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**Managing the Cross-Industry Networks of the
Audiovisual Sector:**

**A Perspective from the Independent Screen
Productions
in the UK and Taiwan**

by

Hsiao-Ling, Chung

A thesis submitted in partial fulfillment of the requirements
for the degree of Doctor of Philosophy (Ph.D.)
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Dedicated to my father Li Chung (1933-1993)

who set the highest for me to reach and the softest for me to land

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List of Abbreviations

AVS	Audiovisual Sector
CAS	Complex Adaptive System
CIN	Cross-Industry Networks
EC	European Commission
EP	Executive Producer (UK)
EU	European Union
IPR	Intellectual Property Rights
Ofcom	Office of Communication, UK
PACT	Producers' Alliance for Cinema and Television, UK
The Act	UK 2003 Communication Act
WTO	World Trade Organization

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Declaration

Except for commonly understood and accepted ideas, or where specific reference is made, the work reported in this dissertation is the result of my own work and includes nothing which is the outcome of work done in collaboration. No part of this dissertation is the same as any work that has previously been submitted to any university for any degree, diploma or other qualification.

Hsiao-Ling, Chung
Centre for Cultural Policy Studies
University of Warwick
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Summary

The thesis is a qualitative account of the much neglected issues of the bottom-up, and interconnected organization of the Cross-Industry Network (CIN) phenomena within the Audiovisual Sector (AVS). The aims are achieved by exploring the *why* and *how* of the independent screen content producers in developing CIN during the production process. By conceptualizing the CIN phenomenon as a *Complex Adaptive System* (CAS), I used its theories as analogies to analyze the multi-case and multi-level studies conducted at two scenarios of independent TV production sector in the UK/ the developed, and the independent film production sector in Taiwan/the developing. My research produced the following four conclusions.

1. From Top-Down Industry Disintegration to Bottom-up Production Reconfiguration

The industrial disintegration of the media industry has resulted in the reconfiguration of content production networks and intense self-adaptation of creative producers who are facing multi-directional connections within the CIN during their production process. Such adaptation reveals tensions between the producers' self-perception as 'independent' and 'creative' producers and their networking decisions and actions.

2. From Managing the Creative Project to Managing the Creative and Commercial Venture

The evolution of the CIN in the creative and media production is not entirely top-down/linear/serial, but more accurately, bottom-up/ non-linear/parallel. These internal self-organizing dynamics enable the production network to radiate outwardly, which induces trade-offs between and beyond commercial and creative priorities.

3. From Distribution-led Value System to Production-led Microcosm

The production process has evolved its own diverse CIN, involving different types of relationships, a higher degree of complexity and structural tensions inherent in the value-creating system. Such production-led networking functions are the most fundamental source for developing broader CIN and the economic return for creative producers.

4. From Network Adaptation to Complex Adaptive System

The networking activities of independent and creative producers radiate and interact outwards to connect and affect all levels of the network, resulting in unexpected directions and complex collaborations. In particular, the elements of multi-directional adaptation and tensions of the involved network actors have an important impact on the emergence and organization of the network.

The main contributions of the research are firstly to have taken a bottom-up analysis by integrating the micro-level organizational complexity of the independent production into the theorizing about the AVS; and secondly, to have placed the intangible values and real practice of creative producers at the centre of the network study.

Part I

Establishing Theoretical Frameworks and Methodology

Chapter 1

Introduction

Why do we find it so congenial to speak of organization as structures but not as clouds, systems but not songs, weak or strong but not tender or passionate?...And are those who think they observe structure simply blind to systemic 'process' and those who spy 'strength' insensitive to obvious signals of 'tenderness'? No, there is little sense to be made of the assumption that organization theories are read off the world as it is, inductively derived from our experiential immersion in a world of continuous flux.

Kenneth J. Gergen (1992:207)

This thesis is a qualitative, bottom-up account of the dynamic, yet taken for granted cross-industry network (CIN) phenomenon in the audiovisual sector (AVS).¹ My study is designed to examine the ways the independent film/TV producers in Taiwan and the UK organize their productions in an increasingly complicated AVS. The term 'cross-industry networks', in this thesis, refers to the business relationships radiating from the core of TV/film productions into other related yet separate industry sectors e.g. music recording, book publishing, DVD distribution, new media, and telecommunications.

The study is based primarily on inductive case studies. It uses semi-structured interviews both with independent producers in Taiwan and UK, and with the decision-makers of those content-related businesses. Issues regarding what are meant by the 'audiovisual sector' and 'independent production' will be discussed

1 The meanings attributed to the term 'cross-industry networks' and 'audiovisual sector' will be discussed in detail in Chapter 2.

in Chapter 2. While there is no unanimity among scholars and authorities as to the meaning of these terms, the various interpretations constitute a background to my research: the central concerns of, and expectations for ‘the restructuring of the TV and film industries’ and ‘a cross-sector future of content production’. My thesis will offer rich empirical evidence to support such views, while revealing the dilemmas, concerns and challenges of the creative producers embedded within such progress. I will show, later in the thesis, that the emergence of such networks is not shaped simply by market and technology forces, but demonstrates bottom-up, self-organizing logic and dynamics, which involve a high degree of complexity and adaptation.

This first chapter in the thesis presents the background and rationale of the network study, the key terminology and concepts used in this research, and the research problem and questions. It also provides an overview of the research strategy and methodology used, and an outline of the thesis.

1.1 Background and Rationale

I will now discuss the background and rationale for this research, by presenting the personal, practical and theoretical contexts.

Personal Context

The management issues concerning networks organizations in the creative and media sector, especially those of the independent production, have been of interests to me since I was a university graduate in 1996. Since then, my

on-the-job observations gradually fed into my Master dissertation on macro structural changes, as well as the micro management issues within the UK film industry. That study not only strengthened my interests in the management issues of network organizations within the creative and media sector, but also made me increasingly aware of the various forms of network around TV/ film production.

