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CREATIVE ENTERPRISES DEVELOPMENT

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\* The views expressed in this document are those of the author, and not necessarily those of the WIPO Secretariat or its Member States.

## Creative Enterprises Development

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Like all other enterprises, creative enterprises must produce an economic value. It enables them to cover their production costs, make investments for the future and remunerate their shareholders. It also brings out the interdependence between potential needs and actual supply. To produce this economic value, enterprises have to organise their resources, suppliers, distributors and consumers in a coherent manner. This value system depends on the nature of the market and it needs to be arranged in such a manner that it answers the following questions:

- Is it better to produce some necessary elements in-house or it is advisable to subcontract their production through licensing, for example?
- Is it better for the enterprise to distribute its own products or to use intermediaries?
- Is it advisable to sign the same type of labour contracts irrespective of the nature of human resources or differentiate between them according to their specific talents and competencies?

In this contribution, we analyse the environment and the foundations for answering these challenges. We start by looking at the specificity of the so-called creative enterprises vis-à-vis mainstream enterprises. Then we identify three main logics for creating value and show that creative enterprises have specific challenges to solve (1). Then we analyse the specific drivers for creating these values (2). Various business models can be considered then (3), and a specific marketing perspective should be considered (4).

### 1. Alternative Value Models

Three types of logic underlie the creation of economic value: the value chain logic, the value shop logic and the value network logic

#### *1.1. The First Value Logic: The Value Chain.*

The overall process of many economic activities is generally sequential and linear. This overall process has a clear beginning and a clear end and can be organised in sequential phases. In such an environment, value creation relies mainly on standardised processes, mass production, and repetition.

More precisely, the value logic is here that of a value chain, since the value of the overall process depends on the specific advantages gained at each stage of the process. These specific advantages mainly deal with economies of scales and the reduction of transaction costs. Classically, manufacturing plants tend to fall in this category.<sup>1</sup>

Some characteristics are usually present:

- The technology is usually based on long-linked technology.
- The resources are mainly monetary and physical.
- The company transforms more or less generic inputs into more or less generic products.
- Its relative cost-to-customer value is defined either by cost reductions that the product can provide in the customer's activities or the performance improvements that the customer can gain by using the product.
- All sub-units in these organisations must contribute to optimise overall efficiency.

In value chains where monetary and physical resources are a determining factor, some management principles are clearly apparent at the onset:

- Secrecy is paramount since competitors will quickly detect a small advantage;
- Size matters and all enterprises strive for monopoly since they have to survive in a world dominated by economies of scale;
- Standardisation obliges enterprises to adopt a pushy attitude toward customers since it is a world dominated by economies arising from experience and learning, requiring repetition and thereby standardisation.

The strategic value delivered to customers is a mix of distinct value dimensions among which reduced cost and high functionality are determining factors. The profitability of an industry will depend on the interaction between various forces: buyers, sellers, substitutes, entrants and existing competition. Any increase in the economic value will depend on the ability to adapt the industry's structure, e.g. by creating new goals such as new technical standards.

Actually, when demand exceeds supply and supply cannot be rapidly expanded, the industry could benefit from monopoly rents, but this would attract new competition and act as an incentive to define new functionality or new costs.

### *1.2. The Second Value Logic: The Value Shop*

In a value shop logic, the main focus is on solving a previously unknown or unsolved problem for the client. In contrast to the value chain, the value resides not only in the solution itself – viz. output - but also in the individuals who come up with the solution and the way they reach it.

The overall process does not necessarily here have a clear beginning and end. This type of value creation relies both on the ability to make a client recognise the usefulness and/or the ability to continuously reconfigure a given resource portfolio to address completely new problems and situations that could arise due to the variety of users. A classical research facility is an example of this logic. Its efficiency depends as much on economies of scope as on economies of scale (for example the annual programme of an opera company or the catalogue of a book publishing house).

Since novelty and innovation are the underlying principles, the effectiveness of this value logic depends mainly on the specific characteristics of the human resources. Thus the management of these specific talents will be a determining factor for the implementation of

the value. Conversely, the ownership of this value may be shared with talents, which could give rise to intellectual property issues.

