direct relevance to them at the point of delivery. Some claim that it detracts from the core business of academia and threatens the once-in-a-lifetime opportunity that students have to exercise total creative freedom without having to focus on commercial applications of their work.
42. This paper does not argue against the value of such creative freedom, indeed it wholeheartedly supports it as it allows graduates to push the boundaries and develop the impetus to be truly innovative in their careers, yet it is important to recognise that unchecked, this freedom can foster a level of 'preciousness' amongst students that prevents them from seeing the importance of real-world issues and commercial realities that would enable them to leave university with a realistic idea of what they can achieve. It should be recognised that there is a close link between creativity and entrepreneurship in its truest sense where exploration and experimentation with regard to meeting future needs are encouraged, and that innovative curriculum models introduce entrepreneurial learning experiences that not only do not encroach on the process of creative growth but in fact enhance it.

43. Failure to address real-world considerations within degree programmes results in talented individuals leaving programmes lacking confidence when putting a commercial value on their work, which creates problems for those considering self-employment. Comparisons with other industry sectors tend to be unhelpful and general business support services both within and outside HE and FE often fail to understand the differences. These tensions can lead to a general atmosphere of discomfort where graduates doubt the ethics and viability of starting a business that relies on their creative talent. The most effective way of ensuring that students are able to overcome these tensions is by institutions working collaboratively with the sector, looking to the experience of creative entrepreneurs and cultural organisations to assist with curriculum development and opportunities for 'cross-fertilisation' of ideas and knowledge.
44. Where entrepreneurship is delivered within programmes, one of the most frequently reported conflicts is with relation to assessment. It can be difficult to match what a student will need to develop in terms of skills for the workplace with what they need to produce as a piece of academic work for assessment. This is a challenge for the curriculum developers, however if the capacity building approach is used as opposed to straightforward skills development, it may be easier to recognise tacit learning outcomes within existing structures.
45. Some studies (eg. Ropke, 1998) have suggested that higher education can actually make graduates less entrepreneurial by developing the analytical and theoretical skills to the detriment of more lateral thinking abilities. It is often reported that students on arts and creative programmes are generally more practical, 'right brain', lateral thinkers than many of their peers and as such, these students already have many of the latent competencies that are needed for entrepreneurship and it is important that they are allowed to continue to develop these fully. We also know that a high proportion of students on art and design courses have some level of dyslexia (as many as 25% on some programmes). The reality is that these students can often be at a disadvantage as despite their creative and visualisation abilities, the requirement to present ideas in written format within the examination and assessment structure requires a set of disciplines that come less naturally to them.

Compartmentalisation of HE provision

46. There is widely felt to be a gulf between art, design and creative departments and the business schools with a good deal of mistrust and misunderstanding between them. Some institutions' attempts to work across disciplines have served only to deepen this gulf as 'business' modules developed by business schools have been seen to be inappropriate to the creative curriculum.
47. The rigid faculty/departmental structures that have long been the norm within HE and FE institutions also polarise the arts and humanities from the science and technology disciplines and work against inter-disciplinary collaboration. Students and staff from the different subject areas rarely come together in the educational setting meaning that the potential for new and innovative cross-sectoral research and development is curtailed. A 2001 report by the Council for Science and Technology states that *"Many of the most exciting areas of research lie between and across the boundaries of the traditionally defined disciplines"* yet the existing 'silo' approach to education prevents such cross-fertilisation of ideas.
48. Discussions with creative entrepreneurs have highlighted the usefulness of bringing together people from different disciplines collaboratively as they start their businesses, for example designers working

with business students to develop marketing strategies and animators working with IT students to develop new media and interactive technologies. It is clear that such interactions are vital to the success of those working in the sector, yet they have not been widely encouraged in the educational arena. The compartmentalisation of UK education in fact prevents the development of innovative, inter-disciplinary solutions and serves to keep apart students who could usefully work together.

Lack of sustainable learning opportunities

Lack of sector-specific provision

“Do not train a child to learn by force or harshness but direct them to it by what amuses their minds, so that you may be better able to discover with accuracy the peculiar bent of the genius of each.”

Plato

49. According to the latest Higher Education Business and Community Interaction Survey (HEFCE, 2005), 68% of UK HEIs offer entrepreneurship training, 75% offer business advice and 39% have on-campus incubators. These figures show growth in provision from the previous survey and indicate a broad acceptance within HE of the value of providing entrepreneurship support. However, the statistics do not tell us about the effectiveness and take-up of support provided, nor is it possible to ascertain whether the existing initiatives have strong links with academic departments. What is known is that much of the support consists of generic programmes that are open to students of all disciplines. Whilst such programmes have their value, the lack of creative industry specialist knowledge is a drawback as students/graduates need access to specific advice and information about supply chains, networks and processes that are not common to other sectors.
50. Research undertaken by NESTA has indicated that what works for business students generally does not work for creative individuals who are often 'turned off' by traditional enterprise programmes. NESTA used their research to inform the development of their Creative Pioneer Programme which attempts to communicate with the graduates in a way they can relate to, avoiding use of 'business speak' and approaching business instead from a design perspective. The approach is successful, although limits on size of cohorts mean that currently only a handful of the most innovative graduates benefit each year.
51. Where focussed creative industry programmes do exist within HEIs, these are often small scale and short-term funded, often through non-sustainable sources such as ESF and ERDF. Such initiatives tend to rely on the input of individual academics who see the value of such work, however much of it is done without any real support from the institution. Such programmes can also have difficulty recruiting talented entrepreneurial individuals from across the range of sub-sectors to act as mentors and tutors meaning that students still do not always benefit from direct contact with networks in their own sub-sector.

Lack of support within the curriculum

52. Since the Dearing Report (1997) recommended that HEIs *“consider the scope for encouraging entrepreneurship through innovative approaches to programme design and through specialist postgraduate programmes”*, universities have responded by developing entrepreneurship courses

which vary from discrete enterprise modules offered within business courses to full qualifications at undergraduate and postgraduate level. Some aim to teach students about entrepreneurship whilst others aim to prepare them for it. In general, these courses and modules have been developed by the business schools, sometimes within specific entrepreneurship units. Some initiatives bring together expertise from both arts and business departments, for example the Centre for Creative Business, a joint project developed by University of the Arts London and London Business School using HEIF funding which provides entrepreneurial training and support for creative practitioners as well as development opportunities for existing students. Whilst the availability of such programmes would appear to be a positive step in encouraging greater numbers of entrepreneurs, the reality is that they only attract and benefit those for whom entrepreneurship is already an interest.

