

OLDER  
&  
WISER  
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SOHO'S new media sector

a snapshot study  
of the common issues of Learning

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## SOHO'S NEW MEDIA SECTOR

a snapshot study  
of the common issues of learning

undertaken by  
Central London Partnership  
2004

on behalf of 01zero-one  
Westminster Kingsway College

Funded by Learning and Skills Council London Central

01zero-one  
creative Learning Lab

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"This is all about linking the development of skills with the needs of the creative sector of the economy. The future success of the digital creative industries is vital for London's economy, and this bold initiative from 01zero-one will bring the people, the skills, the experience, and the economic needs together. This is vital work."

Rt Hon Chris Smith MP, Patron 01zero-one

#### DEFINITION: new media

electronic media, generally interactive so allowing for a two-way interaction or exchange of information

#### 01zero-one

01zero-one, the Creative Learning Lab is a new initiative developed by Westminster Kingsway College to respond to current and future skills needs in London's creative industries. Situated in Soho, 01zero-one is a space for innovation, new thinking and new practice for creative learning, skills development and networking across the sector. It focuses on TV, Film, Interactive and New Media and Digital Design.

01zero-one offers a wide range of short courses, seminar-workshops, showcases and network events where creatives can share ideas, realise new commercial and creative opportunities and push the boundaries of their media.

The concept behind 01zero-one was developed in consultation with the industry and its programme of work is designed and delivered by creative industries practitioners and experts.

#### CENTRAL LONDON PARTNERSHIP

Central London Partnership (CLP) brings together the many organisations and players from both the public and private sector across central London. Through taking concerted action, the partnership helps improve prospects for the heart of the capital and provide a better quality of life and experience within central London for its citizens, workers and visitors.

To achieve this, CLP builds a strong partnership ethos, crossing boundaries, sectors and disciplines, and this study is an expression of this ethos, partnering 01zero-one at Westminster Kingsway College to consider the skills development prospects of this key central London creative sector.

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## SECTION 1

### INTRODUCTION

This study was commissioned through 01zero-one's commitment to understanding the industries that it aims to serve. It is part of what we hope will be an ongoing dialogue with the sector that will help us to grow and adapt alongside industry change and development.

Mandy Berry, Director 01zero-one

## SECTION 2

### A SNAPSHOT STUDY

#### THE PURPOSE FOR THE STUDY

In terms of the new media sector, little knowledge is formally gathered in a London context to consider the sector's development aspirations and subsequent workforce needs. When any particular business sector experiences extremely rapid growth the associated pressures often leave little time for the establishment of suitable infrastructure, which is critical to sustain healthy growth over the long-term.

To provide a current snapshot of the sector, this research study undertook to interview a number of companies about their current workforce ratios, development and learning needs, methods of recruiting the right workforce and aspirations for how to grow the sector from within.

#### COMPANY SELECTION

All of the companies selected operate in the new media, digital and interactive sector, providing such services as development to design to production to editing for a number of platforms, from websites to DVDs.

All of the businesses are located in or on the fringe of Soho and within

a reasonable radius of the catchment of 01zero-one in Peter Street. The selection should also sufficiently represent the breadth of the sector in employment terms, from stand-alone companies with a small workforce (1-20 employees) to subsidiary components of parent companies with a larger workforce (20-100).

Varied sources were used to identify these companies, from the recommendations of The British Interactive Media Association (BIMA) and New Media Knowledge, to industry directories such as Kemps Film & TV Production Directory. In addition, Televisual magazine's new media study in June 2003 identified 20 companies, twelve of which were Soho-based. (See Resources page 31)

#### METHODOLOGY

The twenty companies invited to take part in the study were approached in the first instance via email at the beginning of January 2004, preceded by telephone contact to establish interest in taking part in the study.

Even the recruitment process generated some insights into the general nature of most new media businesses. The apparently overstretched resources and varying staff structures, typical of young businesses, made it difficult to

commit and schedule their interviews.

The majority of the interviews were conducted in person for an average length of forty-five minutes and, in all cases, at the company premises to better understand each company's 'physical' personality and staff layout. Interviewees were also selected to represent a range of perspectives in terms of positions and roles, such as creative director, administrator, studio manager and chief executive. As each interviewee had been sent a questionnaire in advance, outlining the type of information sought, it has been possible to build a framework of common themes, affecting businesses across the sector.

## THE CREATIVE CONTEXT

### LONDON'S CREATIVE INDUSTRIES

London has an international reputation as a truly creative city. With its 'rich mix' of people and talent and strong technical and cultural infrastructure, London is home to an impressive combination of creative businesses and institutions. When combined with a powerful fusion of different media forms, from television, radio, advertising, interactive entertainment, new media, print media and telecommunications, this results in an unrivalled agglomeration of creative activity.

As GLA Economics confirms in its most recent sector survey London's Creative Sector, London is clearly the country's creative capital, accounting for 40 per cent of the jobs across the UK's creative industries<sup>1</sup>.