My original motivation for undertaking this CIN research came from my work as a marketing director within the creative and cultural sector in Taipei after my MA study during year 2002-2004. Here I discovered that most independent TV/film producers have difficulties in connecting outwardly with content-related businesses such as record companies or book publishers. In working as a bridge between the creative producers and the various business partners, I found that the cross-sector network phenomenon is not only significant, but also deserves in-depth and systematic understanding. Therefore, my motivation for doing this research is to explore the intertwined collaborative relationships radiating outward from the independent film/TV productions to a wider diversity of businesses within the AVS.

Practical Context

My observations in the field proved to be in accordance with recent trends within the AVS, which show that network phenomena in the sector are not only significant, but have also flourished recently. As indicated frequently in the WTO communication documentation,² audiovisual services constitute a dynamic sector

2 For instance, the communication circulated to the Members of the Council for Trade in Services. World Trade Organization, S/CSS/W/99, 9 July 2001 (01-3408)

in modern market economies, covering a wide range of activities, related fundamentally to the production, distribution and exhibition of audiovisual content. In particular, international trade in audiovisual services has recently experienced significant growth, due to advances in technological convergence. Although debates over the term ‘audiovisual sector’ are ambiguous, since its outputs vary in forms and substance, as will be discussed in Chapter 2, the term is now generally accepted by researchers and policy-makers alike, as are the cases in both the UK and Taiwan. Importantly, the challenges in reaching an agreement as to the definition of ‘audiovisual sector’ provides the starting point for my research, as it suggests that content-led, cross-over collaborations in the sector are both expected and desired.

Such circumstances also underline the issues of increased complexity involved in the sector. On the one hand, the attempts of regulatory bodies across the world to find a future-proof approach in regulating the expanding AVS underscores the significance and difficulties in accommodating changing business practices within the sector; on the other, the increasing interest in content production also strengthens the fact that while various possibilities open up, the content producers face increasing challenges and trade-offs in organizing their production.

Consequently, with increasing demand for original content, increasing attention has been paid to development issues in the production sector, especially with the promotion of the creative industries. Hence, the independent production sector has been recognized as promising a creative future for the sector. Its growing significance and visibility, both culturally and economically, could be illustrated

by the UK 2003 Communication Act, in which the UK government granted independent producers an increased share of rights over the content they produce.³ In other words, the recent developments within the sector constitute another rationale for my study, which is to provide a timely insight into the practical reality of the complex business relationship involved in the upstream of the audiovisual industry- the production sector - by looking at the broader networking behavior of independent producers. I will provide empirical evidence in Chapter 5 and 6 to demonstrate the gaps between the top-down regulatory assumptions and blueprints and the real industrial practices in the cross-sector content productions.

Theoretical Contexts

In reviewing the recent network reflections on the creative and media sector, a top-down ‘flexible specialization’ (Piore and Sable 1984) approach shows that the production sector of the media industry is composed of various networks, as a result of industrial restructuring (Lampel and Jamal 2003; Lash and Urry 1994; Barnett and Starkey 1994; Robins 1993; Christopherson and Storper 1989; Storper 1989). Correspondingly, research at the micro-level has also found that paradoxes and dilemmas abound with the contractual, one-off project-based network organizations (Bilton 2007; Grabher 2002, 2003; Blair 2000; Caves 2000; DeFillippi and Arthur 1998). However, they are mainly concerned with the examination of ‘project network’, ‘labour networks’, or ‘regional networks’ as ‘creative clusters’ or ‘informal/ social networks’ as the features of the trade.

³ I will discuss this UK regulatory background more in Chapter 2 and Chapter 6

Recent research on the AVS has either concentrated on the ‘content industry’ concerning technological and strategic applications to content developments and ‘cross-media’ convergence, or working with the macro political and economic approach on the impacts of media conglomeration, reintegration and diversification (Miller 2001; Gomery 1998; Howkins 1997; Scott 1986) on the restructuring of the industry. As a result, although researchers have highlighted that the production network of the creative and media sector should be understood within an interconnected system (Bilton 2007; Hesmondalgh 2007; Pratt 2004; Scott 1996), a divide seems to emerge in the literature between the macro-level and micro-level understanding of the nature of the network, and research has not yet been structured empirically to examine such multi-directional networks that occur at the micro production level, in the broader context of the AVS.

Another divide exists between developed and developing contexts, or rather the Western / non-western context, given the fact that the network models of the creative and media sector in the literature have tended to be applied and developed in a Western context, and research in non-western or developing areas is relatively limited. Therefore by looking at the both the developed scenario of the independent production sector in the UK and the relatively developing scenario in Taiwan, the application of Taiwanese experience to the research target also aims to give an original element to the research.

Accordingly, my research aims to build on the above-mentioned findings from three major points of view. The first is to examine the CIN practices of independent productions operating within the AVS, with particular focus on the

views of the producers. The second is to explore issues in managing CIN, by drawing out lessons from the developing/Taiwanese and the developed/UK contexts of the independent production sector. The third is to develop a bottom-up management approach to networks in the converging and expanding AVS and to address the policy implications of such an approach.

The Complex Adaptive System (CAS) Approach

Given the complex organizational characteristics of the network phenomenon, the Complexity Adaptive System (CAS) approach is found to be the most relevant. On the one hand, it explains how the behaviors of the agents at the micro-level of a system generate organizational impacts on the macro-level; on the other it concerns not only relationships between the agents, but their adaptation in handling complexity and tensions in the system. Three tiers of analytic levels (individual-project-firm) are designed to follow an emergent development of a possible pattern from the bottom up of the production organization and by doing so, identify the holistic characteristics of the network phenomenon. This approach towards the study of the network organization also reflects the fundamental characteristics of the CAS approach that ‘the two themes of evolutionary development and holistic character have to be taken together’ (Byrne 1998:15). I will elaborate on how the analytical framework based on the CAS theories is built in Chapter 3. In short, by drawing out the bottom-up implications, my rationale is to comprehend how these cross-sector network relationships take place collaboratively around independent productions and any mechanisms at work in facilitating the network developments in real practice, and to disentangle the forces involved in a theoretical framework that could make sense of them.

