

<b>Institution:</b> Goldsmiths, University of London		
<b>Unit of Assessment:</b> 34B: Communication, Cultural and Media Studies, Library and Information Management		
<b>Title of case study:</b> Helping to Sustain the UK's Independent Film Industry Through an Improved Risk Management Strategy		
<b>Period when the underpinning research was undertaken:</b> 2016-2018		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b>	<b>Role(s) (e.g. job title):</b>	<b>Period(s) employed by submitting HEI:</b>
Dr Michael Franklin	Postdoctoral Fellow Lecturer in Creative and Cultural Entrepreneurship	2016-present
<b>Period when the claimed impact occurred:</b> 2017–2020		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<b>1. Summary of the impact</b>		
<p>Through intervention in industry strategy, policy and funding agendas Dr Franklin's research on film business risk analysis has valuably changed a sector facing existential threats from declining value in intellectual property (IP) rights and digital business model uncertainty.</p> <p>In 2018, having uncovered a lack of clarity, cohesion and innovation in risk management (namely IP evaluation, deal-term analysis, and abilities to raise investment and retain revenues) Franklin began ongoing advice to vital stakeholders on the integrated roles of data and finance to help improve independent filmmaking's economic environment. This influenced the thinking and practice of key institutions, including government departments and national film agencies, as evidenced in new: strategic priorities, approaches to regulation, dedicated funding streams, hiring decisions and embedded logics addressing data-driven screen-sector issues within e.g. a £7m Global Screen Fund.</p>		
<b>2. Underpinning research</b>		
<p>During 2016-18 Franklin consulted over forty high-level film industry professionals (Founder / Vice President level, from production to exhibition) to examine the understanding and management of risk.</p> <p>In contrast to extant studies, which concentrate either at a broad Creative Industries level – imprecisely characterising a “risky sector”, or focusing narrowly on modelling Box Office returns – Franklin's original approach focuses on market devices, conditions of interpretation, extended work processes, and business structures. This addresses gaps in other approaches which miss pertinent aspects of business organisation and project construction. Analysis of interview transcripts and some 300 documents (including grey and academic literature), alongside privileged access to proprietary systems for marketing and distribution gave Franklin rare insight into a highly exclusive, informal industry. Franklin found that the under-analysed detail of language, actions, instruments, and biases pertaining to risk in film have led to misunderstanding and poor information availability, with myriad negative implications for practice, including poor investor access to data and limited producer access to finance [R1]. The resulting research is distinctive in providing a missing middle – a coherent coverage of the complex practicalities that mobilise organisational operations in relation to risk often in typically hidden business-to-business (B2B) contexts. This academic contribution is fully realised in Franklin's forthcoming book <i>Risk in</i></p>		

*the Film Industry* for Routledge (due 2021). The contract has purposefully been signed with the editor of *Hollywood Economics: How Extreme Uncertainty Shapes the Film Industry* (2004).

Franklin identified a knowledge gap and a set of approaches to close it. The very definition of risk was discovered to be at issue, with multiple, sometimes-contradictory renderings of, and responses to risk interacting across project, company and environmental contexts. This is partly due to blurring of complex distinctions between producers' attempted reverse engineering of success (what has been successful with audiences previously?) and derived-demand-based market strategies (what do distributors think audiences want?) [R1, R2]. Franklin found that rather than being calculated, risk is iteratively framed, across a sliding scale of formality during the life of a film or portfolio [R1].

The use of innovative, data-oriented approaches afforded by digital technology for discrete tasks, such as the immutable cryptographic ledger 'blockchain' for IP registration and revenue collection, was found to be underexplored in industry and policy [R2, R3, R4]. The research applied Science and Technology Studies to film to leverage how affordances of new technologies (artefacts) can be respected as agential, but also critically analysed with respect to the powerful roles of social and institutional actors (practices) [R3, R4]. Thereby, both the social (B2B) context and technical capabilities of digital innovation were identified as components to improve industry sustainability.

The role of data analytics in decision support aspects of risk management emphasises the scaled and international nature of film. Whilst research focussed on London (a global film production and finance hub), films involve multinational companies and audiences. Therefore, Franklin combined research contributions from Los Angeles and New York City professionals, and work with colleagues from across the world at The Mullen Scholars and Practitioners Conference in Filmed Entertainment Economics to deliver research goals domestically (e.g. direct learning to industry via British Screen Forum) and abroad (e.g. for the Sundance Institute).