This logic is inherently driven towards effectiveness. If the organisation fails, it is because it is not able to face potential needs (lack or loss of clients). In such a case, the firm's reputation (signal value), quality of relationships and/or image and absence of asymmetry with the client are important. But there could also be efficiency problems and in such a situation, reducing coordination costs and sharing the costs of uncertainty will be very important.

Usually, some characteristics are more dominant:

- The value shop performs the tasks of selection, combination and organising the application of resources and activities according to the requirements of the situation;
- The flow of activities is not linear but iterative and cyclical.
- It requires intensive problem-solving technology.
- It involves solving customers' problems which includes mobilising resources and engaging in activities for solving the problems of a single customer or a group of customers.
- Its relative value sometimes depends on more or less standardised solutions, but the value creation process is designed to deal with single cases.

In the case of value shops, other principles of management are clearly evident at the starting point:

- Openness, dialogue and debate are paramount both on the labour side and on the customer side;
- A large size is not necessarily better and the market share is not necessarily relevant, as both are considered irrelevant in a world dominated by economies of scope;
- Standardisation may be counter-productive in a world dominated by economies of scope;

The corresponding economic strategy is a mix of four distinct value dimensions: Reduced costs; high functionality, distinctiveness (brand, reputation and image) and mental proximity (defined as all the things that contribute to lowering the barriers to building person-to-person trust).

The difference in profitability between value shop enterprises is influenced by the differences in their resource portfolios, resources being defined as inputs in the firm's operations rather than products and services. These resources deal with venues, plants, talents, competencies, etc.

Actually, when demand exceeds supply and supply cannot be rapidly expanded due to the difficulty of increasing this specific asset, the enterprise will benefit from scarcity rents. But it is important that these assets should be relevant and applicable to a wide range of products and services.

### *1.3. The Third Value Logic: The Value Network*

Connecting people or organisations is the logic behind such an organisation and the actual enabling of this connection is the basis of value creation (Phone, fax, email). Neither

the starting nor the ending points can be clearly identified and activities performed in a network organisation are parallel and non-linear.

The criteria of sustainability deal with both efficiency and effectiveness. Here the number of consumers is very important since the higher the number of consumers, the higher the utility of the network.

The most relevant resources that form the basis of competitive advantage in these types of organisations must display network economic behaviour: as a consequence, mainly relational and organisational resources can form the basis of competitive advantage.

Usually, some characteristics are more dominant:

- The technology required is mainly a mediating and facilitating technology;
- It links customers together by enabling direct and indirect exchanges between customers separated by time and/or space;
- The value of the service is dependent on who else uses it;
- It allows a simultaneous and layered performance of activities based on standards that are strategic.

Since the strategic value delivered to consumers depends on the number of accumulated consumers, the enterprise must offer them very attractive incentives to join the existing network as soon as possible and to make them continue as members of the network. A mix of distinct value dimensions such as reduced costs, high functionality, distinctiveness (brand, reputation and image) and trust (defined as all the things that contribute to lowering the barriers to building person-to-person trust) is present in value network logic as in value shop logic.

The difference in profitability between value network enterprises is influenced by differences in their consumers' portfolios. The resources deal with trust, incentives to join the network and make them continue as members of the network, etc.

Actually, when supply exceeds demand and demand cannot be rapidly expanded, the enterprise must create added value in its products in order to attract the lost consumers.

#### *1. 4. The Creative Enterprise as a Combination of Value Logic*

Although these three value logics are compellingly differently, they are not exclusive. For example in some large organisations, some departments or units may depend more on the logic of the value chain and others on the logic of the value shop. Moreover, over a period of time, some enterprises that were earlier dominated by value chain logic may develop more value shop logic or network value logic. The best example is big enterprises that prefer to sell their patents instead of directly exploiting the corresponding activities.

Creative enterprises may resort to all the three value logics, but with different intensity.

Creative enterprises are very close to the value shop. The fact that they produce new goods and experience goods creates very specific links between sellers and buyers. If we had to choose between the three logics of value, one could say that creative enterprises have a value logic, which primarily matches with the value shop. The performing and visual arts, for

example, testify to the need for a very special relationship that inspires trust between the seller and the buyer. Painting, acting and publishing illustrate these logics.

