Intellectual Output 5
COMPANY CHECK-UPS

Digital Humanist

IO5

Design of Company Check ups

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Sommario

Concept of CCIs

CCIs- Cultural and creative industries – the concept is quite old – it has been coined by Theodore Adorno and Max Horkeimer in 1948. From this time, huge transformation has been noticed. Cultural industries have incorporated, in addition to adapting to technological and digital revolution as well as the evolving place of media in society, sophisticated production processes and large-scale distribution methods to reach global markets, including e-commerce processes. In 90s the concept has evolved towards the creative economy, placing an emphasis on creativity and presenting it as the flywheel of innovation, technological change and source of the competitive advantage in business development. Creative industries are defined as "those industries which have their origin in individual creativity, skill and talent which have a potential for job and wealth creation through the generation and exploitation of intellectual property" ('Creative Industries Mapping Document', DCMS, 2001). The cultural and creative industries are those sectors of organized activity that have as their main objective the production or reproduction, the promotion, distribution or commercialization of goods, services and activities of content derived from cultural, artistic or heritage origins. Precise definition is a part of the EU Regulation No 1295/2013 on the Creative Europe Programme:

"All sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management. The cultural and creative sectors include inter alia architecture, archives, libraries and museums, artistic crafts, audio-visual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts."

Cultural and creative industries are, together with information and communication technologies (ICT) and biotechnology, part of the new knowledge economies. The focus on cultural industries is linked to a newly-emerging global paradigm for development. Cultural industries have particular potential for participatory and community-based development and change. The strengthening of CCIs requires integrated policy support and development (inclusion in overall national development goals and cohesive policy intervention that benefit all of the various cultural industries). To bridge the gap between industrialized and developing countries and regions, and to ensure more equal participation in knowledge societies, creativity and creative/cultural industries need to be developed everywhere.

Unesco's Framework for Cultural Statistics is a good starting point, to distinguish CCIs from different sectors (Figure 1):

Figure 1. Framework for Cultural Statistics

The Cultural Economy
### Based on UNESCO'S Framework for Cultural Statistics
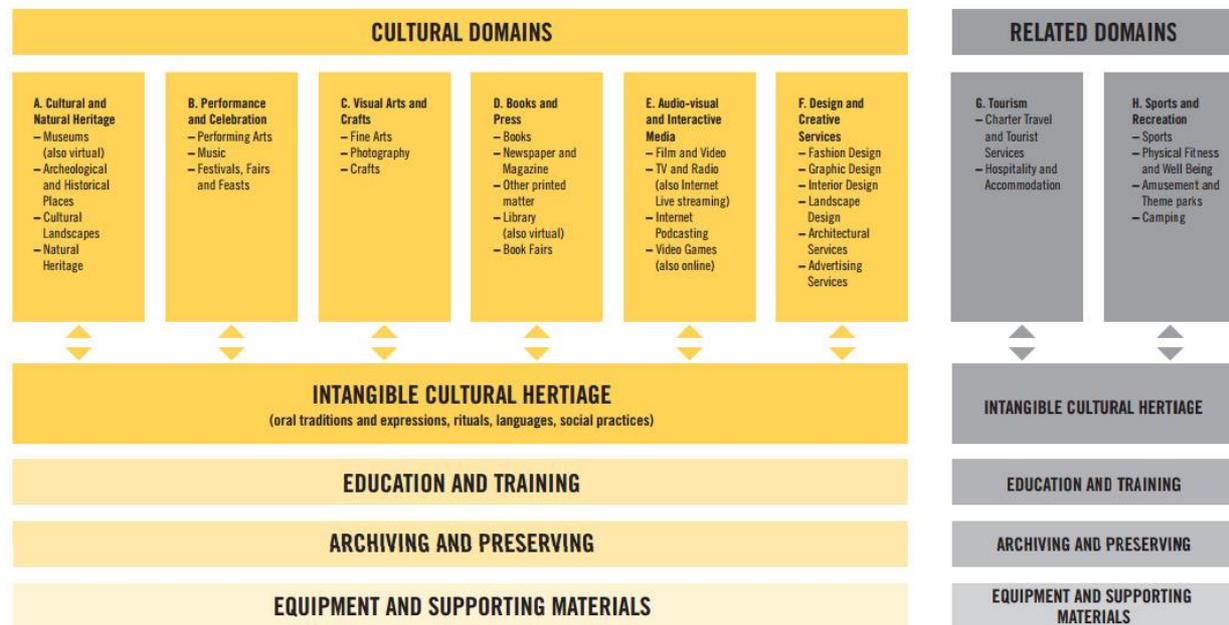
Source: 2009 UNESCO Framework for Cultural Statistics, p. 24.

