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Creative Management Research of Creative Industry with Value Chain View

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Abstract:

Creative industry has a unique industry chain because of its characteristics, the focuses of management objectives are different for enterprises in different stages of industry chain. Creative industry is an emerging industry, with the situation that legal system outside of enterprises is not perfect, depending on management objectives, risks, applicable laws and different industry chains, enterprises should adopt different management methods like intellectual property management, contract management etc., adhere to certain management principles in order to improve creative ability and performances.

Keywords: Creative industry, intellectual property management, industry value chain

1. Introduction

The development of creative industry is creativity owned by the enterprises, among creative industries enterprises treat creativity as the core of products, products of enterprises differ themselves from others by the unique characteristics, holding the irreplaceable advantages. Creativity is kind of invisible products, belongs to the domain of intellectual property management. Good performances of enterprises in intellectual property management can effectively improve the quantity and quality of their creative products, enhance their market competitiveness. The researches of academic circles focus on topics like government management, industrial development mode, while researches on microcosmic aspects like how to ensure enterprises profits and achieve performance improvement through creative management.

2. The Introduction of Value Chain and Difficulties of Enterprises Creative Management under the Current System of Intellectual Property

(1) The uniqueness of creativity makes it lack of law protection. Compared with traditional enterprises products, creative industry has the following characters: firstly, creative products are low power consuming products, depends less on resources, and does less harm to the environment. Secondly, the investment of creative products is less, while the additional value is high, it is an emerging industry. Thirdly, creativity, as the core of products, has the characters of invisibility and occasionality, creativity belongs to intellectual property. Lastly, creativity has the character of dependency, needs to depend on some particular carriers to achieve commercialization. It is different from traditional industries, the classification standards of creative industry rely on the product's additional value of knowledge, if creativity lose the additional visible carrier, it will lose its value, so there are a lot of the intersection of creative industry and traditional industries.

Creativity's attribute which is intellectual property determines that creativity should be protected by Intellectual Property Law. Creative industry is emerging industry, creativity which is object of new intellectual property has dissensions with the law system of intellectual property. The protection of creativity has some limitations under current system of intellectual property, since the intellectual property system treats creativity as the same domain as concepts and principles, the law only protects the description methods of creativity but not creativity itself. These dissensions enhance the difficulty of enterprises' creative management activities, so enterprises should consider how to protect creativity under current law system when engaging in creative management.

(2) Current law system of intellectual property has shortcomings in protecting creativity. The Law of Copyright has clearly set up the principle of two classifications of thoughts and expressions. Creativity belongs to the domain of thoughts, it's hard to be protected by the law of copyright, so enterprises' protect towards creativity's copyright can only be achieved by protecting the description of creativity. The Patent Law's requirements of novelty, creativity and practicality over creative products are too strict, furthermore, in order to be protected by the Patent Law, it is needed to transform creativity into technical solutions and some review periods are needed, maintaining patents need yearly fees. This situation makes it difficult for individuals and small enterprises who have excellent creativity but in starting stages.

Foreign countries adopt the method which is trade secrets or contract to protect creativity. Trade secrets need the owner of creativity adopt appropriate methods to keep secrets and to put to the proof, the Contract Law's protection range ranges between two parties involved, which is contradictory with the fact that the owners of creativity need wide protections.

In practice, the number of countries who adopt to set up single law to protect creativity is few, because setting up single law under the law of intellectual property to protect creativity has the following problems: 1, the protection range of creativity is hard to define, if the range is too wide, it may involve the protection of concepts and principles, which is harmful to the development of technology, if the range is too narrow, it is hard to encourage industries to develop. 2, the protection period is hard to define, if it is too long, it will limit related creativities of others to develop, if it is too short, it will limit the competition advantages of creativity. 3, the intensity of protection is hard to define, endowing the owners of creativity too much power may result in monopoly, but if endowing the owners less power will have no effective encouragement.

(3) The adoption of industry chain view is helpful to analysis enterprise creative management from process. The aims of enterprise intellectual property are to maximize the intellectual capitals owned by enterprises by a series of management methods. Creativity is a strategic core assets of enterprises, it is the key point of intellectual property management. But under current law system of intellectual property, the creative management of enterprise has the following difficulties: 1, there are many related laws with different protection effects, enterprises need different law protections in different developing stages. 2, the creative management goals are different for different stages of creative industry chain, there exist differences of creative management for different enterprises, so different management goals and methods need to be adopted in different stages of creative industry. The combination of methods, goals and laws has different effects on enterprise creative management.

Industry value chain is a dynamic process of increasing values from designing products to sales stage. Creative industry has unique industry chain, from producing creativity to consuming creative products, it has the following three stages: producing creativity, achieving creativity through products, selling creativity through product and services after sales.

Within the creative industry chain, enterprises locate in the upper, middle or lower stages of the chain, even locating in two or three stages at the same time. For example, Apple Inc. is only in charge of design and sales, production is given to other companies. According to different industry chain, companies can be classified into the following categories: creative design companies, production companies of creative product, and sales companies of creative product. Many companies' activities cover all the stages of value chain, for these companies, the additional values of different stages need to be compared to decide which categories they belong to. The theory of industry chain can help us analysis creative activities of enterprises according to which industry chain they belong to, and to analysis which creative management method is suitable for those enterprises.