And whereas other cities may be strong in some areas – Los Angeles for film, New York for advertising, Milan for design - it is excellence across all sectors, not just one, which sets London in a league of its own.

It is this breadth and diversity that gives London a unique connectivity and commercial edge,

which translates into a significant economic strength. London's creative industries employ over half a million people who generate £21 billion<sup>2</sup> in turnover, which is a serious source of wealth in London, second only to the financial services sector. And it continues to lead London's job growth, responsible for one new job in every 4.5 created in London<sup>3</sup>.

The Department for Culture Media and Sport (DCMS) defines the sector as businesses which "have their origin in individual creativity, skill and talent and that have a potential for wealth and job creation through the generation and exploitation of intellectual property."

But this definition does not fully reflect the convergent nature of creative industries in bringing together enterprises that usually work independently and become mutually re-enforcing.

The new media sector exemplifies this; for example London's competitive advantage in media production, IT and telecommunications, as well as publishing and design, were previously distinct sectors, have converged and combined in many areas to create innovative and successful applications of 'new media'.

<sup>1</sup>London's Creative Sector: 2004 Update, GLA Economics April 2004

<sup>2</sup>Creative London, April 2004 London Development Agency

## THE NEW MEDIA SECTOR

There are few remaining aspects of any business, which do not feel these platforms and the touch of information technology. These have become vital offerings for any business, regardless of size, to enhance competitiveness and reach new markets. As the primary supplier of these business enhancements the new media sector has experienced rapid growth in the last ten years, as successful productivity expands the workforce and inspires new enterprise.

The UK interactive media sector as a whole continues to experience growth, employing in excess of 50,000 people, making it the biggest sector in scope for Skillset, the Sector Skills Council for the audio visual industries<sup>4</sup>.

But whilst Skillset endeavours to statistically capture the full sum of the interactive media sector, it falls across more than one DCMS creative industry definition, in one instance being both design and electronic publishing, but not sufficiently captured as interactive leisure software. This makes wider statistical reporting confusing, from the Annual Business Inquiry (ABI) to the Labour Force Survey (LFS).

The changing nature of the sector's output combined with its increas-

ing depth and breadth, adds to the difficulty of containing it within one simple definition. New media continuously evolves and unites markets by reacting to the expansion of business platforms on which applications and programmes can be played or accessed; from CD-ROMs to DVDs to e-publications and TV-customer information and entertainment systems on planes, trains, and buses. As new wireless platforms emerge, the sector is continuing to react in typical fashion and is fully engaged.

In some ways, the days of the dotcom crash and burn seem to have strengthened the sector from within, by highlighting a 'do's and don'ts' for those enterprises developing in its wake. However, even though clients are far more technologically proficient than a decade ago, there still seems to be a strain in confidence in new media channels which translates into pinched marketing budgets and reduced opportunities for those working in the sector.

This question of confidence and the unpredictability it engenders may have impacted on the freelance community, which has become a larger component of the sector's labour market since the dotcom fallout. While this change has been significant, these current levels still fall far short of the levels of freelancing witnessed in

other audio visual industries, such as TV and film.

## SOHO'S NEW MEDIA CLUSTER

Despite the diversity in operations within the new media sector, throughout its development there has remained a valuable connecting link with its older sister sectors of TV, film and advertising, by favouring Soho as one of its bases in London. The prominence of this central location and its long association with creative production generates several benefits to businesses located there. Not only is there a buzz about Soho, which should not be underestimated in terms of impact on client perceptions, but on a more practical level the proliferation of creative support services and suppliers generates a cross-fertilization of ideas and techniques, which helps keep these businesses at the centre of a continuous development process.

These beneficial influences come from across the entire range of media production services covering advertising and production editing, through to photography and design. Soho continues to be a critical creative cluster with new media companies adding to its services and benefiting from its strengths.

<sup>4</sup>Skillset Census Results 2003

## SECTION 3

### THE COMMON GROUND

From the little research that exists on the sector in London and from the process of identifying companies to interview, the diversity of the sector became clear; be that size or specialism. Whilst this diversity is characterised by a strong entrepreneurial approach, there seems to be some collective experience amongst the companies that can inform a sectoral response to the issues around learning development, from both the companies working in the sector and the agencies supporting it.

#### CAPTURING AND SHARING BEST PRACTICE

The study may reveal commonality but the companies tend to respond intuitively with innovative and exciting work practices, at entrance level through to career and skills development. It is valuable to communicate these to the sector, as best practice to shape its future growth.

### ENTERING THE SECTOR

#### A STAKE IN EARLY DEVELOPMENT

There is such a strong collaborative ethic to working in new media that getting the right 'fit' in new staff becomes imperative, but getting that right doesn't just begin when recruiting for a job vacancy. Introducing pre-professionals into the business environment, through placements or internships, is already bringing benefit to a number of the study companies and demonstrates a proactive approach to recruitment.