This framework will be also used to qualify companies to the check-ups in the Digital Humanist project.

The competitive position of CCS is continuously challenged by exogenous factors affecting creative value chains, especially digitisation being a part of digital revolution. From creation to actual consumption, all steps in the value chains have been influenced by new digital solutions, augmented and virtual reality (Figure 2), bringing multiple new opportunities for innovative practices and even creating radically new types of interaction with consumers. At the same time, digitisation poses significant challenges for CCS actors, such as the increase of piracy as well as increased pressure on existing models of value creation and remuneration. New actors have entered the market and boundaries between creative value chains and other value chains have become more blurred. The process of blurring boundaries has been further reinforced by a relatively recent process of rethinking the role of culture, arts and creativity in a complex society in transition, confronted with different global challenges that require innovative multidisciplinary approaches. Business models within CCIs require redefinition, keeping in mind current changes in the environment.

Figure 2. Creative value chain model
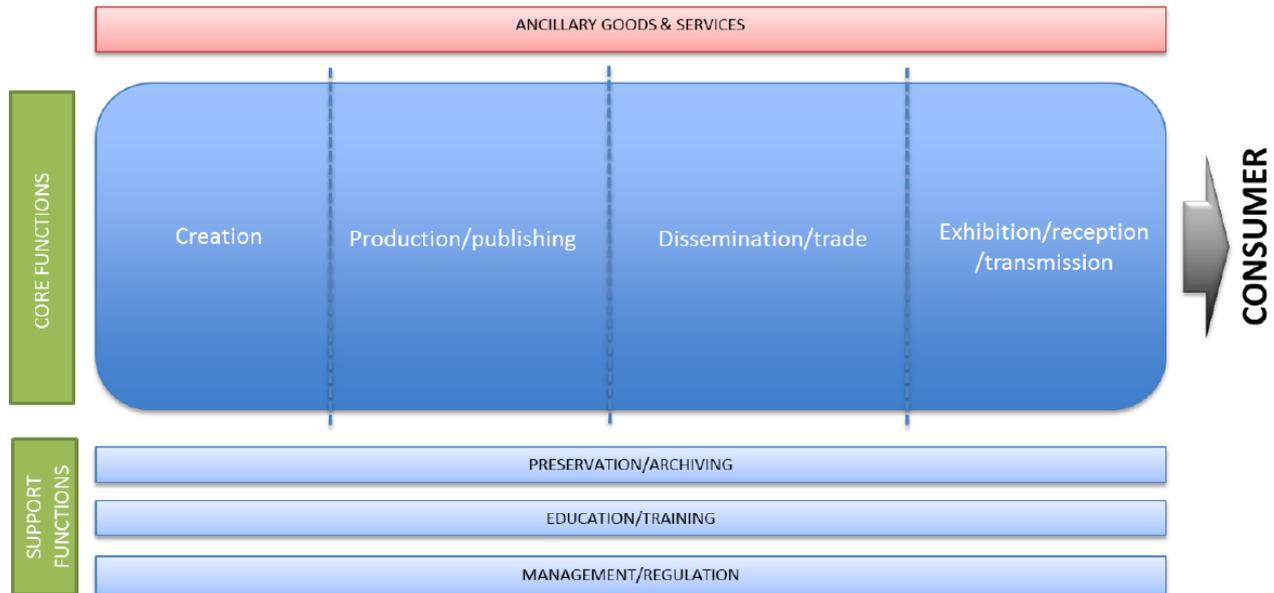
Source: EU 2017, *Mapping the creative value chains: A study on the economy of culture in the digital age*, https://op.europa.eu/en/publication-detail/-/publication/4737f41d-45ac-11e7-aea8-01aa75ed71a1/language-en   access 15th Nov 2020, s.10.