53. Much of the existing support focuses on extra-curricular activity, often at the graduate level, however research has shown that students on creative, arts and design courses generally do not follow programmes with a specific career aim in mind, unless the course has a clearly advertised vocational/industry focus. Blythe (in Dumelow et al 1999) states that Art and Design graduates have very low 'careerist' motivations for study so they are unlikely to seek out entrepreneurial learning opportunities that take place outside the curriculum. For those studying in creative disciplines, the idea of entrepreneurship can seem irrelevant to their needs and interests and the fact that entrepreneurship is seen as an offshoot from the business schools only serves to alienate them even further.
54. There are indications that the HE curriculum is not providing the sorts of skills that creative entrepreneurs need and want. A study of creative entrepreneurs in the northwest region (Raffo et al) in 2000 highlighted that many considered that their university education taught them nothing that was useful when they came to set up and develop their businesses. They cite extra-curricular and self-directed activities as providing the best education and preparation for self-employment and are quite disparaging of the value of HE study which does not provide sufficient opportunities for contextualised 'learning by doing' followed by active reflection.
55. There is considerable evidence (CIDS, Skillset, National Music Council etc) to show that the skills needed by creative entrepreneurs (and indeed the sector overall) are in fact wider and that the term 'entrepreneurship' is generally held to cover and include a range of 'soft' skills such as communication, team-working, customer handling, presentation, project management etc, much of which is already embraced within the employability agenda.
56. Underpinning these skills, and perhaps more important to creative practitioners, are a number of key competencies/abilities which include the ability to balance creative independence with collaboration; to be pro-active and flexible as well as self-management; networking and self-sufficiency (Burns 2005). The creative sub-sectors tend to place different demands on those working within them such as the need to work in clusters or creative communities where teams are formed on a project by project basis. They also often create products that have no immediate market for them, meaning that they have to educate consumers and create their own markets. Those already working in the sector are best placed to understand these issues, however HE does not always engage effectively with the sector in order to bring this knowledge within its learning programmes.
57. Placement opportunities for students in many of the sub-sectors can be scarce, although some institutions are making efforts to develop this provision. One key issue is that placements can be a drain on the time and resources of SMEs (particularly the micro-enterprises that characterise the

sector) and arts organisations as they are often developed by HE with little consideration of the pressures on the host organisation or how the placement might be helpful to them. Ill-thought-out placements are less than satisfactory for students as they fail to stimulate excitement and enthusiasm for the 'real world' experience. Where placements are developed collaboratively between HEIs and the host organisations to provide a meaningful experience for the student coupled with an opportunity for the host to meet a particular need within their organisation, the relationships between HE and the sector are strengthened. As Burns (2005) states, "this is a two way street" and collaborations should be mutually beneficial to both partners if they are to be more widely introduced.

Lack of scope and scale in external agency programmes

58. Specialist programmes developed by sectoral agencies and organisations such as NESTA, Crafts Council and Design Council offer innovative approaches to developing the entrepreneurial capability of creative graduates and have achieved significant gains in terms of numbers of start-ups and survival rates. Financial support is also available through some schemes, however many of the generic schemes exclude graduates. These organisations provide real links with the creative sectors however they are only able to support small numbers of graduates each year. They are keen however to work with HE to develop programmes using their models, for example, NESTA are now working with university partners in Glasgow, Birmingham and Ulster where scaled down versions of their Creative Pioneer Programme are being offered to graduates. More could be done to facilitate joint projects and developments with these industry bodies that enable larger numbers of students and graduates to access high quality learning and development experiences.

Lack of an evidence base

59. Progression routes of those completing creative programmes in HE are difficult to track due to the inadequacy of existing statistical sources such as HESA destination surveys which account only for employment within the first six months of graduation, known to be a poor indicator of longer term employment patterns, particularly in the creative sector. In FE, there is currently no nationally collected destinations data. It is even more difficult to assess outcomes of particular interventions such as entrepreneurship education initiatives where it may be some years before any real impacts are evident and it is difficult to separate the effects of the specific intervention from the general benefits of the educational experience. It is important therefore that more work is done to track progression routes on a longitudinal basis to ascertain where graduates from creative programmes really end up between 2-10 years after graduation, and to develop appropriate metrics for measuring impact across a range of career outcomes.
60. Although many departments maintain informal links with their alumni and some collect their own destinations data, there has been no large scale tracking exercise for some years, and those that do exist cover only limited course groups. It is timely that some significant investment be put into developing a system of longitudinal tracking to provide a more accurate picture of progression from HE across the full range of creative sub-sectors.
61. There is a growing body of good practice in HE and FE in the development of entrepreneurial learning opportunities and a number of emergent models but institutions have been left to decide what approach to take without any real guidance or body of evidence as to what does and does not

work, in what context or for which sub-sectors. The short-term funding of many projects also means that tracking and evaluation of effectiveness over time is largely missing.

Lack of sustainable funding

62. Whilst there are strategies around entrepreneurship education at both pre and post 16 levels, there is no comprehensive, long-term national strategy that addresses the incremental development of entrepreneurial behaviours across the educational experience. Funding for entrepreneurship education has been patchy and has not always had an impact on the creative sector. HEIF funds introduced by HEFCE aimed to provide financial incentives for HEIs to engage in 'third stream activities', forging links with local enterprise and the community and the more recent development of HEIF as a sustainable funding stream has helped pump-prime projects that benefit students and graduates by building entrepreneurial capacity (for example the London Centre for Arts and Cultural Enterprise, a collaborative project of 7 universities and arts institutions in London). Much HEIF funding has gone, however, into activities which work with existing companies rather than encouraging the development of new enterprises by supporting their own students and graduates. Whilst this is understandable given that such projects offer HEIs significant potential for income generation, it means that widespread development of entrepreneurial learning for students within HE is not always prioritised.
63. Many HEIs are currently missing out on the opportunity to work directly with students and graduates and effectively 'grow their own' creative entrepreneurs. Current research underway in a joint project between the HE Academy's Art and Design subject network with NESTA and other partners has identified through early focus group interviews that many graduates would like to have the opportunity to maintain links with their university and department after graduation. They would like support from their university in pursuing self-employment, often several years after they graduate, but are also keen to 'give something back' by way of providing links with the industry. The institutions can in turn provide graduate entrepreneurs with access to specialist equipment and workspace that is often beyond their fiscal capacity. HE is largely under-resourced in this area, however it is easy to see how such continued links would be beneficial for both the institution and the individual.
64. Some HEIs do already offer continued links and support for their graduates, but this often has to be managed as a 'by-product' of existing commercial projects and any outcomes and successes do not contribute towards institutional targets. For most, policy and funding restrictions mean that there are real difficulties in trying to maintain relationships with graduates once they no longer bring funding into the institution.

Diversity of the sector

65. It is important to bear in mind that whilst the creative industries are considered together as a sector within the remit of the DCMS, they are by no means a homogenous group. The DCMS defines the 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*" (Taking IP to include knowledge, know-how and expertise).
66. The sector comprises 13 distinct sub-sectors: advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing

arts, publishing, software and computer games, television and radio. Many working within these industries reject the label 'creative industries' as an artificial and misleading construct and it is vital therefore that we do not attempt to apply a 'one-size-fits-all' solution to the disparate needs of these different sub-sectors. Rather, we need to consider models that work, the sectors that they work for and whether there is a possibility of rolling out or adapting similar models across different sectors. Whilst some generic support may be of use, the messages have been received loud and clear from industry representatives and individual entrepreneurs that the most important support is industry specific involving direct input from the relevant sector and contact with appropriate networks and communities.