Recommendations on the applicability of data analytics in different sections of the film value chain, along with assessments of legal, financial, and technical interventions to organisational and investment structures, formed the conclusions of the research, and were identified as changes to better support the industry and thus protect and sustain its creative output.

### 3. References to the research (indicative maximum of six references)

**R1.** Franklin, M. 2018. [Examining the understanding and management of risk in the film industry - Research Synopsis](#). ICCE, Goldsmiths College. ISBN: 9781913380236 (Print); 9781913380243 Electronic (PDF) [Available online/on request]

**R2.** Behrens, R., Foutz, N., Franklin, M., Funk, J., Gutierrez-Navratil, F., Hofmann, J., Leibfried, U. 2020. '[Leveraging Analytics to Produce Compelling and Profitable Film Content](#)'. *Journal of Cultural Economics*, pp1-41 DOI 10.1007/s10824-019-09372-1 [Submitted to REF2]

**R3.** Giannakos, E., Campagnolo, GM., Franklin, M., Stewart, J., Williams, R. 2018. '[Revolution Postponed? Tracing the Development and Limitations of Open Content Filmmaking](#)'. *Information, Communication and Society*, 22(12) pp.1789-1809 DOI: 10.1080/1369118X.2018.1464590 [Submitted to REF2]

**R4.** Campagnolo, GM., Giannakos, E., Franklin, M., Stewart, J., Williams, R. 2018. '[Revolution Remixed? The emergence of Open Content Filmmaking as a viable component within the mainstream film industry](#)'. *Information, Communication and Society*, 22(13) pp.1871-1888 DOI: 10.1080/1369118X.2018.1465109 [Available on request].

#### 4. Details of the impact

Franklin worked directly with national power holders to make recommendations and organise a shift in thinking that addresses the problematic imprecision and opacity regarding risk, and the correlative barriers to finance and company growth that also inhibit potential cultural benefits from film. Outcomes for industry practice from this change in awareness and understanding range from specific support mechanisms to a broader context of perceptive risk recognition with sector-wide benefits for businesses.

##### **Inspiring UK film industry's national support, funding, and advisory bodies**

In 2018, Franklin convened a roundtable involving 26 professionals to examine his research-based recommendations [R1]. Stakeholders included film development and production representatives, [text removed for publication] [S3].

The engagement resulted in multiple citations in the *British Film Institute Commission on UK Independent Film Report* (2018) chaired by the Chief Executive Officer (CEO), Lionsgate - UK and Europe and in a statement that signals the status of Franklin's research, the report states: "Our report sits alongside the 2017 Olsberg report for Pact, and the recent Michael Franklin research report...Examining the understanding and management of risk in the film industry" [S2A p13]. Franklin's research report was the sole academic study included by the Commission and is directly cited across policy, strategy and funding interventions. Specifically, Proposal 1 cites Franklin in advocating new coherent mechanisms for collecting, processing and disseminating industry data [R1, p3] proposing improvements to data sharing and "a better understanding of blockchain" with a view to achieving "a closer relationship between audiences and consumers" [R1, S2A p21-23]. Further, the Commission delineates multiple step-by-step policy recommendations for areas of risk management infrastructure highlighted by Franklin [see S2B]: from encouraging FAANG (Facebook, Apple, Amazon, Netflix, Google) companies' involvement in development, where Franklin highlighted "unmediated risk often lies" and they tend not to invest [R1, p23; S2A, p30-31], to enterprise investment scheme (EIS) finance schemes (£20m fund), and support for domestic content to capitalise on the Tax Credit environment.

Additional to sector sustainability benefits derived from changed policy and funding contexts, the research drove industry action by the practitioner body BSF. Franklin was invited to present to members (c.55 leading companies including [text removed for publication] on using data effectively for the UK independent film industry, and was then awarded funding to collaboratively develop a Film Data Initiative proposal to directly benefit BSF's membership of 70 leading players, as well as the wider industry [S10].