My research is original, in that I have investigated empirically the real CIN practices and dynamics of the creative and media productions at the micro-level of the broader context of AVS and their multi-directional connections, adaptation and even transformation. Such research has not yet been done, either in the developed or the developing contexts.

1.2 The Key Terminology and Concepts

Some key concepts and terms used in the study are outlined briefly here, to indicate how they are understood and utilized throughout this thesis. They will be further discussed in Chapter 2.

- **‘Cross-industry Networks’ (CIN)**

My use of the term ‘cross-industry networks’ within the AVS is intended to indicate the hybrid nature of the sector, by referring to *the business relationships radiating from the core of TV/film productions into other related yet separate industry sectors*, for example book publishing, music recording, DVD distribution, new media and telecommunications etc. rather than to business relationships within the TV / film production sector.

- **‘Audiovisual Sector’ (AVS)**

The term ‘audiovisual sector’ in this research broadly refers to *the sector centering on television and film industries and other related businesses concerned with producing or exploiting film and television content*. It distinguishes itself from ‘broadcasting’, ‘communication’, ‘telecommunication’ and ‘information’ industries, in that it emphasizes on the production and exploitation of screen content.

- **‘Independent Production’**

The term ‘independent production’, as utilised in this research, refers to a TV/film production carried out independently by a producer or production company, who are themselves responsible for the financing, production, distribution and rights management of their productions. This rather general definition is also indicative of its value to the convergence of the AVS, because such producers are necessarily dynamic, entrepreneurial and network-dependent.

- **The Taiwan/ Independent Film Production/ the Developing Context**

The audiovisual industry in Taiwan is characterised by a fragmented film production sector. The term ‘independent production’ is regarded as an entrepreneurial, but small-budget film production which relies on government funding in Taiwan. However, in acknowledging the ongoing progress of media convergence and the value of the ‘content industry’, Taiwanese authorities have adopted an integrating and technology-driven approach toward the AVS by emphasizing the development of those ‘digital content-related’ industries.

Accordingly, the government's priority in developing the content industry in Taiwan is focused on the digital applications to and the exploitation of the content sector.⁴ As a result, business collaborations between the independent film production and the content-related businesses have started to attract attention from both the public and the private sectors in Taiwan. The recent development of the independent film production and the AVS in Taiwan will be discussed in detail in Chapter 5.

- **The UK/ Independent TV Production/ the Developed Context**

The AVS in the UK is characterized by an increasingly consolidated independent TV production sector, and the term 'independent production' directly refers to the TV production companies outside the major broadcasters. The fact that the most important, recent piece of legislation relating to AVS- the 2003 Communication Act - permits independent producers to retain a higher percentage of copyright for the content they have made for the broadcasters indicates that the status of the independent sector has grown and altered. The independent TV production sector in the UK is, therefore, now characterised by bigger, more established independent production companies moving into a corporate, commercial model of production. As a result, their networking practices with different content businesses have increased considerably. In order to capture the organizational dynamics of the UK independent production companies under such circumstances, a focused case study with a single independent but major TV production company was carried out in London. The aim of this was to understand how the company

⁴ Including games, 3D animations, media applications, communication applications, internet services, digital content software etc

confronts growing complexity through the cross-industry collaborations used in making their content. I will discuss in detail the recent development of the independent TV production and the AVS in the UK in Chapter 6.

1.3 Research Problem and Questions

This study sets out to seek answers to the following main research questions, which will be discussed in greater detail in Chapter 3.

(1) How do independent producers perceive and respond to CIN developments within the AVS?

The first question is explored empirically, by collecting and analyzing the independent producers' self-perceptions as to how they see themselves in this role and what the 'cross-industry networks' mean to them in real terms. In particular, by interpreting the two terms, i.e. 'independent production' and 'cross-industry networks', I will draw out the distinctive or common values and characteristics of the independent producers in Taiwan and UK. The question sheds light on how independent producers perceive the costs and benefits that CIN practices bring to their production and how they position themselves in the CIN, moreover, it addresses the extent to which producers see themselves as 'independent producers', influencing their networking decisions. These sub-questions will provide fundamental background knowledge through which their network practices can be analyzed, and will leads me to explore the second question, namely why independent producers organize their production networks as they do.

(2) Why do the independent producers organize the CIN in the way they do?

The answer to the second question will be sought both theoretically and empirically. Firstly, based on the review of network studies in Chapter 2, I will propose a conceptual and theoretical framework for understanding CIN, based on the theories of Complex Adaptive System(CAS). With the analytical framework in place, the *why* question sheds light on an analysis of empirical data regarding the motivations and expectations of those network agents. Importantly, an understanding of the *why* question paves the way to exploring the third issue - How do the CIN evolve with the independent productions?

(3) How do the CIN evolve during the production process of independent production?

The answers to the third question are based on the empirical study of this research. As mentioned earlier, by combining the network experiences of Taiwan and UK, the empirical contexts of this study not only constitutes a field for a bottom-up, multiple-level analysis of the CIN phenomenon, but also a spectrum reflecting both the developing and the developed ends. In fact, by looking into the different ways in which their network relationships take place, the *how* question connects the three different levels of analysis in that it highlights the organizational interconnections, as well as tensions between the network levels within the context of a firm. Equally importantly, the question also leads me to explore to what extent the CIN around their productions are deliberately sought, or are the outcome of a spontaneous, organic progress? What type(s) of network relationships are involved? What are the facilitating/impeding organizational

factors behind the networking practices of independent producers? How do independent producers deal with the conflicting factors and priorities, if any, during the network progress?

In short, the *why* and *how* questions are interconnected. My thesis shows that how the *why* questions are, to some extent, solved by the *how* questions: why those network relationships happen, which are partly concerned with the internal paradox, dilemma, complexity and contradictions with the independent productions, which are somehow manifested and resolved externally with the ways of how the CIN develop. The *how* questions are therefore ways of understanding how and in what ways the independent producers resolve those dilemmas and problems internally in interacting with other businesses, and the CAS framework therefore becomes an appropriate framework for understanding how they do so.