Creative enterprises may also assume a value chain dimension. As soon as they reach a certain size or if they have to solve problems related to distribution, this principle becomes apparent. The cinema industry illustrates this point very clearly. When we say that the cinema is both an art and an industry, we stress the importance of production, distribution and exhibition as well as the fact that these three stages have to operate coherently. It may also be stressed that it is related to the logic of the value chain (as an industry) as well as to the logic of the value shop (as an art).

Creative enterprises may assume a value network dimension according to the nature of the creative product concerned. This may be justified as an effect of fashion in the case of several cultural products (snob effect or bandwagon effect). This means that the number of consumers increases or decreases as compared to the number of existing consumers. This logic of value network has assumed a greater importance after the development of the Internet, which has given a technological foundation to the concept of network (and not just psychological one). Interactive videogames, writing hyper novels, etc, are good illustrations of this logic.

Further, creative enterprises may have all the three value logics in different proportions. They all have value shop logic and the two other logics can be added in different proportions. For example, considering creative cultural enterprises, we can consider a fractal space (Figure 1). Typically, a position away from the extreme or "pure breed points" will be seen to require some kind of balancing act. The key insight offered by the fractal triangle shows how it will be useful to balance chain and/or shop and/or network value logic in order to create business opportunities and maximise the economic enterprise value.

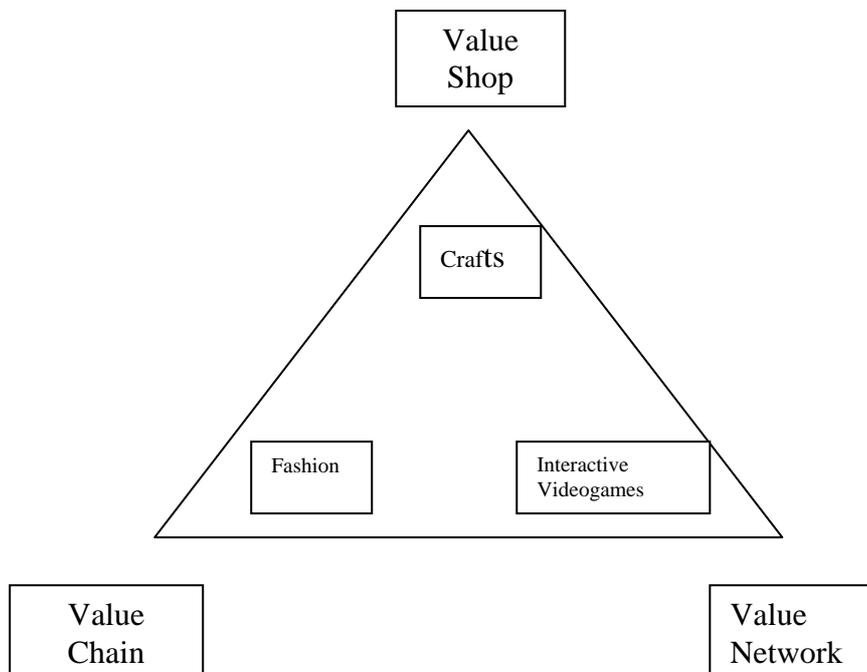


Figure 2. 1. The Value Fractal Triangle

## 2. Drivers for Development

It is essential to understand what drives economic value in order to figure out how intangible resources increase the economic value and what are the specific management strategies. As a value shop dominated enterprise, the cultural enterprise is better suited to a development strategy that depends on the good management of its own strategic resources rather than on the modification of the boundaries of its market. It will then reach new forms of competitive advantage by appropriately adapting, integrating, and reconfiguring organisational skills, resources and competencies to match the requirements of a changing environment.

### 2.1. From Traditional to New Value Drivers

Usually four categories of value drivers are traditionally identified.

- Price: Most organisations understand and know how to control cost drivers but understanding and controlling value drivers is much more difficult. Although the information regarding costs is usually readily available in an enterprise, it is not normally the case with information regarding the price. This is true of many creative enterprises.
- Functionality: It is usually defined as everything concerned with the delivery of the product or service (e.g.: on-time accessibility).
- Distinctiveness: It is defined as everything that generates a "mind share" as a precursor to market share (brands, reputation, references, etc.). This is very important for any type of creative, content or cultural products that appear a priori as unknown products or at best as products of uncertain quality.
- Mental proximity: They are attributes that provide a basis for lowering barriers to the building of person-to-person trust (such as shared values and beliefs). This is also very important in the case of creative goods that are often linked with an experience dimension.