According to the theory of Smile Curve, within industry value chain, additional values are reflected through design and sales, the additional values of producing and manufacture who are in the middle stage are the lowest. The highest stages of additional values of creative industry are creative producing and creative commercialization stages. The producing stage of creative products is the middle apartment which connects the two industries.

This paper's analysis of enterprise creative management developed according to the industry chain that enterprises belong to, it is disserted mainly with the views of creative management goals, the main legal risks of enterprises, general applicable laws and management methods. The specific management goals and methods are classified according to industry chain are shown in Figure 1.

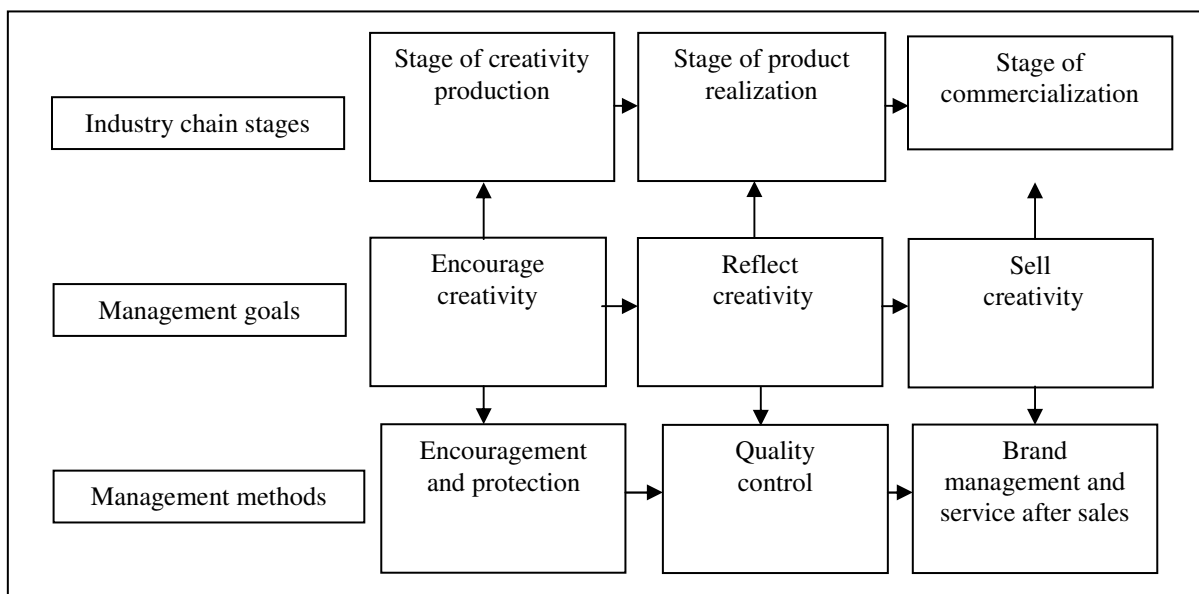


Figure 1: Flow Chart of Enterprise Creative Management under Industry Chain

3. Creative Management of Enterprises in Different Creative Industry Chains

Part of creative products can be merged into current intellectual property protection system. According to the different degrees of intensity of law protection, limitation range of rights, the intellectual property protection of creativity can be classified into Law of Patent, Law of Copyright and Law of Contract. Appropriate weights need to be set to these three parts according to the management goals and different industry chain stages.

3.1. Management Goals and Risks of Enterprises in Different Industry Chain Stages

3.1.1. The Excitation Stage of Creativity

Producing creativity is the start point of creative industry chain, transforming the invisible creativity into tangible objects (that is, put invisible creativity onto tangible carrier, like writing the story ideas into scripts) is the first stage of creative industry. The creative production stage can be further divided into creative producing, creative protection and creative trade.

The enterprises management goals in the stage of creativity production are: 1, forming more creativities by inspiration methods; 2, selecting excellent creativities by control methods; 3, transforming creativities into tangible objects or sell creativities for related profits or preparing for following production and sale.

The first risk enterprise faces when creativities are produced is the risk of infringement of intellectual property rights and the risk of repeat developments. This requires enterprises to prevent the risk of infringement after creativities are produced by selecting methods, like adopting domestic and overseas patent searching and trace of software copyright sources to prevent these risks. The case between Proview Technology (Shenzhen) Co., Ltd and Apple Inc. is because that the searching of Apple Inc. is not enough when producing IPAD creative logo, only bought the logo of Proview Technology in Taiwan, not in the Mainland. Talents loss is a common risk for companies who are in initial stages, compared with big companies, these companies are weak in wages, stability and working environment, those people who are in charge of creativities may leave the company with produced creativities or even completely developed creativities. So, in the stage of creativity producing, enterprises should pay attention to the inspiration to core talents, like adopting stock options or performance bonuses to attract talents, at the same time enterprises should improve the personnel contracts to avoid creativity transfer or leakage, for example, the contracting should include non-competition clauses and confidentiality clauses.