At digital media agency Reading Room, Administrator Ellen Mayes explains that they are currently running a placement scheme in its second year, through Plymouth College of Art & Design's new media course for a second year degree student, who then returns to complete their degree. The previous year's placement resulted in an offer of work and the same is anticipated for the current student.

Sponsoring degree shows is another practical, low cost and low maintenance way of investing in a future workforce. "What is important is that you make that bond with people," says Paul Thurlow, Head of User Experience at Redhouse Lane, "but it's not only about moulding someone to help in the ways

we need, it's bringing a fresh response to invigorate everybody in the team."

His ideal method would be to have a funnel through which to channel an intern project and Thurlow has already gained management agreement to do this at Redhouse Lane. "Hopefully, we'll get the best people in and committed and we'll help them through their final year of education because that's something that we can easily do, not only in terms of the expertise, but towards the cost of renting hardware."

#### INITIATING A WAY FORWARD

In these examples of placement schemes with graduates, the companies made the approach to the education provider but experienced little return interest in developing the link between college and company further, which is a missed opportunity.

Paul Thurlow suggests one way of doing this would be for companies to put a bit of money aside, similar to a bursary, and package it as attractively as possible. But it is vital for the education provider to be part of this packaging, as there are definite times during the year when work experience or placements will fail.

The study companies are generally approached by students who want to start placements during July and August, but this is often the busiest time for new media companies. Taking the example of DVD design and authoring, Alison Kyte, Administration Manager at Deluxe Digital Studios explains: "The way the industry works is that you gear up for Christmas. The manufacturing plants and distributors are busy in October and November, so the disc design and authoring takes place throughout July and August." In this instance, the summer placement becomes an unviable option, with little opportunity for the graduate to understand why. Creating a bridge between company and college would offer a sustainable insight into the workings of the sector and how to maximize the placement process.

#### THE WAY IN: FORMALLY

When a vacant position does arise, with the need to recruit, there are a number of avenues that the study companies have explored to each establish preferred methods for formally recruiting staff.

Tapestry.MM has invested in a programme for ensuring that they attract the skills they need, particularly on the business development side, by working with a training agency, which places graduates into professional field sales

roles in companies. The agency provides a year of training and support to nurture the employee's career success and the company's investment. Chris Holmes, Head of New Media, clarifies: "In the past two years, we've taken on board two graduate trainees, who are completely outside our industry. One has a business studies background and the other a marketing background. The agency offered us a number of graduate candidates to select from, after which they provided three weeks of training in the first year in various modules, as well as two mentors, one at the agency and the other in the host company."

Whilst early in its development as a scheme, it's helpful to a company of Tapestry.MM's size (a new media team of around ten) to sift through applications for an unfamiliar skills base. As Chris Holmes elaborates: "I was reading a report from one of the guys we took on from the agency about one of his prospects, and it reads like an essay. It's 12 pages with a SWOT analysis and it's something that no one else would be capable of producing because they're all self-taught and old school." Holmes thinks this kind of approach will become more and more relevant, for an integrated response to clients' needs.

However, recruitment agencies on the creative side seem the least preferred option, as the study companies choose rather to advertise in trade magazines, such as Broadcast or Design Week. This is as much a case of cost, as reliability.

#### THE WAY IN: INFORMALLY

A consistently used method of recruitment, not only in new media but also across all the audio visual industries, remains word of mouth. All of the study companies consider this a reliable way of gaining contract or freelance staff, despite the fact that this can often be a painful way to recruit because it's a little more emotional.

A personal recommendation is considered a fairer indication of capability than graduate certification, which many of the study companies feel stops short of true business relevance. This makes it difficult to gauge how effectively graduates enter the sector. One study company interviewee commented on feeling surprised at how out of touch he finds graduates, assuming that the rate of technological advance and incumbent costs makes it difficult for colleges to keep abreast of these hard skills.

Niall McBain, Chief Executive at Spafax Online was frank about his reluctance to hire at graduate level: "Very often we won't be taking the first draft of people

out of college because they won't have the experience we're looking for and I would be nervous about hiring a lower threshold of experience, because we don't have the infrastructure to support that sort of development."

One study company stressed that there are a lot of bad designers out there, as well as IT people trying to cross over to new media, without the relevant skills.

Fran Mullins, Head of New Media at Dewynters Plc puts it practically: "Getting new people in, even for a week, is really hard work, so we usually get in people we know through personal contacts."

The fact that so many of the study companies shy away from recruiting straight from college suggests a greater role for the placement or internship model. Paul Thurlow at Redhouse Lane says: "I've got someone here I managed to find whilst she was still in her second year at Central St Martins College and, because I used her as a freelancer, I was able to teach her lots of things she probably wouldn't have got taught on her course."