In view of the specific traits of creative enterprises, it is necessary to add two specific drivers related to buyers' attitudes.

- The quality of the information available to the buyer: In presence of new products or services, the customer may not have the benefit of information relevant to their nature. There is an asymmetry between the buyer's perceived knowledge and the seller's knowledge. This creates a distance that may prevent the expected purchase and destroy the expected economic value of the creative enterprise.
- The critical importance of the purchase for the buyer: In some situations, the purchase is important either because it is focused on a new good or because it represents a new type of expenditure that the customer must integrate in a predetermined budget. In some cases, this situation may be confused with the previous situation. But there are other situations where the purchase is 'important' and the knowledge is evenly shared in the market. Whatever the situation, the purchase will not be mechanical and will require a variety of criteria and information for executing it.

## 2.2. Four types of situations

Focusing on the last two specific drivers, we may identify four areas (Figure 2.2). Each area illustrates:

- Four corresponding combinations of drivers in order to create economic value.
- Four fundamentally different customer behaviour zones.
- Four development strategies for both creative and “non-creative” enterprises

- Area 1 is the “commodity” zone.

Two characteristics have been verified:

- The customer knows at least as much as the seller about the quality of the product and he does not need any specification or specific information.
- The purchase is not very important for him.

The customer will then evaluate the products on offer primarily on the basis of price and will purchase them at the lowest price. In the case of suppliers, there is one feasible strategy, viz. *cost leadership* or even *outpacing*. The relevant strategy implies a very good understanding of what drives value in the minds of customers and the superiority of the ability to operate with low costs. A priori, creative enterprises rarely deal with situations located in this area, unless they are dealing with annex products (for example, a museum managing a restaurant).

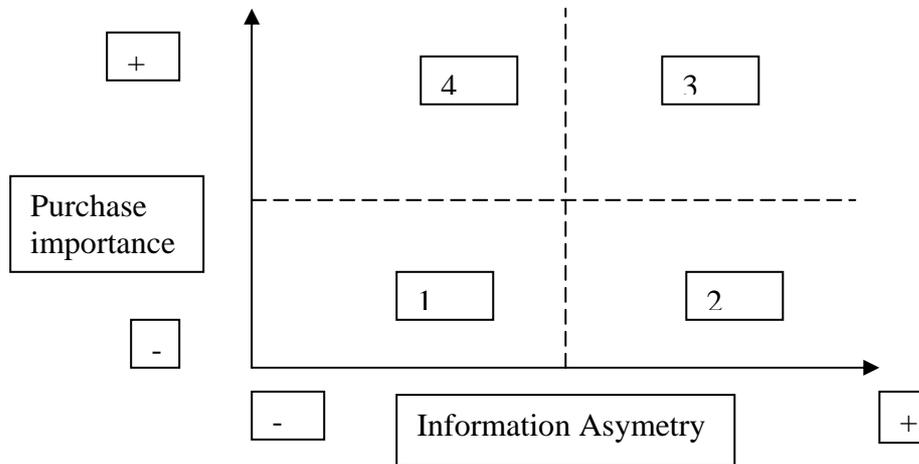
- Area 2 is the “branded products” zone.

Two characteristics have been verified:

- The customer lacks information and thinks that the supplier has better knowledge.
- The purchase is not important for him.

The customer then looks for additional information or for any variable that will reduce the cost of his search. Brands, reputation, image and all other attributes of distinctiveness play a major role. The main attraction in this case is the brand rather than the product itself. For suppliers operating in this zone, the most feasible strategy is that of *outpacing* although differentiation is also possible, but it normally leads to lower profitability.

The relevant strategy concentrates on branded goods and brand advertising, design, service and quality. Alternatively, it may concentrate on innovation, functionality and first mover advantage. A creative enterprise may face this situation. As regards the fashion industry, this situation explains to a large extent what development strategy it should adopt.

Figure 2. *Enterprise's Alternative Development Strategy* <sup>ii</sup>

- Area 3 is the "trust" zone.

Two characteristics have been verified.

- The customer knows much less than the supplier and is very uncertain about the quality of future consumption.
- The purchase is critical, mainly because the consumer has never experienced the relevant product or service.