Because of the digital revolution with all its components, the sector needs also new employees equipped with new skills and competencies (digital), while saving all humanity that is indispensable to achieve all goals of cultural valorisation. These are new employees – Digital Humanists. The check-ups shall demonstrate of what kind of employees does the company has now.

Aim and scope

There is a wide consensus that business models are to be considered in a wider sense as new organisational models, including not only profit-making organisations, but also sustainable not-for-profit cultural organisations and self-employed individuals in the cultural and creative sectors. Business models are to be seen in a broader context of value creation, which also includes the cultural and creative sectors' effects on other sectors and on the well-being of society. They should also include non-commercial factors as increasing cultural diversity, valorising cultural heritage, improving the living environment, well-being of the society, boosting sustainable development, meeting climate agenda requirements. Recognising opportunities and redefining business model to optimise the final outcome being a hybrid of commercial and non-commercial objectives is a vital purpose of all who run business in cultural and creative industries.

The IO will concern the implementation of a cognitive analysis aiming to understand the ways and means by which CCIs can be guided in defining their strategic routes to strengthen process of improvement a business model and optimise business processes in favour to the transformation in a digital key of solutions, technologies and languages adopted to create and diffuse cultural contents, valorise cultural heritage and increase cultural diversity.

Procedure

Check-up is an interaction activity that involve student in a sort of "consultant" for the SME involved. To manage these activities 2 main group of tasks we have to arrange:

- Preparation
- Implementation

The preparation includes the organization of the beneficiaries in groups (4-8 students are suggested for 1 company), assign a tutor from each group and select the companies.

For the last point it is suggested to adopt these selection criteria:

Criteria for Companies selection:

- SMEs
- Belonging to at least one sector of cultural and creative industries (or being a part of its value chain)
- Focus on the valorisation of cultural heritage and increase of the cultural diversity.

The list of the potential industries includes all companies from the UNESCO's cultural domain framework, as well as companies being a part of the value chain of those industries (for example hospitality and accommodation, linguistic agencies, local development agencies, etc.) – see the Figure 3 – example of the value chain mapping.

Company roles to be involved:

- Owner of the company
- CEO
- CFO
- Marketing manager.