As a particular source, some of the study companies refer to new media operations either having been set up independently and since been bought by a larger company, or are departments within bigger marketing agencies, which therefore provide a tested poaching pool for staff.

#### WORKING IN THE SECTOR

Whatever the final route of entry, the learning continues from entry understanding of the specific 'ways' for each company to keep abreast of change to being able to shape a career. All of the study companies appear to be putting these issues higher on their respective agendas.

#### MENTORING

For those successful applicants, training on entry isn't about sitting in a room or being given a manual, it's symbiosis through exposure to experience; ad hoc mentoring that takes a number of forms. To support such team driven work, staff need to be aware of what colleagues are doing and the bigger picture of a client project, which makes mentoring the logical method for knowledge transfer, giving insight into the entire production process.

At Stream Digital Media, Facility Manager, Paul Kind organises new recruit learning in-house, without adopting a rigid structure. "We give new recruits

a project with a long lead-time and a good brief and they'll go through the whole process and the rules they have to stick by, eg television resolutions, with each key component of the process, from producer to designer to quality controller." New recruits can then play around with existing DVD menus and see how functionality works and understand the limitations as well as the possibilities. "It's leading them but not putting them straight into the melting pot." The important part of this process is that they get to see a project all the way through to the shop.

Similarly at Deluxe Digital Studios, each new recruit spends about half a day with each department, so they can understand how everyone in the building works.

### THE DRIP-FEED APPROACH TO SKILLS

With the new recruit having learnt the particular ropes of the company, the learning continues as outward facing to the sector, in keeping up with software advances. All of the companies cite an instinctively self-motivated workforce, which is reflected in how staff find out for themselves about the latest developments affecting their work.

It is assumed that, those working in the sector are motivated by the possibilities presented by new technology and are, in turn motivated by the desire to keep ahead of the game. This is more about an advantage creatively, than commercially. It is often the case that one member of staff will identify a specific skills need, source the training solution, seek agreement and funding from their line manager and then feed the necessary information down to their colleagues in an organised session.

Over half of the study companies cited this method of filtering knowledge as organic but effectively peer-led. At Tapestry.MM, morning seminars enable a show-and-tell exercise for training issues. "It's usually one person who will champion something, look at it, evaluate it and get comfortable with it themselves and then have a session with the team to share it," says Chris Holmes.

### NEW MEDIA NETWORKING

By staff 'owning' the exchange of knowledge this method develops more than the specific skill in question, it is an opportunity for staff to present to peers, to share best practice and encourage greater confidence in communication. Redhouse Lane captures this into a regular activity. "Every week we have a company meeting, which is an opportunity for people to show the great stuff they've been doing or how difficult a client has been," says Paul Thurlow. The

experience of sharing lessons in work practice and in front of a friendly, familiar audience can improve necessary communication skills, which can only bring benefit to the client interface.

It's a natural step into effective networking, whether internally or externally focused. New media and networking seem synonymous with each other, as a sector that took an upfront approach to sharing the pitfalls in pioneering, with weekly networking events such as First Tuesday and Wave2.org, gave the new sector profile as well as acting as a business catalyst. But this form of networking appears to have disappeared in the last few years, or at least become less prominent. None of the study companies regularly attend an external, formal network, tending to pick up 'local' sector knowledge informally from after work socialising around the Soho area.

As the sector is more bedded down in its business approach, the old adage of time versus interest, of staff having no available time, would appear to be negating formal networking. But, as the sector has developed a micro-cluster in east London, with smaller, independent agencies setting up in Clerkenwell and Shoreditch, effective networks could become more essential.

Two of the companies interviewed have generated their own activities, in response to a specific company need. Tapestry.MM organises events to inform photographers how to do digital photography, promoting best practice for the benefit of the industry as a whole, rather than the company itself. As Chris Holmes adds: "On the face of it, it's a loss of revenue to us because it cuts out the scanning process, which is one of the company's operations." As digital photography brings more remote reproduction, this type of network is retaining the human link still essential in the production chain.

There is clearly still a need for business exchange, to keep abreast of the bigger picture. Paul Thurlow at Redhouse Lane notes: "The most useful thing for us would be to be part of a network that sent out regular bulletins letting us know about core teaching, but also identified reports for example coming out of the States, which will affect our business." For Thurlow, it's about gaining access to a general radar of hot topics, even if some of those topics end up being only a flash in the pan.

Redhouse Lane runs a networking series called Talk Tuesday for its clients, partners and staff members to talk about specific issues, which are pertinent to business. Thurlow recalls a seminar organised with one Redhouse Lane partner Ability Net, which works on disabled use of the Internet. "We were able to run a seminar demonstrating a web browser for someone who can't see. So

we get a room full of people and everyone experiences what the important issues are at first hand."

### AN ORGANIC STRUCTURE

The sense of ownership by staff is clearly advantageous for individual development and for the company to maintain a balance between being reactive and proactive to skills needs, where unpredictable and extensive workloads win over time away from the office. This is a familiar response from any young company or SME, where business systems are still developing and staff structures need to be less rigid.