1.4 Overview of the Research Methodology

In this section, I will discuss the research design of the study, including the methodological decisions (the scope of the network research, qualitative approach and case study methods), and the reasons for my empirical research design. Here I use Figure 1.1 on the top of next page to illustrate the central concept of my research by showing the focal point of independent film/TV productions and its cross-industry relationships with other businesses within the AVS.

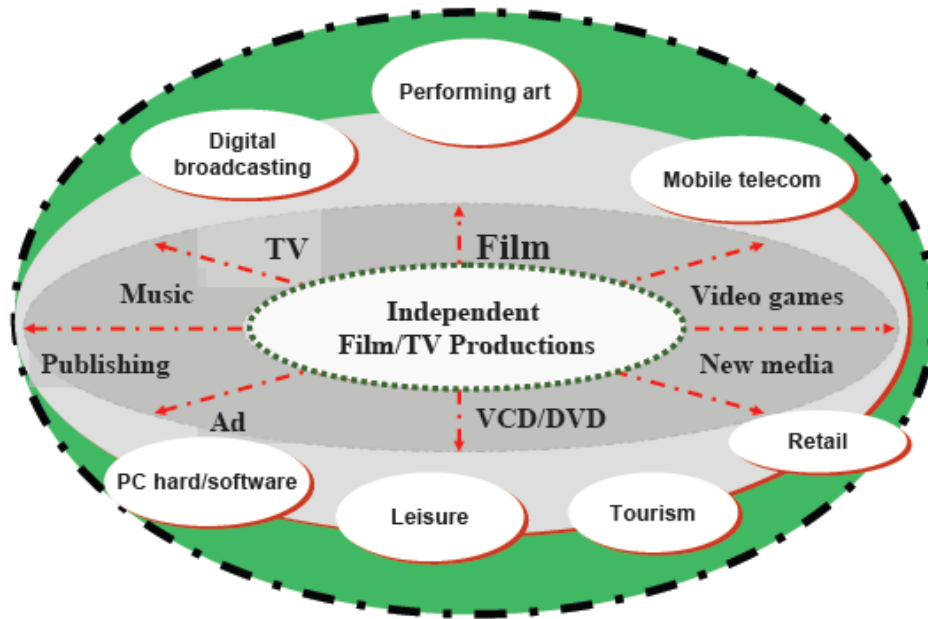


Figure 1.1 Illustration of the focal point of independent film/TV productions within the audiovisual sector

1.4.1 The Scope of Network Research

The network scope under examination in this research is the sector-wide audiovisual industry. This is achieved by investigating and looking from the internal dynamics of the micro networks of independent production. The focus of research is therefore on the production organization at the project level. Yet, as the TV/film production are operating in a rather open system, and there is a mixture of industry actors involved, I have sought to determine a reasonable network boundary for study. My decision is based on a two-step consideration: Firstly, it is based on my use of the term ‘cross-industry networks’ within the AVS in this study as outlined in the previous section. Secondly, CIN is also defined as involving those businesses that are empirically found in collaboration with, and which are important to independent production.

In particular, in this study, the *producer* is regarded as the focal point of the

network under study, from which the network scope of a production starts expanding. This is because in the majority of cases, the producer is the first person attached to a film/TV project, and the ultimate authority in charge of the internal administrative, financial and organizational and to certain extent, the creative aspect of the production. For the independent producers especially, they initiate, co-ordinate, supervise, and control all aspects of the production process to realize their productions within economic and creative constraints (Schatz 1999:341), and answer to the production company or financiers when there are problems. The roles of producers are therefore two-fold: they have to internally organize every aspect of the production, and externally to acquire production resources. Such roles of producers continue throughout the overall production process, including the marketing and distribution/broadcasting stages, to ensure the actual screening of the film or TV programme. Putting everything together, the key interviewees for this study are the producers, and an understanding of the internal dynamics of the network is achieved by focusing on how the producers and those internal network decision-makers interact, so as to facilitate those external CIN.

1.4.2 The Qualitative Approach

I employ a qualitative approach to this network study. The choice of qualitative methods is derived from the purpose of the research, namely to draw out the bottom-up management implications of the CIN phenomenon in the AVS, based on a holistic understanding of the real practices and characteristics involved. Therefore, the choice of qualitative methods is the most appropriate, as the research objective demands in-depth and comprehensive insights into an understanding of the target phenomenon. In some ways, this research combines

what Silverman (2005) suggests as being the emotionalist model and the constructionist model of qualitative research. The former aims to obtain authentic insights by focusing on the perception and meaning of the research subjects, while the latter addresses the behaviors and interactions of research subjects, with the aim of examining how phenomena are constructed. This research looks at both the meaning of the CIN to independent producers and at how they construct their networks, through the case study approach. Although Yin (2003) argues that a case study can be conducted by both quantitative and qualitative means in this research, qualitative methods are utilized with semi-structured interviews and a case study of independent film/TV productions.

1.4.3 The Semi-structured Interviews

The reason for adopting the semi-structured (in-depth) interview is its less rigid style. This not only allows interviewees to express their opinions in their own words, but also allows a two-way communication, based around a predetermined topic. As Esterberg (2002) suggests, although interviewers typically start with an idea about what the interview will cover, and therefore conduct the interviews in a guided conversational manner, it is the interviewee's responses that 'shape the order and structure of the interview' (ibid: 87). In addition, this interview style enables new questions and themes to emerge as a result of the discussion, so as to enable my interviewees and me to explore topics in further detail.

1.4.4 The Case Study Approach

Multiple-case study

With regard to choosing the case study approach for this research, Patton (1987) and Eisenhardt (1989) have pointed out that the case study approach is appropriate when the research concerns a new domain, and especially when the research purpose involves seeking a new perspective, with a limited existing knowledge about the phenomenon under study. As Yin (2003) indicates, a case study is preferred when the research seeks answers to ‘how’ and ‘why’ questions, which are sought from a real-life context where the researcher can hardly control the involved events. Moreover, a case study is also a suitable research method when the focus is on understanding the complex and dynamic nature of the phenomena studied, as is the case with the CIN in this research. However, in conducting a case study, Yin (ibid) further suggests alternatives to its design, a single-case study or a multiple-case study, both of which can utilize a single unit/level of analysis or multiple units/levels of analysis. It is also important to determine the level of analysis used within the case study. A multiple-case study, with multiple levels of analysis, was chosen for this study. The reason is that instead of taking a concentration approach with a single case study, which is suitable in testing a well-formulated theory or developing a theoretical model, as Yin suggests, the purpose of this study is to provide a holistic, broader view of the network phenomenon, as more multifaceted and interconnected. In other words, the case study strategy taken for this study ‘is not a methodological choice but a choice of what is to be studied’ (Holliday 2007:15).