##### **Improving government understanding of film industry risk to inform investment priorities in Westminster and Holyrood**

Franklin's recommendation that industry stakeholders should be convened by the DCMS film team was taken up later in 2018, with detailed advisory work continuing through to 2020 and informing responses to industry needs into 2021 [S1, S4, S10A]. The working group on film data and technology issues included: Franklin; the Head of, and Senior Film Policy Advisor at- Film, Media and Creative Industries, DCMS; the Head of Research and Statistics, BFI; and CEO, BSAC. The risk research successfully intervened in strategy, policy and funding [S1], including informing aspects of BFI proposals for DCMS budget allocation in the November 2020 spending review which included a *Global Screen Fund*, an initiative to link "data-driven research" with "production, promotion and distribution" to "mitigate market failures inherent in the independent film industry" and to "deliver global reach and impact", with an Open Data Platform and [text removed for publication] feasibility work built into this perspective [S5].

A similar causal pattern is demonstrated in the development of Scotland's new Screen Unit, leading to policy and funding priorities reflecting the importance of industry data to manage risk e.g. by helping to value IP and plot routes to market to sustain the sector. Research-based evidence including on business insight and data gathering was laid out in submissions, in-person testimony, and requested extended advice to the Scottish Parliament's Culture, Tourism, Europe

and External Relations Committee [S7], summarised in the report *Making Scotland a Screen Leader* [S6A, p23,75, 76, 77, 86].

Additionally, in 2017 at Creative Scotland's request, Franklin advised EKOS Consulting on film finance and data [S6E], credited as having "highlighted the gaps in data and information about the industry" [S6B p24], that Screen Unit work led to "Creative Scotland estimates [that] around £1m p.a. extra investment is needed in additional staffing and around £250k to support the new data capacity" [S6A p72]. Explicit change is shown in the difference in the new Screen Unit approach: "New investment in data, insight and evaluation" [S6B p13]. Further investment was approved, forming part of an extra £10m in 2018 [S6G], and most recently the Edinburgh Parallel Computing Centre has been commissioned to work on the Screen Data Hub [S6F].

### **International Reach – sustaining and increasing collaborative financial, legal, and data infrastructure**

Franklin's research contributed to the European Parliament's decision to preserve territorial exclusivity for the audio-visual industry. In 2017 Franklin was requested to provide written advice regarding copyright and digital policy for the drafting of legislative opinion to the European Commission by the Vice Chair of the Committee on the Internal Market and Consumer Protection (responsible for consumer rights and the Digital Single Market) of the European Parliament [S9]. Franklin's advice prioritised the ability to sell IP geographically as a key risk management tool for filmmakers in financing each project. The proposed erosion of territoriality was estimated to have up to €9.3bn short-term welfare loss pa and €4.5bn pa medium-long term including to the thousands of producers, sales agents, and distributors working across Europe. This industry damage was avoided and territorial preservation upheld [S9].

During 2019-20 Franklin worked on the Research Committee partnership between the US National Endowment for the Arts (NEA), and the Sundance Institute. Initially focussed on sustainability of the documentary sector, the project widened to address the broader independent film sphere during the Covid-19 crisis. Through direct provision of research-based insight to Sundance and NEA, Franklin contributed to the project's provision of: a centralized online resource that offers knowledge exchange and best practices; support to the field for activities that encourage cross-sector collaboration, and strategies to help others navigate and leverage additional funding opportunities [S8]. By delivering expertise on e.g. how data infrastructure can be leveraged, the international environment for filmmakers' management of risk was improved.

### **5. Sources to corroborate the impact**

**S1.** Evidence of the value and influence of research on BFI policy and funding development, DCMS working group activity, and thus wider industry [text removed for publication]

**S2.** Evidence of the influence [text removed for publication]

**S3.** Evidence of the influence [text removed for publication]

**S4.** Evidence of working group impact and influence on strategy and funding [text removed for publication]

**S5.** Evidence of influence on UK funding policy [text removed for publication]

**S6.** Evidence of impact on Screen Scotland [text removed for publication]

**S7.** Evidence of impact and influence on strategy and funding [text removed for publication]

**S8.** Evidence of impact [text removed for publication]

**S9.** Evidence of impact on European Market [text removed for publication]

**S10.** Evidence of impact on British screen industry [text removed for publication]