However, most of the study companies recognise the importance of implementing a clearer framework for employee appraisals, where everyone knows when they will happen, what questions they will be asked and what opportunities they will have to talk.

### APPRAISING NEEDS

For the company, appraisals can maximise quality of productivity, as well as provide an expansive environment, where staff will feel that they are able to rise up through the ranks and develop their careers within one company.

Such appraisals often result in a more creative response to identified objectives, than simply sourcing the relevant course. Niall McBain describes a relative response from Spafax Online: "It's not always about choosing qualified training, as sometimes, because of the type of company we are, it's about sending someone to another office to work with a team they've only ever spoken to."

All of the study companies reflected some sense of quandary in maintaining balance: between increasing staff capacity and being able to people projects; and between bringing in new creative blood that has not experienced the boundaries of delivery and developing staff in-house, who often fail to see beyond those internal systems that they have been surrounded with.

### A NEW INDUSTRY THAT'S NOT SURE WHAT THAT MEANS

For an industry only in its second proper decade, it is essential that examples of best practice are captured, as continuing this rate of growth will require a more considered approach to managing learning and development processes.

So far the learning curve has been steep. As Ken Frakes, Managing Director at Arnold Interactive nostalgically puts it: "We're perhaps not as funky as we'd like to be but the whole industry has grown up since the days of working in Hoxton and all getting drunk."

But this curve, however steep seems to be what it's consistently about. "Everything that we do is about learning, it's all new and changing everyday," notes John Parnell, Strategic Director at Blumedia Ltd. "You read about people in the trade papers doing something new and brilliant and you try and work out how they did, to do it yourself."

This is a sector that seems to acknowledge its source but isn't sure what vestiges to take from it, and responds to the new intuitively, but often doesn't have time to stop and consider how and why.

### LEARNING, NOT TRAINING

But one thing is clear. "It's not about training, it's about learning," continues John Parnell. "Training to me is more indicative of a set, established industry and we're not; it's a new industry." This is a strong issue for the sector, driven by technologies which advance at a huge rate and present completely different concerns with each development. In this environment, it would seem implausible for a business to remain static, as it moves further away from early routes and references.

Chris Holmes at Tapestry.MM has seen the transition of the sector from the traditional media marketing model. "Our industry - and graphic arts in general - has seen more change in the last five years than the previous twenty, in every area - in how we do business, in what we actually do, the kind of business we are and where we get our people from." New media is one of the more diverse areas of his company because it's one of the newest and has so many different entry routes, much less defined than other work areas.

### GETTING OLDER AND WISER

Alongside evolving staff roles and infrastructure, the sector is maturing in its approach to the work itself, with a development towards honest information design and usability, rather than 'Flash and grab' graphics. As increasing numbers of companies compete on new media platforms, the winning work now places usability at its core. But this is not necessarily reflected in how the industry is profiled. Paul Thurlow at Redhouse Lane points at the lack of realistic awards in reflecting the true nature of the sector's work. "Traditionally, award schemes haven't cared about what they consider the more boring aspects of new media. There's a real schism between the sort of

work that is held up as being leading, and work that reflects a more balanced approach, which is about usability and return on investment."

Schism extends into the varying definitions chosen to reflect the nature and breadth of business. As *Televsual*, the production community magazine noted in its most recent new media market survey, 'in new media more than any other production sector, there's no such thing as an average company.'

#### WHAT'S IN A NAME?

Even within the study companies, there are a number of definitions adopted, with a quarter of the study companies referring to themselves as full service agencies, rather than simply new media agencies, and have developed their business away from specialisation. As Niall McBain at Spafax Online notes: "The general proposition behind what we do is to cross many platforms. Our speciality is not to specialise but to be versed in each relevant platform and look for the join up between them."

#### ACCOUNTING FOR A MANAGEMENT STRUCTURE

Regardless of which media platform is employed, a project still comes down to the client and the brief, and how that client is serviced comes down to the account management structure in place. Some of the study companies have chosen not to adopt the more traditional account handler tier, preferring a more fluid approach. Redhouse Lane's reasoning is that they find it a more efficient way of working; if you have a client who knows what they want to do, you can put them next to a creative staff member who can make changes happen quickly.

John Parnell at Blumedia Ltd concurs: "One of our strengths is that clients don't have to put up with too many layers before they get to source. They can get straight into where ever they need to get into in our organisation and have a direct conversation"

The majority of the study companies have renamed this tier structure as project management, or named account managers as producers but it is enough of a distinction to align the sector away from its marketing source.

Ken Frakes at Arnold Interactive sees this as a defining line for the sector: "It's a learning curve which also seems to divide the sector into two distinct parts: those who have subsumed themselves back into the formal above-the-line background from which they have developed; and those who are structuring the sector distinctly."