In terms of the multiple-case study, during the research process, such a research design proved to be manageable, as there were no major problems gaining access to the needed information. This was also due to the fact that my investigations

focused on representative independent production companies in Taiwan and UK. The reason for choosing the Taiwan/independent film production and the UK/independent TV production is that I wanted to give a broader view on the networks of the AVS, by covering its core industries i.e. the TV and film industries, and to show how networks operate at differing levels of maturity and development; and how the independent production matures within the sector. Therefore the multiple-case study of this research was like taking a snapshot of the independent production sector, both from the more vulnerable, emerging end in Taiwan, and the relatively more consolidated, established end in the UK. I argue that the network phenomenon in Taiwan can be understood as disorganized and individualistic, while the UK represents a more collective, strategic scenario. In other words, the research approach is combinatorial rather than comparative, incorporating both the developing and the developed contexts. This is the foundation for developing the management and policy implications for the networks later in Chapter 7. However, the purpose of such a design was not so much to seek law-like generalizations, but to draw out the similarities and contrasts in their network practices, so as to provide deeper, as well as broader meanings to the network phenomenon.

Multiple levels of Analysis

As was pointed out earlier, the case study in this research consists of three interrelated levels of analysis, from the individual, to the project, to the firm levels of analysis. The bottom-up, three-level analysis of the case studies of Taiwan and UK are presented in Chapter 5 and 6. The *individual-level* analysis aims to understand how the perceptions, attitudes, and concerns of independent producers

influence their CIN practices, and shape the ways in which networks develop in relation to their own internal organization and content making. The *project-level* analysis continues to be an examination into the internal process of how producers interact with other network agents and process the complexity involved in the network tasks and drive the CIN development of their productions. As the purpose of this research is to understand the internal dynamics of the independent productions, the project-level analysis is thus the primary focus of research. At *firm level*, I look at whether the networking practices around the productions have triggered any organization structure, management action and strategy of the firm, or whether the production company takes any proactive approach to advance the company in a cross-industry way.

The CAS Analytical Framework

Methodologically, the research design of the multiple-level analysis, multiple-case study, and the combination of the more chaotic scenario at one end of the spectrum in Taiwan and the relatively ordered scenario at the other end in the context of UK connect fundamentally to the conceptual logics of the CAS. Firstly, the CAS framework gives a broader view, and includes different contexts, by looking at the AVS as a dynamic and an interrelated system. Secondly, as the capacity of CAS ‘for handling issues of micro/macro inter-relationships lies exactly in its central concern with the emergent order’ (Byrne 1998:48), it provides a way of relating the micro and the macro, in that it offers a way of describing how or whether the micro-level characteristics have any impact on the development of their business networks. Thirdly, the CAS framework not only allows for a conceptualizing of the CIN as an ongoing process so as to track the

evolutions of the network development. It also seeks to understand the organizational dynamics of a system evolving from a chaotic state to an ordered state (Anderson 1999).

At this point, while I shall elaborate the analytical framework in Chapter 3, it is necessary here to indicate two other points concerning my analytical approach, as based on the CAS models. Firstly, as CAS models have their roots in multidisciplinary studies, the definitions and interpretations of complexity are all context-dependent (Mitleton-Kelly 2003:26-28). In this network research, I refer to complexity as organizational complexity, which is involved in intricate inter-relationships across organization levels within the network system, from individual producers to the related businesses in the AVS. Secondly, as the relevance of complexity is subject to the specific organizational context, I have to be decisive in choosing a fitting approach to applying the CAS models to the network phenomenon. Here, I follow Stacey's approach (2000), taking the model and its theory as a source from which to draw insights for the management of organizational relationships. This enables analogies to be drawn between the properties of CAS and the characteristics of the network phenomenon under study, so as to examine and disentangle their complexity.

In terms of the primary data collection methods applied in this study, they include the following: a) collection of relevant literature: policy documentations, official statistics and trade reports and papers, and on-line information and data; b) pilot study c) semi-structured interviews; and d) case studies. I will explain the overall empirical process of data collection, analysis and presentation in Chapter 4.

1.5 Outline of the Thesis

The thesis consists of eight chapters, and is arranged in three parts. Part I (Chapter 1 to Chapter 3) provides the background concepts and knowledge for this research, and outlines the overall design of the research, including the methodology and analytical frameworks. Chapter 1 introduces the background and rationale of this study, the research aims and questions, the research methods and an outline of the thesis. Chapter 2 deals with the key terms and concepts of this research, including the ‘audiovisual sector’ and the ‘independent production’. By drawing out the issues revealed in the disputes of the two terms, I will demonstrate the complexity of network organizations in the AVS, and will argue for the relevance and importance of employing the phenomenon of ‘cross-industry network’ and the sector of ‘independent screen production’ as the appropriate empirical settings in understanding the networks of the sector. Also, by presenting a critical literature review of the analytical approaches applied to the network phenomenon in the creative and media sector, I position my research approach within the existing literature. I then propose the analytic framework for this research, based on the CAS as a way to comprehend the network phenomenon. In Chapter 3, I therefore establish the analytical framework of the empirical data of this research, based on three sets of CAS theories: ‘dissipative structure’, ‘self-organization’, and ‘emergence’. Each of these provides a level-specific analogy and jointly forms a holistic framework to the network phenomenon under study, for the purposes of this research, i.e. to achieve a bottom-up and multi-level analysis of the networks.