3.1.2. Stage of Product Realization of Creativity

The management goals of enterprises in creative production stage are: 1,

Prevent creativities to be obtained by competitors in order to present to lose competition advantages, especially for enterprises who adopt trade secrets to protect creativities, should pay more attention to the controls during producing; 2, guarantee that creativities are fully reflected in products by controlling producing progress, which means the standard that whether the core creativity is fully reflected should be added into the test of product quality.

The producing stage of creative products is similar with traditional product, the differences are: firstly, the protection of business secrets is the core content of intellectual property management during the production stage of creative products; secondly, the standard over creative products is stricter than traditional products, which requires products have to reflect the creativity in them. The risk of creative production stage is relatively small, the two general risks are loss of market opportunity due to leakage of creativity to competitors during product realization stage and the risk of quality of products.

3.1.3. Commercialization Stage of Creativity

The creative management goals during commercialization stage are: 1, sell more creative products for profits; 2, build or enhance brands through excellent sale strategy and services after sale, and prepare for developing new creative products by services after sale and market survey. Commercialization of creativity is the most important stage of creative industry value chain, only by commercialization, all the companies in the industry chain can get profits, and excellent creative products have to adopt good sales strategy to get sales success. Commercialization stage of creativity is also the important connection between this and the next industry chains. It not only determines whether creative products can win the market or not, but also the development directions and funds for next creativity development. The excellent performances of enterprise commercialization give all the creative products development a good connection, and keep enhancing enterprises' creative ability. It is shown in Figure 2.

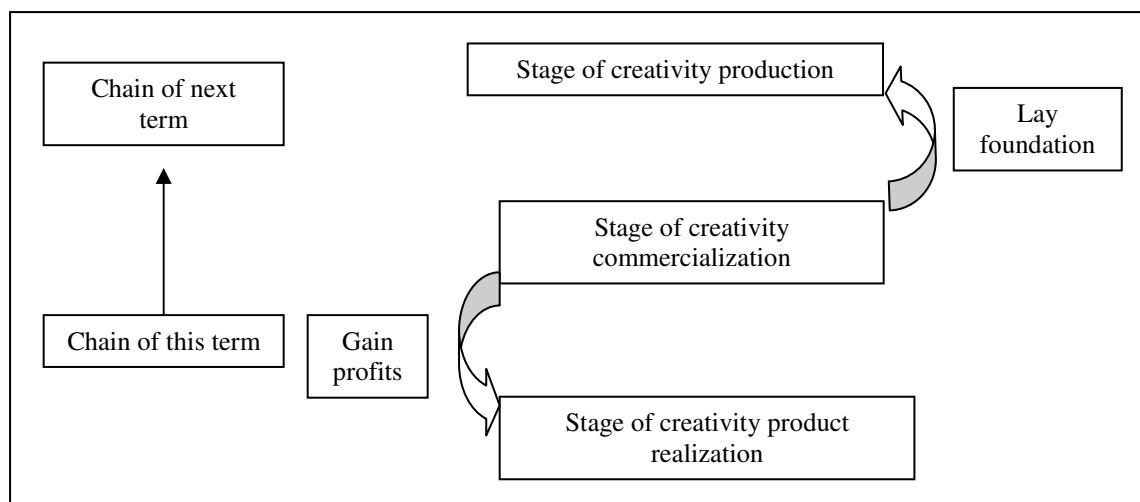


Figure 2: The Effects of Creativity Commercialization Stage in Industry Chain

The management difficulties and risks that enterprise faces during sale stage of creativity are: 1, the shortcomings of sales strategy, like has no experiences of selling this kind of creative product, which will fail to reflect the creativity of products; 2, since creative products are presented to public, counterfeiting, imitation phenomenon must increase, which will result in reducing the product's competition ability and increasing the cost to protect rights; 3, many creative enterprises are limited by the scale, short of sales methods, immature market conditions, it is hard to push the products to the market in short period, thus missing the best sales time of creative products.

Generally, there will exist follow-up development after selling excellent creative products. Through excellent services before and after sales, it can induce customers shift their good impressions from the first generation creative product to the brand of enterprise. In the following development stage, enterprises should fully protect the built brand, make the brand possesses identifiability through brand family and Infringement proceedings.

4. Summary

Enterprises, especially the development of small enterprises is the initial force of development of creative industry, the enterprise managements of creative property affect the development speed of enterprises. Under current law systems, part of creative products can be generalized into the domain of intellectual property protection system, however, creativity itself can't be the object of intellectual property protection, and enterprises creative management should adopt the method that treating intellectual property protection as the core and contract management as the supplement. Those enterprises locate in different stages of creative industry chain should set up different management goals, depending on the differences of goals and owned resources, flexibly use multiple intellectual property management methods like copyright registration, patent applications, trademark registration and business secrets etc. to manage creativities and derivatives, thus enhancing the creative ability and creative performances to gain early opportunities during competition.

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