67. The consultation highlighted a number of differences in the way that HE currently educates students for careers in the different sub-sectors. In the conservatoires for example, the main focus has traditionally been on developing skills for performance, however there is a growing awareness that the majority of graduates do not have the talent or opportunity for performance careers and require guidance on alternative career options. In architecture, there are difficulties with the concept of entrepreneurship due to issues of professional ethics and courses have been developed in close collaboration with the industry body, RIBA.
68. It is also known that there are considerable differences across the different sub-sectors in terms of their relative size and the incidence of self-employment and portfolio working. Recent research by Skillset into the audio-visual sectors indicates that whilst around 50% of workers across their 'footprint' are freelancers, within film production alone the figure is as high as 90%. The Crafts Council's *Making it in the 21st Century* survey identified that 87% of those working in the craft sector are sole traders, an increase of 11% since the previous survey in 1994. Creative and Cultural Skills have identified that 64% of those working in performing, visual and literary arts are self-employed, however other sub-sectors within their footprint such as advertising and publishing have, by their nature, much lower levels of self-employment (19% and 13% respectively). This ongoing research by the Sector Skills Councils is a welcome development and will offer insights for FE and HE to prepare graduates more effectively for the realities of finding work in the sector through a better understanding of the employment market within each sub-sector, the roles available and incidence of self-employment.
69. Looking at wider diversity issues, there are criticisms that employment in the sector is unrepresentative of the demographic profile within the UK and the regions with particularly low levels of participation from black and ethnic minority communities. The report *London's Creative Industries* for example shows that in Greater London, just 11.6% of those working in the Creative Industries are of black or ethnic minority (BME) origin compared with the 22.8% that comprise the workforce as a whole. Part of the reason for this is perhaps the low recruitment of students from these communities into Art and Design courses at HE level and a failure of the education system to promote careers in the sector to these groups. Different sub-sectors have their own particular issues and in some areas, women can be under-represented. In Architecture for example, whilst the proportion of women studying for architecture degrees has risen steadily to 38%, only 11% go on to become RIBA chartered architects. Additionally, 96% of those employed in design occupations are of white origin compared with 93% for the whole economy. There are also issues in some of the sub-sectors and particular occupations (eg film production) relating to age.

Lack of appropriate information, advice and guidance

70. One of the key aims of the sector skills councils is to ensure that better information is made available to prospective students and their families about the nature of courses and the learning outcomes to enable more informed choices. They have started along the route of 'kitemarking' programmes. Whilst this has been met with some caution by the HE sector, such a process can be useful in terms of distinguishing between programmes that attempt to educate for the sector as opposed to those that simply teach people about it, however it is vital that the SSCs develop effective benchmarks and comparators by working closely with the HE and FE sectors.
71. HE careers services have an important role in terms of encouraging a positive world view of self-employment and business start-up by promoting it alongside more 'traditional' careers as a valid option for graduates. To achieve this, careers advisers need to be equipped with up-to-date knowledge about the prevalence and range of entrepreneurship in the creative industries and an understanding of the skills needed for portfolio working in the sector. Aside from certain services which have developed special 'business start-up' provision, many careers service staff do not have sufficient understanding of entrepreneurship and do not know how to discuss the option with students. Some graduates have complained that careers advisers actively advise against entrepreneurship and fail to refer clients to support programmes and agencies, even where these exist within the same institution.
72. There can be a low level of awareness amongst students of the existence of HE and FE careers services and the support on offer. This view is supported by data collected by a number of services on student perceptions, however there is also the point that students will not take advantage of services that they do not see as being of immediate relevance to them. This brings into question issues of effective internal marketing of services at all levels.
73. Careers Services are often under-funded and have to compete with other, more high profile HE service units (eg IT services, Library etc) for available finances. As such, funding for careers services is often only enough to provide the most basic services and so it is difficult to see how the situation will improve without some specific intervention. Allocation of specific, ring-fenced funding for career guidance services to provide training and ongoing professional development for careers staff would go some way towards addressing this problem. Additionally, there are benefits to be gained from careers advisers working more closely with colleagues in the academic departments to provide strong links between study and related careers information.
74. Some academics argue that the dynamic nature of the creative sector, its networks and supply chains makes it difficult for careers services to develop a good grasp of the important factors and so often much of the advice and guidance is provided by staff within the departments who have developed closer links with the sector. This can cause difficulties however as academic staff do not have sufficient time or resources to devote to this guidance function.
75. There are wider issues regarding the availability of information and guidance about careers in the Creative Industries at secondary (and even primary) school level. Some advisers complain about the 'opaqueness' of the sector (jobs are not traditionally advertised, career paths can be unclear) and state this as a reason for being less knowledgeable on this than other employment sectors. This has led to a shortage of enrolments at FE and subsequently HE level on specialist creative programmes

and so combined with high running costs and processes of rationalisation and amalgamation, courses offering practical skills such as glass-making, ceramics, furniture etc are disappearing. In this way, the variety of routes into HE and employment are being eroded with some programmes virtually disappearing in some regions. Effective careers guidance is essential at all stages to ensure that people make informed choices based on the full range of options open to them and the Sector Skills Councils, NCGE and AGCAS are exploring ways of developing improved services.

76. Even with this better access to information, it is not clear how much impact this will have on student choices given that many still do not enter HE with a specific career aim in mind. For this reason, it is important that all programmes go some way towards preparing students with the skills needed to identify and follow their own self-directed learning experiences.

Specific issues facing further education

77. Whilst many of the issues affecting HE apply equally to the FE sector, there are some additional problems that result from their particular circumstances. FE colleges do not have the independent status enjoyed by the HE sector and rely heavily on the Learning and Skills Council (LSC) for both funding and direction. This can create problems in terms of entrepreneurial skills development as the LSC's priorities for funding change. Their current focus on basic level skills (literacy and numeracy) means that some creative courses offering higher level skills are under threat. Some working in the sector feel that since colleges were incorporated in 1993, FE has lost much of its focus in developing skills and now has to concentrate mainly on meeting local LSC targets and coping with the administrative burden of statistical and budgetary monitoring demands. This has led to a parochial attitude amongst senior managers, many of whom have little experience of working with employers or industry. Furthermore, contractual pressures on teaching staff mean that they are left with little time to develop or maintain links with the creative sectors and so are falling behind with current developments.
78. From 2005/06, many FE programmes previously funded under the LSC's 'other provision' category (including many locally accredited, short programmes in languages and IT) will no longer be eligible for LSC funding. Many fear that this will leave a large gap in programmes of between 10 – 60 hours duration which includes those often used by freelancers and the self-employed for professional updating and skills development. These individuals do not have the time to devote to full-time, full year courses and so short courses in FE were a preferred option, but unless alternative funding is found, this provision is under threat.
79. The Government decision to make FE teaching qualifications a requirement for all new teachers is likely to cause difficulties for FEIs when they try to bring in industry practitioners including creative entrepreneurs to teach on programmes. Most practitioners will not have existing teaching qualifications and will not have the time or inclination to study for them, meaning that the pool of industry professionals available to FE will be greatly reduced. It is recognised that there is a need to balance the numbers of career lecturers with appropriate numbers of visiting professionals and this balance is likely to become skewed if some way of addressing the issue sensibly is not identified. Despite this, some colleges have developed innovative approaches of attracting local creative practitioners and providing in-house training and qualifications for them alongside their teaching.

80. Despite the problems, FEIs are developing a range of provision that is closely linked to industry needs and which allows students to develop skills in a naturalistic setting. At West Cheshire College for example, a self-styled specialist vocational college, students on a range of courses including media production, design and music have the opportunity to work on live projects, often alongside college staff in commercial settings. The national network of Centres of Vocational Excellence (CoVEs) includes 24 centres in visual and performing arts and media and the criteria for achieving CoVE status includes providing suitable experiences for developing entrepreneurial attitudes.
81. FE colleges are also seen as more accessible and flexible for a wider range of students and therefore have an important role in widening participation, providing a route into the creative industries for students from a range of non-traditional backgrounds as well as re-skilling those with qualifications in different fields (eg mature students, adult returners etc). They also offer access to those needing to update technical skills and learn about areas such as digital technology who may not wish to follow a degree programme.