Figure 3. Example of the value chain mapping: visual art value chain
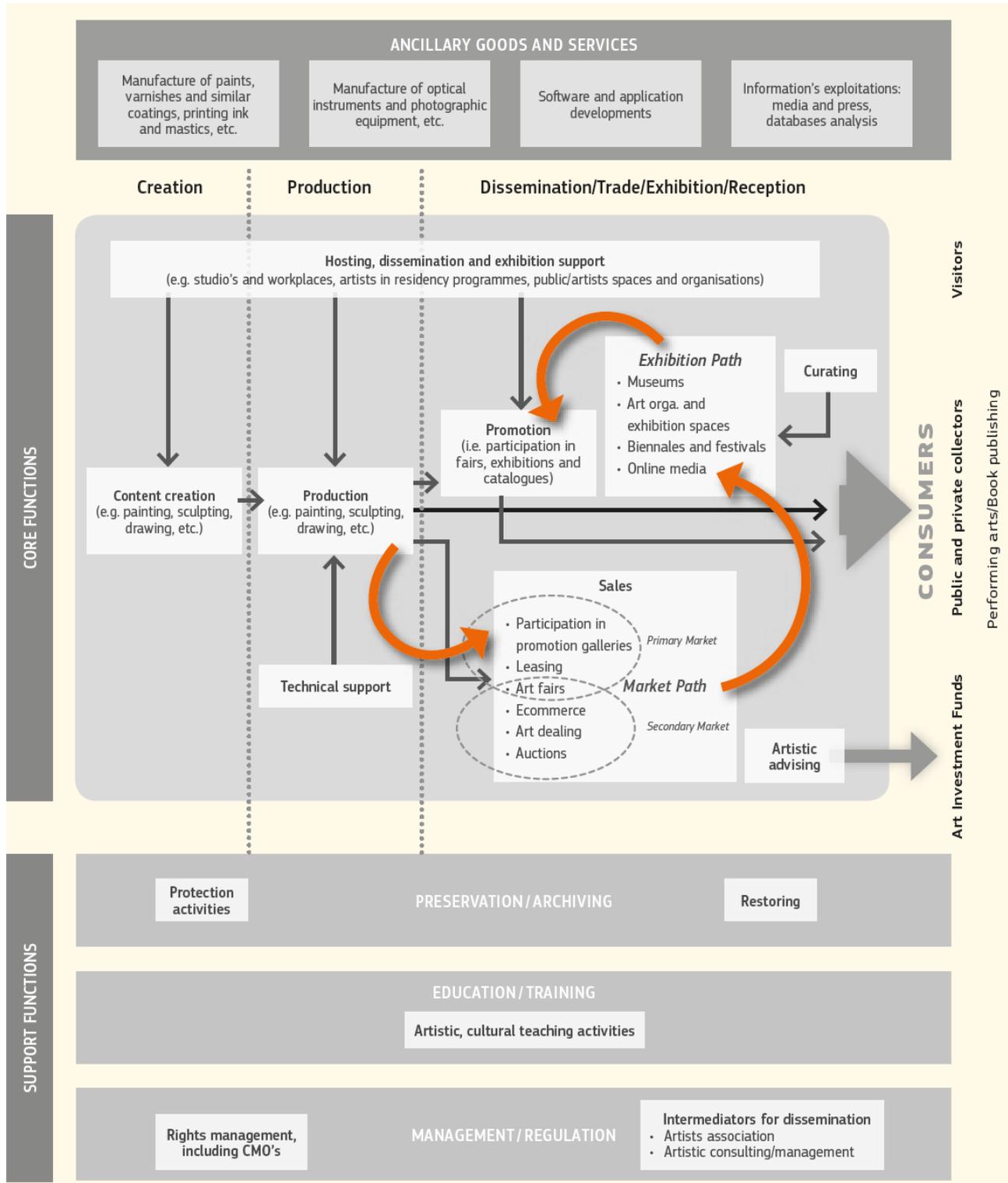
Source: EU 2017, *Mapping the creative value chains: A study on the economy of culture in the digital age*, https://op.europa.eu/en/publication-detail/-/publication/4737f41d-45ac-11e7-aea8-01aa75ed71a1/language-en access 15th Nov 2020, s. 22.

The implementation includes the different phases of the activities that support the students to the report creation as follow.

Phase	Activity	Description	Who
1	Desk research	Collect information about company and sector	students
2	Sending survey	Use the online questionnaire (google form)	students + tutor
3	Analyse the result of questionnaire	Meeting with the advisor	students + tutor
4	Interview	Face to face or call conference (use the protocol)	students
5	Output	- Quantitative analysis using the results of the on-line form - Qualitative analysis using the result of Face-to-Face interview	students
6	Report	Share the report with the advisor	Students + tutor

The check-up tools are divided in three parts: a desk research, questionnaire that will be delivered online and a F2F interview. The survey will converge into the questionnaire that must be completed online by the companies through the "Google Form". The on-line form is divided in 3 parts:

1. Understanding company business and requirements,
2. KPI
3. Defining an Impact of the company on the cultural heritage and diversity (see **Part I – On Line Questionnaire**)

Students have to collect the resulting information from the questionnaire and analyse them to conduct the interviews with the companies' representatives.

How to conduct the Face-to-Face interviews?