He continues: "There's a whole sector, which considers itself technically with some design aspects. And they've tried to do marketing and advertising and failed badly. And then there's some out there which are just online advertising but are in fact working like an advertising company with an understanding of the online audiences."

This is the challenge of an industry evolving from its traditional base of products, skills and markets to account for new technologies as new markets.

#### A MULTI-DISCIPLINED WORKFORCE

The newness of the sector has meant many companies rely on cross-over in terms of roles and responsibilities and this requires some skills flexibility. But it's not clear to what extent a multi-disciplined workforce benefits a growing business.

Fran Mullins at Dewynters Plc takes a traditional line against creatives becoming more business focussed: "They [creatives] don't tend to want that. For designers it's too much hassle. Some of our designers have done project management work which often involves dealing with clients but it doesn't really work. In my experience, designers aren't great at it. That's not where their skills lie. If you try to do both then you're going to dilute the creative side."

#### MERGING SKILLS

A more integrated approach to skilling may prove more effective in the next development stage for the sector, in terms of maximising both output and input from staff. Paul Kind at Stream Digital Media would prefer such an approach: "I'd ideally like to swap people around and so they can spend a day with say the producers. Until someone has actually produced a project, they'll never fully understand the full demands of the project."

As he continues, "You might get designers who say 'Why doesn't the producer get back to me on this?' and what they don't understand is that the producer has about four clients and they're all ringing them up with demands. It works the other way, because the producer is thinking 'Why doesn't the designer just get on with the job?' but he's got projects coming in left, right and centre."

It's easy to see how effective with permanent staff this more fluid approach

would be to project delivery, but difficult to implement for freelancers. In fact the use of freelancers in this sector seems more sporadic than one might expect, with Skillset's 2002 Census accrediting only 14% of the workforce as freelance in the interactive sub-sector alone. Within the study companies there seems a 50:50 split on whether to keep in-house numbers low and reliance upon freelancers high.

#### THE IN-HOUSE MODEL

John Parnell at Blumedia Ltd is assertive about their preference: "100% in-house is our model; we passionately believe this to be the way to go." The approach is to buy-in specialisms like animation, "but the engine of our business is planned, designed and built in-house."

This brings inevitable practical problems when choosing to be located in or on the fringe of Soho, where property rates can affect permanent workforce expansion. "Our freelance ratio will increase over the next year because we haven't got any more room in the building," says Paul Kind at Stream Digital Media, who sees the practical advantages of technology enabling out-sourced delivery.

#### THE INDEFINABLE: CREATIVITY

Whether choosing the in-house or freelance staff solution, the unifying requirements are those soft skills less easy to define, creativity being one of the hardest. Only one study company referenced a list of software skills required for employment, the majority enforcing the assumption that being up to date with software is a given. "Learning the tools of the job is out there and there's no excuse for not getting that, both as an employer and employee," says Chris Holmes at Tapestry.MM.

Far more important is the intangible element. "It's about basic ability and work attitude, as well as a correct mindset. We don't have a tick list for applications," continues Holmes.

As long as that package includes the ability to interpret the all important brief: "I'm not interested in a CV which has just got really big client names, like a piece of Flash for Nike," says Paul Thurlow at Redhouse Lane. "The most important thing I'm always looking for is someone who can interpret a brief."

He doesn't like to hear a designer, when asked why they have designed something the way they have, reply because they felt like it, but rather that they have rationalised the client's brief. Thurlow wants someone who's

proactive enough to go and talk to a copywriter and ask how to express something in a particular tone of voice. "It's thinking about the creative work they're doing in a bigger way than just pushing pixels around a monitor to make it look nice."

The hardest sets of skills to find by the majority of study companies are the non-technical skills, particularly project management, account management and business development. Resolving this issue is characterised by a lack of understanding of what to look for and where to find it. Chris Holmes at Tapestry.MM has a relative perception: "I know there are business management graduates with business qualifications but it is my view that all those kinds of qualifications are a bit more meaningless, as I don't know what I'm getting. Perhaps that's just because of my background; when I see a design graduate I know what I'm getting."

#### BACK TO BASICS

Focussing solely on the package of expected skills, could reveal, as Paul Kind at Stream Digital Media notes, a blind spot amongst creatives. "It amazes me that everyone uses Outlook, Excel and Word but people don't really know how to use it."

He clarifies that it's not just about the basics but using these business packages more effectively. "It can stop you having an inbox full of 4,000 emails because you can filter them and, as emails are an extension of your company, if they go out badly scaled and badly laid-out, it doesn't say much about your company."

#### TAKING ADVANTAGE OF ANY ADVANTAGE

Considering the historic and potential growth of the sector, it is vital to bolster this with timely support in the most appropriate fashion, and the role of the public sector in doing this is vital.