Problems with supply chains in the creative industries

82. Whilst it is perhaps beyond the scope of this group, it is important to note that in some creative sectors, the UK lacks the underpinning supply chains and routes to market that would enable young businesses in the creative industries to thrive. Particular examples of this are in the fashion industry where we lack the capacity for short-run textile manufacture that would enable new designers to produce realistic quantities of products, and the PC gaming industry where advances in technology and customer expectations has led to spiralling costs for new game development that has put the process largely beyond the affordability of most new developers.
83. The only way of overcoming these problems and allowing small businesses to flourish is by encouraging greater investment into the sector that would allow fledgling enterprises the time and freedom to develop their products and be able to compete with the major overseas players. NESTA's research suggests that many creative entrepreneurs would like to grow their businesses but do not have the necessary skills, knowledge or experience to help them overcome the hurdles of due diligence that would convince business angels or venture capitalists of their 'investment readiness'. Although they have the talent and creativity to produce innovative products, our creative graduates do not have the basic business acumen, know-how or confidence that would convince a potential investor that they warrant the time and expense required of the due diligence process.
84. By providing graduates with the skills, confidence and commercial understanding that will allow them to present a more convincing case to the investment communities, HEIs will be playing an effective role in helping to build these industries in the UK.

Existing models of provision

85. Through the consultation process and collection of case studies and exemplars of what is already being done within HE and FE to develop entrepreneurial learning, five main emergent 'provider models' have been identified. The following sections summarise these different approaches to entrepreneurship education and address some of the main advantages and disadvantages.

1. Curriculum Embedded:

a) Bolt-on

86. Following publication of the Dearing Report in 1997, some HEIs have started to look at ways of introducing entrepreneurship within the creative curriculum with programmes claiming to offer direct links and experience of creative industry sectors along with development of entrepreneurial skills and competencies. Much of this is done through distinct elective modules on enterprise where students learn about business disciplines such as planning, marketing and finance rather than being assimilated throughout the curriculum. Such 'Bolt-on' provision tends to follow the model of traditional business school enterprise modules with little real effort to adapt them for the creative disciplines or link them to the world of practice and the optional nature means that students who are not sufficiently motivated to select modules in entrepreneurship will not benefit. Design Courses at the University of Bradford aim to deliver entrepreneurial and business skills alongside technical and creative skills, providing modules which develop team building, problem solving and communication and knowledge of manufacturing processes.
87. Another approach is to offer access to 'in-house' professional, situated learning experiences where students are able to undertake live project work to gain knowledge and confidence of the industry. The University of Salford's School of Media, Music and Performance offers students real life experience of broadcasting through Channel M, their free-to-air RSL television station operated as a unique collaboration with a local partner. Students on the BA courses can choose Channel M modules as part of their degree courses, researching, writing and producing programming content for the station. Technical aspects such as lighting, mixing and vision engineering offer further opportunities for Media Technology students.
88. The introduction of entrepreneurship modules and experiences can be problematic due to timetabling constraints. The pressure to deliver a number of different skill sets and professional competencies within the curriculum often conflicts with attempts to introduce new modules and students themselves may find it difficult to balance their own need for entrepreneurship development alongside their desire to fully explore their creative opportunities.

b) Assimilated (The 'Hidden Model')

89. If all students are to be given the opportunity to develop a basic level of entrepreneurial skills, the most effective place to offer this is within the core curriculum at sub-module level rather than through elective units, enterprise modules or add-on provision. Whilst it is not feasible or desirable to run business start-up modules for all creative graduates, what is needed is a fresh approach to

delivering the competencies and attitudes needed within the creative programme that link directly to and build upon the creative content and get students thinking creatively about the applications of their talents. By assimilating entrepreneurial ways of thinking throughout programmes, students are able to 'switch on' to entrepreneurship and become more readily able to recognise the usefulness of existing extra curricular support and business modules. The key advantage is that all students benefit from developing individual capacity regardless of their initial level of interest in entrepreneurship.

90. This kind of 'tacit' learning experience already exists within many undergraduate programmes but is often not articulated as such. Little research exists into the opportunities available or their effectiveness, yet this is an area that is ripe for development as it does not demand major changes within the curriculum but rather a re-examination of the outcomes of work that in many instances already takes place and subtle changes in the way that information is presented (eg creating opportunities for more self-directed and action learning). Such tacit learning takes place at a level that underpins the curriculum, cutting across learning experiences rather than as a distinct module.
91. As an example, Coventry University recognises the importance of embedding professional practice and reinforcing the concept of the creative practitioner within the curriculum of all its Art and Design programmes at all levels. Students from level 1 are given live briefs and study career structures of individual artists. At level 2, students are encouraged to work as freelancers in response to clients' briefs and have opportunities to organise exhibitions and work with school groups. At all stages, students have access to practising professionals in their field and are able to build networks and develop their own commercial capital.

2. Extra Curricular

92. Perhaps the most common model within HE is the self-elected, 'add-on' provision offered to students and/or graduates through enterprise centres, summer schools, business start-up programmes and networking groups. The majority of programmes offer generic start-up advice and guidance for students from all disciplines and may offer a range of services including training, one-to-one advice, legal start-up costs, business competitions and incubation, for example Business Start-up @ Leeds Met which also runs a one week residential course for budding entrepreneurs.
93. Some institutions have developed more sector specific support services that offer graduates access to industry professionals and help with networking in their relevant sector. The Enterprise Centre for the Creative Arts based at University of the Arts London offers training, one-to-one guidance and support for the creative sector across London in addition to its own students and graduates through support from the Development Agency. Their 'Own-it' initiative also offers free IP information and advice. City University, London offers a 10 week course on 'Entrepreneurship Skills for the Creative Industries'. At the University of Salford, 'Transmission UK' is a free network for student and graduate freelancers and start-ups in the creative industries that runs through the International Media Centre and links students from media, music and performance courses to wider industry networks through a series of masterclasses and networking events. This network offers graduates the opportunity to maintain close links with the institution and receive support long after their course ends. The Arts institute at Bournemouth has worked with the South West RDA to establish an 'Enterprise Pavillion' that provides incubation space and a state of the art facilities unit for high-calibre graduates

starting businesses in the creative sectors. The institution actively provides networking opportunities for the start-ups by hosting high-profile events at the incubator where entrepreneurs are able to meet potential customers and runs a popular entrepreneurs' club.

94. In FE, South Cheshire College ran a film summer school that resulted in the production of a feature film, *Upstaged* in 2005 funded by the college to the tune of £50,000. The project involved over 100 students working with a professional crew and cast and allowed them to develop practical and entrepreneurial skills in a real life setting.
95. Whilst these programmes offer excellent opportunities, the fact that the activity takes place outside the core curriculum and relies on students and graduates choosing to attend means that many of those who might benefit will not do so. Often, students only start to think actively about entrepreneurship as an option at the end of their time in education, by which time they have lost valuable months or even years where they could have been receiving support. Additionally, many of these initiatives involve high costs including staffing, fees for business advisors and industry speakers, building costs for incubation facilities etc that can prove prohibitive for some institutions that may wish to set up similar centres.