Students interview con be a personal interview in company site or a personal interview in university facility or a call conference meeting, they must ask for an NDA agreement.
Interview can either be anonymous or nor (Student must ask)

At the end of this document, we will provide some suggestions to conduct the personal interview (See **Part II – Face to face protocol**)

The report delivered by Students should include the following parts at least:

- State of the art (desk research)

- The methodology

- Findings (results of the online questionnaire and f2f interview

- Recommendations

- References.

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PART I – ON-LINE QUESTIONNAIRE

Privacy disclaimer

The information provided by you is collected in connection with the project implemented in the EU Programme ERASMUS + KA2 – STRATEGIC PARTNERSHIPS FOR HIGHER EDUCATION AGREEMENT n° – 2018-1-IT02-KA203-048291″Digital Humanist ", coordinated by Università degli Studi di Salerno (Italy), and <mark>NAME OF YOUR INSTITUTION</mark> is a Consortium Partner.

The "Digital Humanist" project intends to develop a set of digital and entrepreneurial skills for students of humanistic extraction of the European partner universities, useful to innovate the range of products and services to promote and access cultural assets in a digital key, with land branded content experiential marketing solutions. More information about the project can be found at http://www.digitalhumanist.unisa.it/.

Due to the Consortium's concern for the right to confidentiality of the data provided, I kindly ask you to select the option related to the scope of data protection you want, which you will provide in the online questionnaire and during the in-depth interview that will follow. These results will be included in the final report prepared by the group of Students, which will be the basis for passing the course, as well as one of the project results.

Please check the appropriate box or, where relevant, specify your answer:

The final report may be accessible to the public	
The final report may be accessible to the public, but with a coded company name	
The final report may only be used for the purpose of completing the course for the Digital Humanist project and presenting the project results of the Managing Agency	
Other (please enter) ……………………………………………………………………….	

Section 1: UNDERSTANDING COMPANY BUSINESS AND ENVIRONMENT

The first stage of this tool is the general analysis of the company's business. It is the starting point for any type of strategic reasoning and arises from the in-depth study of the resources (current and potential) and needs of the company and the market.

The objective of this first phase is to focus on the typical activities of the organization, how it has organized its strategy and which relationships it maintains with its partners and customers.

Market and demand

1. Which markets does the company address? (*give a brief description*)

In terms of:	Description
Geographic Area (nations)	
Gender Issues (universal or gender oriented)	
Massive or individual	
Importance of the cultural heritage (International, national, regional, local)	

2. You belong to the following sector:

Sector, you belong to:	Yes/No
Cultural and Natural Heritage including cultural education (Museums, Archaeological and Historical Places, Cultural Landscapes, Natural Heritage),	
Performance and celebration (Performing Arts, Music, Festivals, Fairs and Feasts)	
Visual Arts and Crafts (Fine Arts, Photography, Crafts)	
Books and Press (Books, Newspapers and Magazine, other printed matter, Library, Book Fairs)	
Audio-Visual and Interactive media (Film and Video, Tv and Radio – also internet streaming, Internet – podcasting, Video Games)	
Design and Creative Services (Fashion Design, Graphic Design, Interior Design, Landscape Design, Architectural Services, Advertising Services)	
Tourism (Charter Travel and Tourist Services, Hospitality and Accommodation)	
Sport and Recreation (Sport, Physical Fitness and well-being, Amusement and Theme parks, Camping)	
Other (which is….)	

3. Your customer is:

Type of the customer	Yes/No
Public individual	
Public institutional	
Private individual	
Private institutional	

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Domestic	
International	

4. Definition of goods or service you produce:

Characteristic of the output	*Yes/No*
Standard goods and services	
Innovative goods and services	
Luxury goods and services	
Creative output	
Typical culture	
Other, which is …………………………………….	

5. My place in the value chain

Position in the value chain	*Yes/No*
Creator	
Producer/Publisher	
Disseminator/Trader	
Exhibitor/Transmitter	
Other, which is …………………………………….	