#### SUPPORT AGENCY INTERFACE

In reality, there are a plethora of Government support schemes, sector training bodies and support agencies offering skills and career development to the sector but almost all of the study companies interviewed expressed little or no knowledge of these. From the Department of Trade and Industry (DTI) Digital Content Forum through to Skillset, only two of the companies had approached these for skills support. Whilst all of the companies are aware of

the British Interactive Media Association (BIMA), only a few were actively involved.

One of the companies, whilst keen to develop links with Government and its agencies, expressed criticism of how this support appears to be structured. "We think too much government initiative is unrealistic," says John Parnell at Blumedia ltd. "It's designed, researched and written up by senior consultants in big organisations and I can't see how that can be right, if it's trying to address the SME issue." He feels government agencies should be addressing SMEs head on and seeing the reality on the ground, the human dimension in terms of getting projects done well and what makes them different in their outlook. "I think a lot of what the DTI is trying to encourage people to do is based on a lack of awareness of small business needs," Parnell concludes.

#### FINDING THE TIME

This small business perspective means most businesses don't run with a huge amount of fat, so it's difficult to schedule taking people out of the studio for blocks of time, to take advantage of support packages. Equally, as Chris Holmes sees it, "It's demanding on individuals to expect them to take evening classes in their own time, after working long hours here." For Tapestry.MM, the modular and remote self-study way of learning is preferable and, as Holmes continues, 'more relevant'. "We've had two instances recently where we've started off young school leavers and stick them on evening classes but it's too huge a demand and shock when they're getting used to a 40-hour plus week."

It isn't just about those at entry level either. Paul Kind at Stream Digital Media has been trying to operate performance reviews in the week of this interview but already people have bowed out because they're too busy.

As John Parnell at Blumedia ltd concludes: "We should be more organised in our style of inducting people into the team, but we just haven't had enough time. It's just classic small business syndrome of doing everything all the time and knowing there are things you could do better."

## CONCLUSION

New media, more than any other part of the creative industries, responds to an incredibly fast rate of change, as it pivots around continuously changing technology. Although the constantly changing nature of the environment challenges the reactions of such a young sector, in response it has had to grow up quickly and has developed an entrepreneurial approach and organic methodology to suit such this ever changing business environment.

This rapid business evolution can make the sector difficult to define and understand, but the cross-sectional representation of the study companies provides some strong messages on how and where to make effective interventions in talent supply, skills development and business support.

John Parnell at Blumedia ltd remains an enthusiastic advocate for this endemic need for change: "In our industry, when you spend half the time at the cutting edge, nobody has the answers but everyone can feel their way through to the solution, if it's well managed. And during the course of that, you learn about a new way of doing something. There's a lot of experimentation involved in our business and we're not frightened of this. At some stage the industry will mature but the nature of technology is that it needs to reinvent itself."

The whole approach towards intervention needs to be rather like the sector itself, a sum of so many parts. The particular changing needs of the sector almost certainly require interventions that are bespoke, flexible and easy to adapt. And, as the sector has spread across London to form additional clusters to Soho, it becomes more important to maintain these local conversations and consolidate them as visible blueprints for best practice across the sector as a whole.

#### DALJIT SINGH, DIGIT, SUMS IT UP

"It all comes back to growth and the imperative to learn from today's new media, before tomorrow's new media arrives. The sector has matured into a more systematic approach and definition, but as the 'new' doesn't stay new for very long, it becomes clear how quickly this context changes. The challenge for the sector's future development is to sustain itself in the face of such continuous change and continue to embed the necessary frameworks for doing so."

## SECTION 4

## company summaries

Arnold Interactive  
14 Wellbeck Street  
London  
W1G 9XU  
T: +44 (0)20 7908 2701  
<http://www.zinc.co.uk>

Employees full-time: 40-50  
Interviewed: Ken Frakes, Managing Director and Executive Creative Director

Arnold Interactive is a digital marketing agency working across ten countries, with marketing, technical and creative teams to offer a full service, such: digital marketing, advertising and brand strategy, and user interface design and information architecture. Its clients include Barclays Bank, COI and Expedia.co.uk.

Part of Arnold Worldwide Partners, Arnold Interactive employs 150 people in 5 cities across the world: Boston, London, New York, Toronto and Washington DC.

Blumedia Ltd  
42-44 Great Titchfield Street  
London  
W1W 7PY  
T: +44 (0)20 7323 9787  
<http://www.blumedia.co.uk>

Employees full-time: under 10  
Interviewed: John Parnell, Strategy Director

Blumedia Ltd is a small digital communications agency offering a full agency service from online advertising concepts, e-commerce operations or a fully integrated marketing campaign with a wide range of clients from government organisations and professional firms, to online retailers, including MTV, HSBC and Reliance Homes.