3. Postgraduate Courses

96. Many believe that entrepreneurship education is best delivered at the post-graduate stage after students have had the opportunity to learn their craft in depth and explore their creative potential. Alongside the generic entrepreneurship programmes offered by business schools, a number of creative industry focussed programmes have started to appear that have been designed and delivered by the creative departments in collaboration with business schools. For example, the University of Warwick offers a one or two year MA in Creative and Media Enterprises programme for those seeking to set up or manage businesses across a range of creative and media sub-sectors.
97. Manchester Metropolitan University (MMU) runs a Masters in Enterprise (M.Ent) postgraduate programme through the arts and design research institute, MIRIAD. Developed in conjunction with the Manchester Science and Enterprise Centre, this is an evolving model and there are some questions about the appropriateness of the business model currently used which may operate at odds with the elements of creativity.
98. MMU's Art and Design Faculty have also established an innovative model through their 4 year Bachelor of Design Programme. All students studying for undergraduate programmes in 3D Design and Fashion & Textiles enrol on a four year programme, the fourth year being an optional year of professional design practice and business development. Here, students work closely with tutors who are themselves creative industry entrepreneurs to develop their creative ideas commercially. The programme involves self-directed action learning, seminars, masterclasses from visiting entrepreneurs, links to industry bodies and one to one tuition as well as providing first stage incubation and workshop space where students can start to establish their businesses. Graduates from the programme are enthusiastic about the experience gained from the course and feel that it has given them the confidence to set out on their own. This is not viewed as a postgraduate programme, rather as part of an undergraduate course. That it is an optional year occurring after the accredited academic programme perhaps makes it a different model altogether which fits somewhere

between undergraduate and postgraduate provision and constitutes the kind of transitional experience between education and work that research supports.

99. The difficulty with leaving entrepreneurship to the postgraduate stage is that again, the majority of graduates will not benefit. Many are unable to afford to undertake further full-time study or simply do not wish to. It is important therefore to consider providing programmes in different formats that allow shorter terms of study, for example short CPD programmes. Some HEIs already offer such industry focussed courses however there is scope for further development. Other initiatives such as Knowledge Transfer Partnerships and industry fellowships can also provide alternative routes to developing the necessary skills.

4. Continuing Professional Development

100. Some argue that 'real' entrepreneurs do not go to university, preferring to dive straight into business and picking up skills and knowledge as and when they need it (although the statistics would not appear to bear this out). There is however a real need for ongoing lifelong learning opportunities for existing creative entrepreneurs to enable them to update technical and professional skills through short courses and bespoke training programmes. Both HE and FE have a role in developing programmes although there can be difficulties with funding for short courses.
101. Training needs to be relevant, flexible and accessible to persuade practitioners to devote time and money to it. For many in the sector, the cost and time implications of training constitute a real barrier to their professional development and the sector skills councils are looking at ways of encouraging more creative practitioners to access available training by subsidising courses for freelance workers, for example Skillset is currently offering 80% subsidies in London to allow freelancers to access animation, broadcast and interactive media training courses.
102. The Knowledge Transfer Partnership Scheme provides opportunities for graduates to work with SMEs on specific projects with assistance and input from an HE partner. Although most placements so far have been in technology and manufacturing companies, there is an increasing drive towards developing KTPs in the creative sector that are flexible enough to respond to the needs of the sector, supported by an element of ring-fenced funding.
103. Foundation degrees have been developed with the aim of providing access to part-time learning opportunities for those already in work and the best contain a strong work-place focus. Of the 2,500 existing or planned programmes nationally, around 400 fall within the creative sector and some are responding to the specific needs of the sector by developing a unit based approach that will allow freelancers to pick and choose individual units as CPD without having to follow the full programme.

5. External Agency Support

104. A number of agencies outside the HE sector offer support for graduate start-ups in the creative industries, many of them working in collaboration with regional and national HE partners. Such schemes include the following:

Scheme	Annual Cohort	Recruitment
NESTA Creative Pioneer Programme	up to 50 graduates	National
Crafts Council 'Next Move' Initiative	30 graduates	Regional
NCGE Flying Start Programme	84 graduates	National
Young Enterprise Graduate Programme	900 students (approx)	National cross-discipline
Design Council 'Inside Track' initiative	20 students	18 HEIs
Arts Council England 'Setting up Scheme'	10 graduates	North West
Prince's Trust Creative Industries Initiative	approx 40	East Midlands

Plus Regional support programmes, incubators and networks including those offered by CIDA, Merseyside ACME, Cockpit Arts (London) etc.

105. These schemes and others have developed a range of innovative approaches to entrepreneurial development and many offer access to start-up funding and accommodation, however most focus on graduates rather than existing students. Places on programmes are also very limited meaning that only those with the most innovative ideas receive support. There is scope however for these agencies to work more closely with HEI partners to develop programmes 'in-house' and increase the available places.

Summary

106. The models identified describe common approaches to delivering entrepreneurial learning at different stages and within different contexts within and outside the curriculum. It is likely that other approaches exist that cut across the identified models or that arise from the particular circumstances of a course or institution. As an example, the University of Sunderland's National Glass Centre is one of the few UK institutions offering access to specialist kilns and equipment as well as teaching staff with an international reputation. Stemming from this, the Centre welcomes local glass makers and SMEs who use these facilities in exchange for providing teaching on undergraduate programmes. This provides an ideal opportunity within the institution for students and graduates to network and learn from practitioners.
107. The case studies identified represent a growing body of good practice that can be built upon, however at present the need for entrepreneurship education is not sufficiently met by the available provision. According to HESA figures in 2003, around 46,000 students graduated from arts, design and creative courses (at the same time, there were approx 133,000 students registered on creative arts and design degree programmes at undergraduate and postgraduate level in the UK). Enrolments on Creative Arts and Design subjects in HE increased by 55% overall between 1994/95 and 2001/02 with larger increases of 80% in music and in drama and over 200% in cinematics. This compares with an increase of 33% across all subject areas. With external agency programmes supporting only a few hundred and patchy provision in FE and HE, the scale and scope of entrepreneurial learning opportunities must be greatly increased if we are to satisfy the capacity generated by the demands of the cohort.

International Comparators

108. The importance of the creative industries sector and of developing entrepreneurial graduates for it is becoming increasingly recognised on the global stage with a number of high profile, collaborative projects. The tendency within the UK has been to look to the US for examples and initiatives in the hope of duplicating their higher rates of graduate entrepreneurship, for example the Kauffman Campuses Initiative which awarded eight universities up to \$5 million each to make entrepreneurship education available across their campuses, enabling any student to access entrepreneurial training, regardless of their field of study. The Kauffman Foundation are now working in collaboration with NCGE and the Council for Industry and Higher Education (CIHE) to assess how the model can be effectively adapted by UK institutions. Massachussets Institute of Technology has been developing graduate entrepreneurs for over 40 years and its entrepreneurship centre is at the forefront of a global education programme working with institutions including Cambridge University in the UK.
109. We must not forget however that the educational system in the US differs significantly from our own as do regulations governing enterprise and business development and that what works there may not necessarily have the same results here. Other countries are developing their own approaches to entrepreneurship education that can provide more useful lessons, for example in Brisbane, Australia, The Creative Industries Precinct brings together commercial and educational expertise in a facility dedicated to creative experimentation and commercial development providing a unique opportunity for designers, artists, researchers, educators and entrepreneurs to connect and collaborate with others to create new work, develop new ideas and grow the creative industries sector in Queensland.
110. The Scottish Institute for Enterprise, based at the University of Edinburgh is a collaboration between all Scottish Universities that aims to provide training and support in entrepreneurship and business skills through an inter-disciplinary approach across the range of subject disciplines. Similarly, in Finland, the International Design Business Management Programme is a joint teaching and research programme bringing together the expertise of the Helsinki School of Economics, University of Art and Design and the University of Technology with students from each institution working on collaborative industry-commissioned projects in inter-disciplinary teams to develop skills in innovation and creativity alongside entrepreneurship.
111. Stockholm has commenced a project supporting entrepreneurship and business competence within the creative industries with incubation facilities, advice and access to business networks being developed for entrepreneurs in music, arts and crafts, and for young entrepreneurs with multicultural backgrounds. The Stockholm School of Entrepreneurship has introduced training programmes in business skills, which are linked with all university courses and art schools.