Competitive resources

6. Which are the critical success factors for your business (open question minimum 3 factors)

a)

b)

c)

d)

e)

This marketing tool is essential for my business:	Not at all	To a small extent	To a moderate extent	To a great extent	To a very great extent	I don't know
Website						
Email						
Social media						
Word of Mouth						
Print collateral						
Internet Advertising						

Direct Mail					
Tv, Radio and/or Print Ads					
SEO					
Tradeshows and /or Conferences					

8. My workforce is composed of the following number of people:

☐ *we don't have*	☐ *1 – 5*	☐ *6 – 20*	☐ *21 – 50*	☐ *51 – 100*	☐ *>100*

Statement	Not at all	To a small extent	To a moderate extent	To a great extent	To a very great extent	I don't know
My workforce consists mostly of administration						
I have a lot of engineers and technology specialist in my staff						
My workforce has mostly humanist background						
The output I provide, requires highly skilled staff						
My staff mostly does not follow technological and digital change in the world						
My staff has high rotation						
I have a lot of sales force						
I have a big marketing department						
I run vast marketing activities						
Average age of my employees is rather high						

Section 2: KPIs

The second stage of the company check-up consists in the analysis of KPIs related to the sales area. Through this analysis, it will be easy to outline the path taken in the last 3 years by the company and how it is equipped to achieve the objectives set over time.

The macro themes that will be treated: revenue, margins, international markets, channels, customer base, customer loyalty and sales trend.

In this case, the questions are a mix of open questions and multiple-choice questions: the first will help the student to draft their final report, while the latter will merge into the automatic dashboard.

Revenues

10. Please refer to the following statements:

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Revenue and margin	Yes	Don't know	No
My revenue comes mainly from cultural and creative activities			
The sector in which the company operates is growing now			
The sector in which the company operates will growth in next three years			
The company is able to easily respond to a growing demand			
I expect my revenue will be growing next three years			
Margins in my business are pretty high			
Margins in my cultural and creative business operations are higher than in remaining business operations			

11. To what extent is the following statement true in your company?

Turnover	Not at all	To a small extent	To a moderate extent	To a great extent	To a very great extent	I don't know
The turnover in the last three years has increased						
All turnover goals have been achieved						
The revenue of the cultural and creative business operations in the last three years has increased						
The cultural and creative business operations had to be subsidies from the remaining business operations in last three years						
The expectations towards the turnover in next three years are positive						

International customers

12. The company's revenue from foreign customers in percentage is:

< 5%	6 – 10 %	11 – 20 %	21 – 50 %	> 50 %	I can't answer

Customer base (the group of customers that the company has in its portfolio and who regularly or non-regularly purchase its goods/services)

13. Approximately the following number of customers does the 80% company's turnover:

< 5 % of the customer base	6 – 10 % of the customer base	11 – 20 % of the customer base	21 – 30 % of the customer base	>31 % of the customer base	I can't answer

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Section 3: DEFINING AN IMPACT OF THE COMPANY ON THE CULTURAL HERITAGE AND DIVERSITY

The third stage of the company check-up consists in the assessment of an impact of the creative and cultural activity of the company. The instrument will prove useful to assess areas in which organizations have strengths and weaknesses related to increase cultural diversity and protection of cultural heritage

Please rate the degree to which you agree or disagree with each of the following statements. As you respond, please consider the business operations and produced outputs of how things actually are.

14.   Contribution to the protection of the cultural heritage

Statement	Strongly disagree	Disagree	Some-what disagree	Neither agree nor disagree	Some-what agree	Agree	Strongly agree
My activities are important for the protection of the cultural heritage of the region							
My activities are important for the protection of the national cultural heritage							
My activities are important for the protection of the international cultural heritage							
I can increase my impact on the protection of the cultural heritage							
Digital revolution increases my possible impact in the protection of the cultural heritage							
I need more skilled workforce to increase my impact on the protection of the cultural heritage							
I need more capital to increase my impact on the protection of the cultural heritage							

15.   Contribution to the valorising the cultural diversity

Statement	Strongly disagree	Disagree	Some-what disagree	Neither agree nor disagree	Some-what agree	Agree	Strongly agree
My activities are important for the cultural diversity of the region							
My activities are important for the national cultural diversity							