Also, by way of analogy, the research questions of this study are derived from three sets of theoretical ideas, with the purpose of placing the network phenomenon within an organizational system. In particular, the issue of the interconnections of levels and elements within the network system is highlighted as an important aspect of the CIN in the AVS, and has been largely overlooked by researchers in this field.

Part II (Chapter 4 to Chapter 6) is an empirical examination of my fieldwork findings concerning the network phenomenon within Taiwan and UK. Chapter 4 outlines the process and steps taken in the empirical data collection, analysis and presentation. Chapter 5 presents the case of Taiwan, including the recent history, and the structural characteristics of the fragmented film industry and the emerging independent production sector. The characteristics of the sector and the network phenomenon are firstly analyzed in the light of the interview materials with thirty film/TV producers and fifteen managers of content-related business who have collaborated with independent productions; the purpose is to empirically examine the network phenomenon in general, and to fill the gaps in secondary data. Based on a general understanding, the chapter then presents the case of an independent film production company in the developing and relatively un-directed stage. Chapter 6 then discusses and analyses the consolidating independent production sector in the UK. It presents an established scenario of an independent TV production company. The case study demonstrates the way in which the networks are emerging in a more strategic, collective way, by means of its internal supporting coordination.

Part III (Chapter 7 and Chapter 8) is a discussion of the research findings and the conclusions from the examination of this research on the network phenomenon in Taiwan and UK. Chapter 7 draws together and looks at both the Taiwan/developing and the UK/developed cases, and the distinctive or common network characteristics of the CIN in terms of how their networks evolve or are facilitated, and the bottom-up management and policy implications are therefore discussed. It concludes that the CIN in the AVS cannot simply be understood as an outcome of top-down, external forces, i.e., market, regulatory and technology factors, but is more appropriately understood as a bottom-up, spontaneous process, driven by creative producers, and an evolution from chaos to order of the networks, that can be facilitated with a balanced amount of flexibility and freedom and appropriate supporting infrastructures in place. Chapter 8 provides a summary of the main issues and findings discussed in previous chapters of the thesis. I will also reflect critically on the limitations of the research, and will identify some important and interesting directions for future research in terms of the complex networks and nature of the AVS.

Chapter 2

Understanding the Audiovisual Sector

‘Some people are disappointed to only get the film.’⁵

Introduction

Chapter 2 starts the literature review of this thesis. The purpose of this chapter is to highlight the network complexity in the AVS, and hence, some of the related issues for this research. In particular, I will argue for the importance of employing the phenomenon of ‘cross-industry network’ and the sector of ‘independent screen production’ as empirical contexts. Especially, a bottom-up approach is needed to analyze the CIN phenomenon in the AVS.

In Section 1, I examine the term ‘audiovisual sector’ which reveals three top-down approaches to its definition, and I term them the ‘International Trading Approach’, the ‘Industrial Development Approach’ and the ‘Creative Industry Approach’. Defining the sector is a complex task. However it is found that film and TV industries remain the core focus of concern, and that CIN is integral to these various definition propositions of the converging sector. However, I argue that such top-down logic is problematic insofar as it is not sufficiently grounded in

⁵ Research seminar titled ‘Some people are disappointed to only get the film? What is a DVD?’ Humanities Research Centre, University of Warwick. 23rd Apr. 2005. The seminar reveals the fact that with technological advances, screen content is now available in various forms and formats.

an understanding of real industrial practices.

Section 2 presents my critical review of the analytical approaches applied to the network phenomenon in the creative and media sector. I intend to position my research, both theoretically and empirically, among the related literature. This is achieved by outlining four headings under which I locate the gaps in the existing literatures. I will argue that a bottom-up, production-led perspective of the networking dynamics has yet to be established among the various discussions of the creative and media sector; and that this perspective is crucial in capturing the reality of the networking phenomenon in cultural production.

The final section provides a historical review of the emergence of the independent production in the film industry in the U.S. and the TV industry in Europe. I will demonstrate the representation of independent production as a granular context for understanding the network phenomenon under study, from the bottom-up.

Importantly, throughout the discussions in this chapter, on the one hand, I will shape and present the research definitions of ‘cross-industry networks’, ‘audiovisual sector’ and ‘independent production’ utilized in this study; on the other, I will suggest that conflicting definitions are an indication of the sector’s complexity. Together, the chapter paves the way for an understanding that the CAS theories represent a viable framework for analyzing the network phenomenon in this research.

2.1 What is the ‘Audiovisual Sector’?

The significance of the AVS is evident, as the term ‘audiovisual industry’ is frequently found in discussions relating to communication studies (Greco 2000), media economics (Alexander et al 2004; Hoskins 1999), information society (Webster 2002; Duff 2000) and the recent emerging field of cultural and creative industries (Hesmondhalgh 2007, 2002; Towse 2003; Howkins 2001; Pratt 2001, 1999; Cornford and Robins 1992). In these studies, the audiovisual industry tends to be taken either as an umbrella term, covering the wide-ranging economic and cultural production activities of the media sector, or else it is used to refer specifically to film or television industries. As a result, the term lacks an agreed and precise definition.

Three Approaches to the Definition

Three approaches to the definition of ‘audiovisual sector’ have been identified, which I will term the ‘International Trading Approach’ led by the U.S. under the World Trade Organization (WTO) framework, the ‘Industrial Development Approach’ employed in the context of the European Union and the ‘Creative Industry Approach’, adopted by some national governments. The significance and complexity of the sector are also evident, as issues of definition remain unresolved and are the subject of ongoing negotiation within the two most influential supranational trade bodies – the World Trade Organization (WTO) and the European Union (EU).

2.1.1 ‘International Trading Approach’: The WTO Context

Unlike other sectors whose definitions have been clearly established under the WTO framework, for the liberalization of the audio-visual sector to international trade, it has proved challenging to achieve an agreement between WTO members,⁶ in fact, members have safeguarded their own national policies towards the sector, using the framework of the General Agreement on Trade in Services (GATS) (Nihoul 2004). According to the framework, the classification of the ‘Audiovisual Sector’ comes under the category of ‘Communications’⁷ in the Services Sectoral Classification List (MTN.GNS/W/120) and contains the following six subdivisions:

- (a) motion picture and videotape production services;
- (b) motion picture projection services;
- (c) radio and television services;
- (d) radio and television transmission services;
- (e) sound recording;
- (f) other.