What are the key barriers to Development?

112. The Task Group's consultation process has achieved significant consensus in identifying the key barriers and opportunities that need to be addressed, some at policy level and others at institutional level, in order to release the entrepreneurial potential of talented individuals for the creative industries:

Lack of a coherent policy framework

113. The devolved administrations in Wales and Scotland as well as Northern Ireland have already made a commitment to developing the Creative Industries through the introduction of long-term national frameworks and investment strategies. Currently, there is no overall strategy for England, although the nine regions have been tasked with developing their own strategies to meet local needs in collaboration with SSCs, CoVEs and HE Academy subject centres through the establishment of Regional Skills Partnerships. The intention is to allow regions a greater level of autonomy, however not all regions place equal emphasis on the Creative Industries and in the absence of a national framework, it is likely that the current fragmented situation will continue. Where RDAs do prioritise the sector, there is a danger that their efforts will be duplicated, preventing cost-effective development. Also, whilst some RDAs have built good links with HE institutions, they do not have the direct authority to be able to make the necessary changes across all institutions.
114. This lack of a policy framework and recognition for enterprise activity has resulted in a lack of direction and leadership in the enterprise agenda within institutions. Where support does exist, it is generally developed and delivered by staff in isolation from their colleagues and from wider networks of practice. This consultation process has highlighted that large numbers of HE and FE staff in both academic and support functions, are engaged with the agenda and eager to work collaboratively across the sector and with their peers in other institutions, however they lack the infrastructure and resources to do so.
115. More joined-up thinking is needed at all levels across Government Departments (DTI, DfES, DCMS, HEFCE) as well as regions, agencies and institutions to ensure that policy initiatives complement rather than conflict with each other. More recognition is needed of the importance of developing entrepreneurial learning across the educational experience from primary school to the workplace as HEIs inherit students whose views have been informed as a result of their earlier educational experiences. Building links with Regional Development Agencies will allow more coherent development of strategies across provision for entrepreneurial learning within each region, linking the curriculum with the sector at all levels as well as providing a potential source for investment into collaborative programmes between HEIs, FEIs, schools and other agencies.

Lack of understanding of what works

116. Whilst the development of a range of different models and initiatives is encouraging, most of the activity still fails to address the problem of how to develop an entrepreneurial mindset amongst students and graduates. The focus has been on delivering business start-up training and advice that

is largely ignored as students are not adequately 'tuned in' to the concepts behind entrepreneurialism. There is currently little research into the effectiveness of the different provider models or evidence as to the added value provided by programmes, their impacts on student aspirations or destinations. The raised profile of the entrepreneurship agenda and regional investment in the creative industries mean that this is an opportune time to undertake significant research into what does and does not work. Additionally, through work with the sector skills councils, we can start to build a better understanding of the nature of the creative industry sectors, employment patterns and progression routes that will aid future developments.

Lack of incentives

117. Current funding in HE has proved to be prohibitive in terms of establishing sustainable entrepreneurial learning models. As European funding availability comes to an end, there is a need to find new ways of securing the continuation of existing support as well as enabling new initiatives on a more secure and sustainable basis. The HEIF 3 formula-based funding allocated to all HEIs, whilst a welcome development, represents at best only a tiny fraction of each institution's overall turnover and as such is severely limited in its impact. The collaborative funding element allows for larger scale projects of international significance, however these will be small in number and funding is only available for a 2 year period. As yet, institutions have no real financial incentives to encourage the development of innovative curriculum models, however the HE Academy subject centres have a role in disseminating information on good practice and supporting innovation in entrepreneurial learning, sometimes providing small financial awards, as part of their work on employability.
118. Current funding policy in HE does not generally encourage institutions to behave entrepreneurially. Although it can be argued that HEIs as commercial/business oriented organisations need to respond to market forces and thus be innovative and entrepreneurial, the size and structure of most institutions means that a high degree of bureaucracy and control is inevitable resulting in a business model that is slow to adapt, emphasises cost-effectiveness and discourages risk taking. This means that there is little encouragement for departments to develop innovative or challenging programmes or to introduce initiatives that have any risk of failing. Additionally, some complain that HEIF's use of formulae that recognise only 'full-time equivalent' staff means that the ad hoc inputs of sector practitioners into programmes is not fully recognised.

Lack of relevant, sustainable opportunities for entrepreneurial learning

119. It is important that we consider what can realistically be done to make a real impact in terms of developing the entrepreneurship agenda. Whilst issues such as lack of support and funding can be addressed through policy development and closer collaboration with external agencies, there are more basic issues to consider regarding what is already taught within degree programmes and developing a clearer articulation of curriculum content and learning outcomes without the need to instigate large scale projects. A quick trawl of institutions' websites will produce details of a range of initiatives such as enterprise centres, short courses and postgraduate creative enterprise programmes, what is more difficult to ascertain is how far the undergraduate (and FE) curriculum itself prepares students for entrepreneurship. Although a few institutions do make specific reference in their course information to ways in which they prepare students for business start-up

and self-employment within the sector, most do not. Through interviews with academics in a number of HEIs however, it is evident that much work does already take place in explaining the nature of the sector and employment within it, offering opportunities to be involved in live projects and develop links with visiting practitioners. This type of activity forms part of the tacit learning that is vital if all creative students are to be given equal opportunity to develop entrepreneurial skills, become 'opportunity spotters' and seek the additional support available to help them commercialise their talent.

120. The availability of suitable work placements means that creative students have little scope for gaining experience of work in their chosen sector before graduation. Although many students are in part-time employment to support their studies, this is generally in low-level jobs in unrelated, large industries that gives them little idea of what work is like in a sector characterised by micro businesses and one-man bands. Some graduate entrepreneurs cite the time spent on placement as one of the key drivers behind their decision to set up a business as it allows them to develop confidence in their abilities, understanding of the sector and a belief that they can do as well as the company they have worked with. Whilst in some sectors (eg music) there is a distinct shortage of companies offering placements, HE could have a role in developing 'entrepreneurial placements' where students engage in enterprise activity with the support of their tutors and industry mentors. *The Young Enterprise Graduate Programme* could be adapted to offer this opportunity with small groups of students working together to establish a business for 6-12 months.
121. There is considerable scope for increasing the number of places on programmes offered by external agencies such as NESTA and the Crafts Council through brokering partnership programmes with HEIs across the regions. These schemes have already been tested and proven successful meaning that the element of risk in rolling them out is greatly reduced.

Lack of common terminology

122. We know that the language around the entrepreneurship agenda causes problems for those within the creative industry sectors. Even the terms 'Creative Industries' and 'Entrepreneur' are disliked and rejected in favour of words that fail to encapsulate the bigger picture. However, we must bear in mind what it is we hope to achieve through entrepreneurship education rather than tying ourselves up in knots over semantic issues. Whilst the word 'entrepreneur' continues to carry such negative connotations, institutions may choose to avoid using the word in communications with students (the Royal College of Art for example promotes its entrepreneurship development initiative *FUEL: Think-work-live* without any reference to words like entrepreneur or business), or alternatively perhaps it is time that the title 'entrepreneur' was reclaimed and reframed by the creative sector, who it can be argued have a greater claim to it than the majority of those in the business schools.