Variables such as distinctiveness (reputation, image, brand, etc.) are required. Potential suppliers have to present their products properly to the buyer (this is sometimes known as a beauty parade). Moreover, trust is essential. The monetary component of price is not very relevant unless the consumer is very experienced.

For suppliers operating in this zone, trust and differentiation are essential strategies. Outpacing can be used as an alternative strategy. The most appropriate strategy is a mix of distinctiveness and trust. For creative enterprises related to the performing and visual arts, these strategies are highly relevant.

- Area 4 is the "industrial procurement" zone.

Here two characteristics are verified:

- The customer knows at least as much as the seller.
- The purchase is critical.

The customer will evaluate the offerings primarily on the basis of functionality and will purchase the one that is priced the least. For suppliers operating in this area, there is one

primary strategy, viz. *cost leadership* although both differentiation and outpacing are also feasible if it is possible to influence either the perceived competence of the buyer or the content of the tender document or both.

The relevant strategy implies investment in volume production, standardisation or product design that simplifies production and tight cost control. Creative enterprises related to this area are design and cultural industries (videogames).

## 2.2. *Where are Creative Enterprises Located?*

Creative enterprises face situations and markets that mainly fit into areas 2, 3 and 4. Since their products are “new”, the issues of both relative importance and information asymmetry are verified. The differences between creative enterprises and their corresponding situation will depend on the nature of the products.

- If the product has a strong intangible dimension like most cultural products, situation 3 is very likely.
- If the product has a strong tangible dimension, situation 4 is very likely.
- In that case, situation 2 will correspond to creative enterprises where creativity depends mainly on the product’s social dimension.

In simpler terms, we may say that new industrialised products fit into area 4, traditional cultural products into area 3 and semiotic products into area 2. In fact, the boundaries between these three areas are quite blurred and very often a product may fit into both areas 3 and 4 (a disk or a videogame) or into areas 2 and 3 (the fashion industry). It is even possible that activities like designing may fit into the three corresponding areas.

The simultaneous development of functionality, trust and brand recognition appears to be a very important promotional tool since it fosters customer confidence and loyalty. Intellectual property may also be involved, as there is an accumulated intangible capital. Price, which is the most traditional driver, cannot be eliminated but it must be considered as one of the many drivers. This will have a lot of bearing on the traditional management decisions of creative enterprises.

## 3. Business Models for Development

### 3.1. *Five business models*

Creative enterprises are mainly content enterprises, which opens various perspectives of valorisation. Starting with the traditional use of content, many other uses can be considered, offering various business models for development. Let us take here the example of companies producing audiovisual products. In this case, these models are inspired by the traditional presentation of information models given by Varian.

- The first business model is *the partial modification of an original content*.. The new versions are aimed at the same user situation as the original is, but differences will appear in terms of prices and design, which allows mobilizing new consumers segments. This is illustrated by the very famous difference between hardbacks and paperbacks.

- The second business model is related to *windowing*. Windowing tries to develop a new market by selling the same content on different platforms. At a very small cost it is possible to transform a first market in new ones, for example video on demand or DVD. Naturally this perspective may create loss expectations on the first market, but the main issue here is to define the right order.
- The third business model refers to *selling new goods that incorporate part of the original's content value*. For example music used in a movie or TV drama can be sell through a music CD. An extracted part of the new content is then sell separately and may mobilise new consumer segments that were not sensitive to the initial content. But this extraction can be more important, for example if we create a series starting from the initial content. A more precise extraction derives new material product and services from a part of the original content. Very , the best example here has been given by Disney or any other use of character items taken from animated cartons series. Very often again the derived products are no more here content products but very tangible ones, which can create new challenges in terms of costs and delivery. This kind of strategy takes advantage of the original content's popularity but faces the challenge of implementing new activities.
- A fourth business model deals with the monetarization of external effects or spillovers created by the initial content. A very good illustration is the increase of tourism due to the fact that some landscapes or monuments have been used to shoot films (Lord of the Rings in New Zealand, Da Vinci Code in Louvre and Saint Sulpice in Paris). In fact this is not totally new and some objects that appear into a film have frequently been boosted after ("Trade follows the film). Whatever the perspective, the main issue is to know what are the rights of the producer of the initial content on these monetary external effects.
- A fifth business model deals with non-monetary externalities. But here the producer of the initial content will have few opportunities to recover directly the monetary consequences of such phenomena. More and more observers view culture as a source of nation's soft power. For example Japan is considered as benefiting a lot from the mangas in terms of communication.