Expansion from the Core to the Related Industries

The circumstance of limited market access under the WTO system has led to the U.S. government urging a review of the classification to strengthen its entertainment economy. It argued that the present scope of the AVS is noticeably broader than it was during the Uruguay Round period (1986-1994) when negotiations focused on the production and distribution of films and terrestrial

6 For instance, in comparing to the telecommunications sector, in which there have been seventy countries allowed competition in their local basic service by the year 2000, less than fifteen countries have agreed to open their audiovisual markets (Nihoul 2004:231).

7 The category of communication is, in fact, subdivided into five categories: postal services, courier services, telecommunication services, audio-visual services and other. (MTN.GNS/W/120)<http://www.wto.org/English/tratop_e/serv_e/mtn_gns_w_120_e.doc> (18.May.2005)

broadcasting. The U.S government therefore presented a proposal on audiovisual and related services for re-consideration in the Doha Round negotiations period, commencing in 2001.⁸ In its proposal, it extended the system of production and distribution to include the international trading of content production for both local and international distribution. In particular, this ‘International Trading Approach’ to definitions embraces broader production activities of companies ‘whose converging functions and technologies transport a wide range of content, including films, music, news, games, and other forms of entertainment and information to customers.’

Given the US government’s primary role within the WTO system, the classifications under the WTO system are still subject to ongoing negotiation. However, under the GATS framework, it is clear that the classification of the AVS is focus on the delivery and ancillary ‘services’, and not on the ‘production’ of content and the ‘sector’ as a whole. Nevertheless, the WTO’s reclassification intention has implied that with the advance of technological convergence over the past two decades, the definition and category of the AVS is expanding, and it has evolved from the core of the film and television industries, to include a variety of supporting and related industries, and associated production and distribution services, as indicated in the U.S proposal.

2.1.2 ‘Industrial Development Approach’: the EU Context

The US’s trading approach has met with strong resistance from other members,

⁸ In its Communication to the WTO (S/CSS/W/999 July 2001 (01-3408). However, according to the data available on the WTO website, negotiations regarding audiovisual services are still underway. (20. Nov.2007)

especially from the European Union. In fact, the EU has successfully retained its margin for manoeuvre regarding audiovisual policy under the GATS framework, which allows its Members States to protect their own cultural diversity by strengthening local production (Wheeler 2004).

This echoes the fact that the EU has earmarked the audiovisual industry as a growing sector, which will create the most employment opportunities over the next decade.⁹ It is therefore evident while under the ‘external’ dimension of the WTO rules, the EU has been taking an approach to protect its emerging audiovisual market internally which I will label the ‘Industrial Development Approach’. This approach provides a rationale that the fragile sector should continue to receive public support. Hence funding priority has been given to TV and film production; distribution (covering digital networks, digitalization of film catalogues, and distribution groups’ assets); cinema operation; infrastructure and equipment for post-production studios, TV channels, etc. (EIB 2004; EC 2003).

From TV to Audiovisual Media Services: Transformation of the Regulatory Framework

While the European audiovisual market is characterized by its strong broadcasting sector, the broadening scope of the AVS in the EU context is also evident in its recent regulatory transformation. The landmark piece of EU audiovisual legislation- the ‘Television Without Frontiers (TVWF)’ Directive, which set the conditions on the television broadcasting services in 1989, has recently been

modernized into a ‘Directive on Audiovisual Media Services’ (AVMS) in 2007.¹⁰

The key issue in the European AVS is straightforward: TV broadcasters now have to face increasing competition with other linear and non-linear (video-on-demand) audiovisual media service providers, which are subject to a different regulatory framework.¹¹ The new AVMS Directive has, therefore, been developed, with the aim of offering a comprehensive legal framework that covers all audiovisual media services. According to the newly proposed Directive, an overarching definition of ‘audiovisual media service’ may be based on the six elements in Article 1(a) of the proposed AVMS:

‘A service as defined by Articles 49 and 50 of the Treaty [of the European Union], the principal purpose of which is the delivery of moving images with or without sound, in order to inform, entertain or educate, to the general public by electronic communications networks.’¹²

Bridging Culture and Commerce by Safeguarding the Production Sector

Despite continued disputes concerning how to develop a clear, realistic and future-proof definition and to create a level-playing ground in view of the industry’s structural change,¹³ it is clear that with its aim of developing the

10 The AVMS Directive should enter into force by the end of 2007. The background information and latest developments of the Directive can be found at http://ec.europa.eu/avpolicy/reg/tvwf/modernisation/proposal_2005/index_en.htm (15.Oct.2007)

11 Proposal for a Directive of the European Parliament and of the Council amending Council directive 89/552/eec, Commission of the European Communities, Brussels, 13.12.2005, COM(2005) 646 final, 2005/0260 (COD)

12 Annex to the Proposal for a Directive of the European Parliament and of the Council amending Council Directive 89/552/eec, Commission of the European Communities, Brussels, xxx SEC(2005) 1625/2

13 For example, a two-tier approach, termed linear and non-linear service has been suggested by the industry as a workable basis for arriving at the definition and regulatory framework of the ‘audiovisual and media services’. DCMS Conference Report (2005) Liverpool Audiovisual Conference: Between Culture and Commerce.

overall sector, a broad definition of the AVS is favored in the EU context, in order to appeal to the wider parties concerned. The rationale for the EU's external resistance to the WTO negotiation and its internal regulatory transformation with the AVS, is therefore based on the purposes of industrial development and to span the 'bridge between commerce and culture'¹⁴ by consistently safeguarding the production sector.