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Statement							
My activities are important for the international cultural diversity							
I can increase my impact on the cultural diversity							
Digital revolution increases my possible impact in the cultural diversity							
I need more skilled workforce to increase my impact on the cultural diversity							
I need more capital to increase my impact on the cultural diversity							

16. Contribution to the sustainable development

Statement	Strongly disagree	Disagree	Some-what disagree	Neither agree nor disagree	Some-what agree	Agree	Strongly agree
My activities are important for the sustainable development							
I can easily increase my impact on the sustainable development							
My activities are important for the economic well-being of the society							
My activities are important for the natural environment							
My activities are important for the social inclusion							

17. Training

Statement	Strongly disagree	Disagree	Some-what disagree	Neither agree nor disagree	Some-what agree	Agree	Strongly agree
The organization offers training and fun exercises to facilitate cultural education and awareness							
The organization offers training and fun exercises to facilitate digital skills and competencies of employees							
The organization has a process in place to facilitate cultural education and awareness							
The organization has a process in place to facilitate digital skills and competencies of employees							

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The organization is committed to producing leaders and employees who digitally skilled							
The organization promotes intentional reflection on cross-cultural interactions							
The organization responds promptly to emerging cultural issues that affect the organization							
The organization offers ongoing opportunities for cultural interaction coupled with intentional reflection							

18. Intentionality

Statement	Strongly disagree	Disagree	Some-what disagree	Neither agree nor disagree	Some-what agree	Agree	Strongly agree
Organisation has a strategy on increasing cultural impact							
The organization intentionally monitors its cultural impact							
The organization is intentional in using inclusive language							

19. **GDPR Privacy Policy**

I hereby authorize the use of my personal data in accordance to the GDPR 679/16 - "European regulation on the protection of personal data".

PART II: FACE TO FACE PROTOCOL

STUDENTS' INSTRUCTIONS FOR THE PERSONAL INTERVIEW

Since the questionnaire is a rigid tool with several lists and several closed questions, it is often difficult to explain in an "natural way" (albeit in a general way) the main characteristics of the company.

Students will consult with the Partners tutor in order to define which aspects of the survey need further investigation. The student is advised to proceed with the manager to search out the unclear/necessary for in depth aspects of the questionnaire.

Aspects that may need to be deepened are:
- Understand the business and market
- Understanding Company needs for expanding internationally
- Understand the improvement areas, eg. if the market is growing and the turnover has fallen
- Cultural Quotient gap like Digitalisation, Inclusivity, Training, Internationalisation, etc.
- Use of funds for internationalization.

The following are some example to help the student to ask the right questions and to direct the conversation to the right reflections during the face-to-face interview to be carried out in this phase of the check-up.

Talking about Digitalisation…
- Can you recognize the area where adaptation to the digital revolution is required?
- Are there any areas where your company is technologically lagging behind competitors?
- Is the digital revolution generally relevant for your company? How important it is for the cultural activities you run operations in?
- Digitalisation is more important in terms of producing or selling the output?

Talking about Inclusion….
- Considering the opportunities given to employees, would you describe your organization as inclusive? Are the opportunities equal regardless of gender, ethnicity, etc.?
- Do you think your organization strategically makes use of the diverse voices within it (in terms of different genders, ethnicity, etc.)?
- Could you please describe a case which indicates that the organization understands the dynamics of diversity and inclusion?

Talking about Training….

- Does your company offer any training programs for workforce? Are there specific programs focused on helping workforce to act effectively in digital environment?
- Does your staff need special training on exploiting modern, technologically advanced tools?

Talking about the use of funds for internationalization
- What kind of funds do you use for internationalization? Are you satisfied with them or not?

It is important to focus on the questions that the respondent has not been able to answer and/or on the negative indicators that could emerge as an answer to the questions. Students should ask for insights and try to bring out the causes that have generated the latter. By doing so, it will be easier to identify the problems and thus circumscribe the areas of hypothetical improvement.

It is important to get deeper into the company's training programs for improving digital performance of the workforce. During this phase, in fact, it will be possible to present the Digital Humanist project.