What is important here is that all these waves of business are generally available at affordable costs and valued for their popularity.

### 3.2. A ripple model applied to Pokemon

As Mariko Uchida has shown, we are in presence of a ripple effect modal, presented in the Table 3.

Table 3

BUSINESS MODEL	PRODUCT
Original Content	One Film
Content Itself	Box Office
Transformed Content	DVD
Derivative Content	Film Merchandising
Existing Good Relating Content	The Film Location
Goods with the Same Environment as Content	National trade
Elements of Content belonging to Environment	Longing for National culture

Uchida, Mariko, "The content Business and its externalities: A ripple effect model", *Keio Communication Review*, N° 29, 2007, p. 144

Applying the Ripple Effect to Pokemon, Uchida describes the Pokemon business operations and their corresponding level of ripple effects (Table 4).

Table 4

LEVEL	PRODUCT/EVENT
1	Game software: Export Game software: The game made applicable to other game machines
2	Game software: the same game partially modified
3	Card game, Magazine, Books instructing video games users how to win, TV Animation series, Films, Music CD, DVDs, Manga series, Character items (Toys, Food), Pokemon aircraft, Events, Stamp rally
4	Game machines
5	Lectures in international relations, Event in a university campus for international Cultural relationship

Uchida, Mariko, "The content Business and its externalities: A ripple effect model", *Keio Communication Review*, N° 29, 2007, p. 149

Considering the data from the METI in 3003, it is then shown the total amount of income generated by the content "Pokemon":

- Utilization as content (VTR, DVD, TV animation, Comic Magazine, Box office, Card Game): 1.5 trillion yen
- Game software sales: 93 billion yen
- Utilization as material good (Toy, food, clothing): 700 million yen

#### 4. Marketing creative products

Traditionally, the specialist of marketing mainly relies on the so-called marketing mix, or the four P's-product, price, place and promotion-to develop marketing plans. But this functional approach is unidirectional, since it comes from the organization and imposed on the customer. In the domain of creativity where shop value and trust are essential, this perspective is not adapted since it represents the seller's mind-set rather than the buyer's. This is why Robert Lauterborn suggests that marketers think in terms of the four Cs instead of four

Ps: *customer value* (not product), *customer costs* (not price alone), *convenience* (not place), and *communication* (not promotion).<sup>1</sup> This is why Mohanbir Sawhney suggests that marketing should be focused on processes: process for understanding, defining, realizing, communicating and sustaining value.

- *Customer value more than Product*

Offering the product is the traditional first step of the four Ps. But when offering new and unknown products, it is very important to consider that the view of the consumer will be very complex. People will place different values on various aspects of the core product. People not only acquire products but are searching for new experiences and sequences. Furthermore, each patron's experience will vary according to his or her knowledge, preferences, background, and mental state at the time of the use of the product.

In many creative areas, such as culture, there exist augmented products. The augmented product consists of features and benefits by the marketer to stimulate purchase and enhance consumption of the core product. Due to the uncertainty of the cultural good, many characteristics will have to be organized for increasing the confidence of the customer.

Since creativity is the principle for these companies, managers need to periodically adjust or reformulate their marketing and positioning strategy. There are ongoing changes in the environment, such as growing competition and evolving customers preferences. Moreover, the organization itself, its core products, and its augmented products are all subject to life cycle analysis.

During the *growth* stage the organization capitalizes on the customer's strong response and seeks to develop patron loyalty. It also employs several strategies to prolong the growth stage. It may add new product features and benefits such as visible improvement in the quality of the productions and customer service. It may cultivate new market segments. It may add new versions or windows products or consider new distribution channels, such as performances in neighbourhood.

When the growth rate slows, often to the point where managers are working harder just to maintain past years' customers level, the organization has entered the stage of *maturity*. It can try to expand its number of users by converting nonusers, by encouraging more frequent use among current users, and by increasing the amount of use per occasion. The organization can also stimulate demand by modifying the product. This can take the form of *quality* improvement, usually by investing more heavily in production values, or *feature* improvement, such as offering. The marketers should also consider what modifications should be made to non-product elements to stimulate demand. Could new appeal be built with new branding and positioning strategies?