Creative vs commercial tensions

123. The provision available often does not address some of the fundamental issues faced by creative entrepreneurs, as in how to reconcile their creative sensibilities and ethical considerations with the harsh realities of making it in the commercial arena. Clearly these tensions will always exist, however it can be argued that HE has an important role in helping students to find ways to understand, address and work around them. This can be achieved in part through providing access to

young creative entrepreneurs who can share their experiences of coming to terms with similar issues and also by linking students with community based projects where they can develop an awareness of how their skills can be harnessed for social benefits as well as commercial gain.

Information, Advice and Guidance

124. University careers and guidance services in general do not currently have the resources to be able to provide effective guidance for students about self-employment as one of a range of career options. Given the high incidence of self-employment in the creative sector, it is vital that careers services, particularly those based in institutions with large arts and media faculties develop their offering to ensure that advisers are up-to-date regarding employment in the sector and have a knowledge of local support available. Links should also be encouraged with the academic departments to ensure that careers advisers are fully involved in employability initiatives and career development activities and develop a relationship with the students and staff. For this, some investigation into how careers services are funded in HE and the basic standards expected will be helpful. NCGE and AGCAS have agreed to collaborate on a programme to develop support for careers staff in promoting entrepreneurship and it would be timely to ensure that the needs of the creative industries are effectively addressed.

What changes are needed?

125. The Task Group has identified four key areas to address through policy development and targeted initiatives and these are explained in detail in a separate document, *Making the case for Public Investment in the Creative Industries* but broadly include the following recommendations:
- a. **A national framework for entrepreneurial learning for the Creative Industries** should be developed to incorporate the agenda into existing policy and initiatives. This will help to boost the profile of the sector, encourage innovation and set the context for development.
 - b. **A comprehensive programme of investigation into the existing provider models** to be undertaken to assess where and how they work for the different Creative Industry sub-sectors and academic disciplines. This will help to inform future curriculum developments and identify the most effective approaches.
 - c. **Investment in curriculum innovation and creative infrastructure** to pump-prime and support the developments necessary to increase the scope and scale of learning opportunities, including a creative Capital Infrastructure Fund and a national network/community of interest.
 - d. **A National Enterprise Programme for the Creative Industries** bringing coherence to the fragmented landscape of support and building on the activities and expertise of different agencies, institutions and initiatives.
126. Higher and Further Education institutions also need to recognise the importance of the different roles that they can play at different stages of the student experience and there is much to be done well in advance of graduation. From the beginning of the course of study, there is a role in raising awareness of how creative practice can link with the creative sector as well as generally generating positive perceptions of entrepreneurship through the introduction of appropriate role models, case studies and mentors.
127. Additionally, there is growing evidence (Raffo et al 2000, Gibb 2005, Binks 2005) that an alternative approach to entrepreneurial learning, one which seamlessly embeds learning within the main curriculum, is the most effective. Provision of situated learning experiences and placement opportunities helps students to understand how creative practice is balanced with commercial reality and allows them to integrate into the sectoral networks and communities of practice. Live project based activities allow entrepreneurial skills to be delivered almost 'by stealth' with students able to connect the lessons learned directly to their own needs. Only after these links have been developed are students receptive to specific business training and start-up advice more widely available. In this way, students can be 'switched on' to the concepts behind entrepreneurialism, develop an understanding that this is a potentially valid and desirable career path and to have a hunger to find out more.
128. There are a number of exciting opportunities arising from the discussion process including the option of establishing a development network of entrepreneurship educators and champions, publication of a

set of case studies and exemplars around the five provider models, an online resource containing sources of information and contacts, opportunities for collaborative funding bids and research projects into progression routes, and the effectiveness of existing provider models.

129. Opportunities for inter-disciplinary collaborations within and across HEIs and FEIs might be encouraged to allow students to develop skills in 'integrative learning', making deeper connections between learning and reflection across different contexts.
130. Higher education should be encouraged to work more closely and collaboratively with the creative and cultural sectors in developing programmes and initiatives that capitalise on the expertise of creative practitioners and at the same time help creative companies and cultural organisations with real solutions and innovative development. Some form of targeted investment to aid such collaboration coupled with evolving networks of practice could facilitate such work.

Conclusions

“Once we were known as the workshop of the world; but many of those industries have shrunk or disappeared. It would be a terrible day if in twenty or thirty years time, people were saying the same about our creative industries.”

James Purnell MP, DCMS, 2005

131. The Creative Industries in the UK are currently in a strong competitive position, however failure to build and capitalise on existing strengths and ensure that the sector has the influx of creative entrepreneurial talent it needs will mean that we are likely to fall behind as overseas markets develop. China, New Zealand and Hong Kong, amongst others have formulated strategies for investment in their Creative Industries and closer to home, Scotland, Wales and Northern Ireland are well ahead of England in developing frameworks for the sector.
132. The sector needs those with creative and entrepreneurial talents who also have had the chance to develop real-world awareness, commercial know-how and know-who, self-efficacy and confidence to build successful new businesses and have an impact on existing ones. Our higher and further education institutions are in an unparalleled position to prepare students and are open to the challenge. All that is needed is a long term strategy, policy focus and investment to provide the incentives, motivation and clear direction for them to do so.

References

- Baines, S. and Robson, L. (2001). "Being self-employed or being enterprising? The case of creative work for the media industries". *Journal of Small Business and Development*, Vol. 8, No. 4, pp. 350-362. MCB University Press.
- Binks, M. (2005) *Entrepreneurship Education and Integrative Learning*. NCGE Policy Paper #1
- Blackwell, A. and Harvey, L. (1999). *Destinations and Reflections: Careers of British art, craft and Design graduates*. Centre for Research into Quality, University of Central England, Birmingham.
- Burns, S. (2005). A Partnership of Equals? *How HEIs and Arts Organisations can work together to develop the creative entrepreneur: The practitioner perspective*. A paper delivered at the PACE Conference, Lancaster University, 16 November 2005.
- Council for Science and Technology, (2001). *Imagination and Understanding: a report on the Arts and Humanities in relation to Science and Technology*. Available at <http://www.cst.gov.uk/cst/imagination.htm>
- Cox, Sir George. *Cox Review of Creativity in Business: building on the UK's strengths*. HMSO, 2005
- The Crafts Council. (2004). *Making it in the 21st Century: A socio-economic survey of crafts activity in England and Wales, 2002-03*. Crafts Council, London.
- DCMS Creative Industries Economic Estimates: Statistical Bulletin August 2004
- DCMS Creative Industries Mapping Document 2001
- Dumelow, I et al. (1999). *Planning the Future: Career and employment patterns among British graduates in art, craft and design*. NSEAD, Wiltshire.
- Florida, R. (2002). *The Rise of the Creative Class and How It's Transforming Work, Life, Community and Everyday Life*. Basic Books.
- Gibb, A, (2005). *Towards the Entrepreneurial University: Entrepreneurship Education as a lever for change*. NCGE Policy Paper #003
- Graduate Prospects. (2005). *Graduates in Self-employment*. NCGE
- Green, W.S. (2005). *Entrepreneurship and Higher Education: an American Perspective*. Paper presented at the NCGE Conference, Creating an Entrepreneurial HE Institution, 26 January 2005.
- HEFCE. (2005), *Centres for Excellence in Teaching and Learning*. Available at: <http://www.hefce.ac.uk/learning/tinits/cetl/final/brochure.pdf>
- Kirzner, I.M. (1973). *Competition and Entrepreneurship*. University of Chicago Press. Chicago.
- Leadbeater, C. (2004). *Britain's Creativity Challenge*. Creative and Cultural Skills.
- London Centre for Arts and Cultural Enterprise. Transcript of Panel Discussion, 27 June 2005
Available at <http://lface.org.uk/docs/downloads/transcript.pdf>

National Music Council, (2003). *Sounding out the future: Key skills, Training and Education in the Music Industry*.