Deluxe Digital Studios  
7-11 Lexington Street  
London  
W1F 9AF  
T: +44 (0) 20 7437 4402  
<http://www.deluxe-digital-studios.com>

Employees full-time: 20-30  
Interviewed: Alison Kyte, Finance and Administration Manager

Deluxe is a worldwide entertainment media services partner, providing systems and solutions for the production, manufacturing and distribution of entertainment content. It is a single resource for full-service entertainment media supply chain solutions and, at its Soho studio, offers DVD authoring and compression. It is a wholly owned subsidiary of the RANK Group PLC, with facilities throughout North America and Europe.

Dewynters plc new media division  
48 Leicester Square  
London  
WC2H 7QD  
T: +44(0)20 7321 0488  
<http://www.dewynters.com>

Employees full-time: under 10  
Interviewed: Fran Mullins, Head of New Media

Dewynters is the UK entertainment industry's leading full-service agency, providing marketing, design, advertising, promotions, new media and merchandise skills across a broad spectrum. The agency's fields of expertise comprise theatre, opera, dance, music, galleries, museums, events, television and film for clients including the Royal Opera House, the South Bank Centre and the Royal Academy.

Its new media division offers services such as multimedia and website design, animation, programming, viral tools and games.

Reading Room Ltd  
77 Dean Street  
London  
W1D 3SH  
T: +44 (0)20 7025 1800  
<http://www.readingroom.com>

Employees full-time: between 40-50  
Interviewed: Ellen Mayes, Administrator

Reading Room started in 1996 producing digital projects and helping clients with every aspect of the digital elements of their communication strategies. Offering services such as design, development and maintenance of websites to email and SMS campaigns, clients include British Waterways, GlaxoSmithKline and HM Treasury.

Redhouse Lane  
14-15 Bedford Square  
London  
WC1B 3JA  
T: +(0)20 7462 2600  
<http://www.redhouselane.com>

Employees full-time: between 40-50  
Interviewed: Paul Thurlow, Head of User Experience

Redhouse Lane is a creative consultancy, which specialise in corporate and employee communications for client such as the Department of Health and UK Online for Business. With offices in London and Glasgow, Redhouse Lane employs just under sixty staff and, unusually is Investors in People (IPP)P certified.

Spafax Online new media division  
The Pumphouse  
13-16 Jacobs Well Mews  
London W1U 3DY  
T +44 (0)20 7906 2001  
<http://www.spafax.com>

Employees full-time: under 10  
Interviewed: Niall McBain, CEO

Spafax Online is a new media consultancy specialising in strategic development, technical execution, online marketing, creative design and hosting for clients including GNER, easyGroup and Go Eat. This is the new media division of Spafax, which creates entertainment and communication experiences for customers and travelers, both onboard and on the ground and across multi platforms.

The company has offices in London, Montreal, Toronto, California, New York and Singapore, with 90 employees worldwide and is a subsidiary of WPP Group's Specialist Communications division.

Stream Digital Media  
61 Charlotte Street  
London  
W1P 4PS  
T: +44 (0) 20 7208 1567  
<http://www.streamdm.co.uk>

Employees full-time: between 30-40  
Interviewed: Paul Kind, Facility Manager

Stream Digital Media is the DVD design compression and authoring division of the Ascent Media Group, providing "end-to-end", integrated solutions for producers and distributors of video, film and digital media for clients such as New Line Pictures, Columbia TriStar and Miramax.

Tapestry.MM new media division  
51 - 52 Frith Street  
London  
W1D 4SH  
T: +44 (0) 20 7896 3100  
<http://www.tapestrymm.com>

Employees full-time: under 10  
Interviewed: Chris Holmes, Head of  
New Media

Tapestry.MM is an independently owned services company, known for performing in a number of related disciplines, including Creative, Pre-Media, New Media, traditional and digital Photographic Services and Exhibition & Display solutions. Its New Media division offers services such as in-store moving image to cutting-edge 3D visualisation and major website construction, maximising digital marketing potential and creating internal business solutions for clients such as Sony, FCUK, Unilever and Warner Bros.

## RESOURCES

### reports:

- \* Audio Visual Skills Action Plan for London, part of the London FRESA, London Development Agency with Skillset and BOP, 2003
- \* Survey of employment and skill needs for the development of digital content for the broadband sector, Digital Content Forum (DCF) and Skillset November 2002
- \* Creativity: London's Core Business, GLA Economics October 2002
- \* Creative London, London Development Agency April 2004
- \* London's Creative Sector: 2004 Update Creative GLA Economics April 2004
- \* Business Clusters in the UK - A First Assessment, Department of Trade & Industry February 2001
- \* Media cluster in London, Dr Galina Gornostaeva and Professor Paul Cheshire, London School of Economics and Political Science, March 2003

### PRINT MEDIA:

- \* New and not-so-new new media market survey, Televisual magazine, June 2003

### WEBSITE resources:

- \* Kemps Film and Television production services handbook online  
<http://www.kftv.co.uk>
- \* New Media Age  
<http://www.nma.co.uk>

## THANK YOU

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