A difference between life cycle in our domain and "mainstream life cycle" is that usually creative products do not know phases of decline but of disappearance that can be very fast after maturity. But sometimes they re appear some time after, usually in a new marketing perspective.

*- Consumer cost more than Price*

Creative companies marketers need to consider the costs incurred not only by the organization presenting a production but also by the consumers using the product or service. It is difficult for creative organizations to clearly identify productivity gains, moreover productivity gains experienced by the rest of economy. Since the early twenty, century, increases in efficiency in our technology-oriented, for-profit economies have been continuous and cumulative. But the references are totally different for many creative industries since they are in advance on this reference. Furthermore, many of these companies have to incur substantial expenses for financing sunk and fixed costs that must be met without knowing the number of consumers. This calls for pricing strategies starting from the possibilities of the various consumers segments rather than on the organization costs. Organizations depend on contributed income to come for the difference between the company's expenses and its income, yet garnering adequate subsidies is a perpetual struggle.

In such a perspective, they have to consider the costs supported by the consumers and not only the cost of the product. They must consider value for time as much as value for money. They must take into consideration that customers have very different perceptions of value for money and then adapt their pricing policy.

Since the success of creative products is submitted to bandwagon and network effects, they have the choice between two objectives that have to be sequenced within time: maximising the number of customers; maximizing the income. These objectives are not mutually exclusive and marketers have to meet these two goals either simultaneously or successively.

*- Convenience more than Place*

In the digital area, place has taken a very flexible content. For example information and distribution take forms independent of specific places. But the main point here is the fact that the time of consumption has to use the digital perspective. Many companies still are opposed to too much flexibility here, fearing processes such as illegal downloading and copying. But they have to take into consideration these new perspectives.

*- Communication more than promotion*

Communication is perception. The recipient message, not the sender, is central to communication. The transmitter can only make it possible for a recipient, or percipient, to perceive. Moreover, perception is based on experience, not on logic, so one can perceive only what one is capable of perceiving. Therefore, in order to make communication possible, a creative company must first know the recipient's language and experience, knowing that this latter responds best to communications that fit in with its aspirations, values, and motivations. If the message does not correspond with these qualities it is likely not to be received at all or, at best, likely to be resisted.

Marketing is a matter of influencing behaviour - either behaviour or preventing it from changing. In order to influence behaviour it is crucial to understand where the customer is coming from. If a message is not designed to address target interests, needs, and mind-set, it will not be effective. Once the marketer has developed an understanding of targeted market he may develop messages and use media that *inform*, and *educate* people in compelling ways. All advertising, public relations efforts, personal selling, and sales promotion tactics are intended to persuade. Unfortunately, much marketing copy is filled with hype, exaggerating consumer expectations or causing people to be sceptical of the claims. Here, a major source of dissatisfaction is not inferior quality but exaggerated expectations. Disappointment can be avoided if the organization uses only but realistic methods of persuasion.

## Summary

Like all other enterprises, creative enterprises must produce an economic value. It enables them to cover their production costs, make investments for the future and remunerate their shareholders. It also brings out the interdependence between potential needs and actual supply. To produce this economic value, enterprises have to organise their resources, suppliers, distributors and consumers in a coherent manner. In this contribution, we analyse the environment and the foundations for answering these challenges. We start by looking at the specificity of the so-called creative enterprises vis-à-vis mainstream enterprises. Then we identify three main logics for creating value and show that creative enterprises have specific challenges to solve (1). Then we analyse the specific drivers for creating these values (2). Various business models can be considered then, and the versioning model will be considered more in detail (3). Among various types of creative enterprises, we shall focus these issues on culturally creative enterprises

[Annex follows]

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<sup>i</sup> Ross, Goran, Stephen Pike & Lina Ferstrom (2005), *Managing Intellectual Capital in Practice*, London: Elsevier

Ross, Goran, Stephen Pike & Lina Ferstrom (2005), *Managing Intellectual Capital in Practice*, London: Elsevier

<sup>ii</sup> Roos, G., Pike St. & L. Fernstrom, *Managing Intellectual Capital in Practice*, Amsterdam: Elsevier, p. 143