NESTA, (2003). *Forward Thinking – New solutions to old problems: Investing in the Creative Industries*. NESTA, London.

New Media Partners (2004) *Skills in the Creative Industries in the North West of England*, Research Report. Available at: <http://www.nwriu.co.uk/>

Patel, R. (2004). *Creating an Enterprise Culture Understanding the National Mission*. Enterprise Insight. Available at <http://www.starttalkingideas.org>

Purnell, J (2005). *Making Britain the World's Creative Hub*. Keynote speech to IPPR event, London, 16 June 2005. Available at: http://www.culture.gov.uk/global/press_notices/archive_2005/purnell_creative_inds_speech.htm

Raffo, C. et al. (2000). "Teaching and learning entrepreneurship for micro and small businesses in the cultural industries sector". *Education and Training*, Vol.42, No.6, pp356-365. MCB University Press.

Röpke, J. (1998). *The Entrepreneurial University: Innovation, academic knowledge creation and regional development in a globalised economy*.

Science and Innovation Investment Framework 2004-2014. (2004), HM Treasury, HMSO.

Spilsbury Research (on behalf of Skillset and DfES) (2002) *An Assessment of Skill Needs in the Media and Creative Industries*

Contributors

Organisations/Institutions Consulted

Advantage Creative Fund
 Aim Higher (Cheshire & Warrington)
 Amersham & Wycombe College
 Arts & Humanities Research Council (AHRC)
 Arts Council for England
 Arts Institute at Bournemouth
 Association for Research and Industry Links (AURIL)
 Bath Spa University
 Better Choices Ltd
 Birkbeck, University of London
 Birmingham Institute of Art and Design
 Brunel University
 Cambridge MIT
 Castlefield Gallery
 Chamber-Link, Wigan
 Chamber-Link, Manchester
 Chelsea College of Art and Design
 Cheshire & Warrington Creative Industries Network (CAWCIN)
 City University, London
 Council for Higher Education in Art and Design (CHEAD)
 Courtauld Institute of Art
 Centres of Vocational Excellence (CoVE) Network: Creative Industries Specialist Development Group
 Coventry University
 Crafts Council
 Creative & Cultural Skills (CCS)
 Creative Bias
 Creative Industries Development Agency (CIDA), Huddersfield
 Creative Industries Development Service (CIDS), Manchester
 Creative Lancashire
 Culture Northwest
 Cumbria Institute of the Arts
 Dartington College of Arts
 DCMS Creative Industries Higher and Further Education Forum
 DCMS Research & Knowledge Transfer Task Group
 The DCMS Entrepreneurship Task Group
 De Montfort University
 Department for Education and Skills (DfES)
 Department of Trade and Industry (DTI)
 Design Council
 Digital Content Forum
 Durham University
 Enterprise Centre for the Creative Arts (ECCA)
 Glasgow School of Art
 Goldsmiths College, University of London
 Government Office Northwest
 Grimsby Institute of Further & Higher Education
 Huddersfield Business Generator
 Kent Institute of Art and Design
 King's College London
 Kingston University
 Lancaster University
 Learning & Skills Council (LSC)
 Learning & Skills Development Agency (LSDA)
 Leeds College of Art and Design
 Liverpool and Manchester Design Initiative
 Liverpool Community College

Organisations/Institutions Consulted (continued)

Liverpool Hope University
 Liverpool John Moores University
 London College of Fashion
 London Metropolitan University
 London School of Economics (LSE)
 Loughborough University
 Manchester Institute for Popular Culture
 Manchester Metropolitan University (MMU)
 MMU Business School
 Merseyside ACME (Arts Culture and Media Enterprise)
 Mid Cheshire College
 Museums and Libraries Archives Council (MLA)
 National Council for Graduate Entrepreneurship (NCGE)
 National Endowment for Science, Technology and the Arts (NESTA)
 North West Development Agency (NWDA)
 North West Universities Association (NWUA)
 Norwich School of Art and Design
 Nottingham Trent University
 Oxford Brookes University
 Performing Arts Learning and Teaching Innovation Network (PALATINE), Lancaster University
 Plymouth College of Art and Design
 Queen Mary, University of London
 Robert Gordon University, Aberdeen
 Roehampton University
 Royal College of Art (RCA)
 Royal Holloway University of London
 Royal Northern College of Music
 Sheffield Hallam University
 Skillset
 South Cheshire College
 South Thames College
 Standing Conference of Principals (SCoP)
 Surrey Institute of Art and Design
 Textile Centre of Excellence (CETL)
 Thames Valley University
 Trinity College of Music
 UK Specialist Art and Design Colleges (UKADIA)
 Universities UK
 University College Chichester
 University College Falmouth
 University of Bolton
 University of Brighton
 University of Cambridge
 University of Central Lancashire
 University of Chester
 University of Huddersfield
 University of Hull
 University of Newcastle upon Tyne
 University of Salford
 University of Sunderland
 University of Teesside
 University of the Arts, London
 University of the West of England
 University of Ulster
 University of Westminster
 University of Warwick
 University of Winchester
 West Cheshire College
 WestFocus
 Wimbledon School of Art

Individual Contributors

Anne Bamford (Wimbledon School of Art)

Sir Michael Bichard (University of the Arts)

Rex Bird (LSDA)

Lyn Barbour (CIDS)

Stuart Bartholomew (Arts Institute at Bournemouth)

Iain Bennett (Creative Lancashire)

Frances Corner (London College of Fashion)

Tim Daly (West Cheshire College)

Frank Dawes (Lancaster University)

Gopal Dutta (Brown TV Ltd)

John Ellis (Royal Holloway University of London)

Allan Gibb, Durham University

Sally Goldsmith (Artist)

David Good (Cambridge MIT)

Lisa Harding (CAWCIN)

Lee Harvey (Sheffield Hallam University)

Adrian Hill (HEFCE)

Michael Leek (Amersham & Wycombe College)

Chris Lethbridge (CIDS)

Andy Lovatt (NWDA)

Bill MacBeth (Textile CETL)

Jan Moore (Careers Service, MMU)

Nick Nerrick (Waxworks Music Initiative)

Gill Osguthorpe, Futurate Ltd

Dame Janet Ritterman

Brian Roberts, Liverpool Community College

Graham Sykes (Bang Marketing Ltd)

Karen Turner (Crafts Council)

Wils Wilson (Wilson & Wilson)

For further information about this paper please contact:

Gaynor Richards
Higher and Further Education Development Manager
Department for Culture, Media and Sport

Email: g.richards@mmu.ac.uk
Tel: 0161 247 4625 Fax: 0161 247 2209

Or visit
www.cep.culture.gov.uk



**Department for Culture,
Media and Sport**
2-4 Cockspur Street
London SW1Y 5DH
PP 903 May 2006