Firstly, the European AVS is yet to be able to withstand growing international competition, especially from the U.S., which still dominates the lion's share of Europe's audiovisual market. Secondly, the production of audiovisual content has, in fact been recognized as an economic and entrepreneurial engine for economic growth and investment within the European Community since both traditional and emerging audiovisual media services offer a considerable number of employment opportunities.¹⁵ Accordingly, despite the expansion of the AVS, its regulatory frameworks have consistently attempted to safeguard the production sector, especially the works of independent producers, by drawing up better, more flexible financing strategies for European content-making.¹⁶

14 The consultation process of the new Directive culminated in a major stakeholders conference in Liverpool, UK in September 2005 titled 'Liverpool Audiovisual Conference: Between Culture and Commerce'

15 Opinion of the Economic and Social Committee on the Proposal for a Decision of the European Parliament and of the Council on the implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA -Training) (2001-2005) and the Proposal for a Council Decision on the implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus - Development, Distribution and Promotion) (2001-2005) COM(1999) 658 final - 1999/0275 COD - 1999/0276 CNS

16 See 'EU Ministers commit to a vibrant European audiovisual sector without frontiers at Cannes', EU Press Release, IP/07/708, Brussels (25. May. 2007)

2.1.3 ‘Creative Industry Approach’: UK and Taiwan

Given the foregoing discussion on the WTO and EU contexts, it is clear that there is yet to emerge an international guideline or an agreed definition of the ‘audiovisual sector’. As a result, it is found that at the national level, a broader and softer approach towards the definition has been taken, which I will term the ‘Creative Industry Approach’. With this approach, government authorities aim to generate a critical mass of economic and cultural activities so as to foster the required dynamics for the development of the creative and media sector.

In the UK, although a consensus is yet to be reached as to the definition of the audiovisual industry within the EU system, the related industries of the growing sector such as broadcasting, film and music industries have been recognized as playing important roles in strengthening the national economy (DCMS 2007). Therefore, instead of providing a specific definition, the ‘audiovisual industry’ in general is broadly subsumed within the UK government’s development schemes of related occupations and services within the creative sector. Similarly, in Taiwan, immediately after it had become a WTO Member in 2002, the Taiwanese government mapped out its ‘Challenge 2008 National Development Plan’. Among the plan’s ten major programs, cultural and creative industries were included for the very first time as the goal of long-term development. Correspondingly, in the draft of its development scheme, the government defined the ‘audiovisual industry’ as an overarching sector, which broadly covered all the vertical and horizontal production services of screen production, distribution and exhibition, ranging from TV, film, production and DVD retailing to music, publishing,

performing arts and advertising.¹⁷

2.1.4 Research Implications

The task of the above review is not to comment on the regulatory issues,¹⁸ but rather to demonstrate, firstly, that the evolving and complex regulatory, economic, cultural and technological conditions have triggered the transformation of ‘media industry’ into the ‘audiovisual sector’. Secondly, the fact that the definition of this sector is still the subject of ongoing debates underlines some implications/consensus which are relevant to this study.

One consensus reached in regards to the discussions on the AVS is the phenomenon of ‘technological convergence’ or ‘media convergence’¹⁹ (Seabright and Hagen 2007; Hesmondhalgh 2007; Dewdney and Ride 2006; Alexander et al. 2004; Nihoul 2004). Studies have established that rapid industrial restructuring since the 1990s, driven by a combination of technological and consequent regulatory changes, has resulted in a wave of consolidations and expansion of ‘media empires’ (Doyle 2002; Millers et al 2001; Greco 2000). Meanwhile,

17 The ‘Challenge 2008’ Six-Year National Development Plan, Executive Yuan, Taiwan, 2002. The plan was formulated as a comprehensive six-year national development plan as the latest effort to foster the creativity and talent with the overall investment of NT\$2.6 trillion (approximately US\$75 billion)

18 The regulatory debates concerning the industrial policies, competition policy, media ownership and licensing regulations, and especially whether the competition regulation might not be the remedy for all of media market structuring and market troubles (Hope, 2007; Sawyer, 2005; Doyle, 2002), lies beyond the scope of this research, yet they underlines the fact of the increasingly complexity in the industry structuring issues of the AVS.

19 Even the concept of ‘convergence’ is not straightforward. According to (Chon et al 2003), many scholars define convergence as the process of technological integration (Danowski and Choi 1998; Pavlik 1998; Fidler 1997) or as the destruction of regulatory boundaries between sectors of an economy (see OECD working chapter by Kang and Johansson 2000). The European Investment Bank AVS Report (2001) defines convergence as a combined evolution of the computer, telecommunication and AVS, meaning that providers of communication systems can deliver products and services that compete with products and services now delivered by other networks.

increasing competition has caused growing market uncertainty, and hence the downward operational pressure on major media firms (Doyle 2002; Picard 1996). Such a development has required them to adapt their business models accordingly, and triggered an increase in cross-sector production, distribution and interdependent relationships (Seabright and Hagen 2007; Dewdney and Ride 2006; Nihoul 2004; Doyle 2002; Stokes 1999).

The second point of consensus in the literature is that the film and television industries remain the core of the AVS. Although there is not yet a fixed definition for the AVS, the various proposed definitions nonetheless refer to the two key industries. In other words, despite the increasing weight given to new forms of media, it is clear that the majority of public and private sector interventions are directed to the film and television industries. While boundary-setting between the audiovisual productions of television and film is also increasingly difficult (British Screen Advisory Council 2005), due to the convergence progresses noted above, the contrasting economic and cultural values associated with them lies beyond the scope of this research. Nevertheless it is evident that television and film industries dominate consumer perceptions of media content, and account for an ever-larger share of the audiovisual market (EC 2007; Muller 2004; EIB 2004).

The third point of consensus is the importance of content production. Superficially, the term 'audiovisual' suggests that at the core of its meaning are its 'audio' and 'visual' elements. These elements constitute the 'content' which makes production economically and culturally significant (Mueller 2004; OECD 1998). In other words, the term 'audiovisual' implies greater emphasis on content, including the

production and exploitation of content, than terms like ‘broadcasting’, ‘communication’, ‘telecommunication’ and ‘information’ industries. The proliferation of channels, again, highlights the increasing demand for content, and hence the significance of the production sector which is upstream of them, as the point where the economic and cultural potential of the content is determined. Independent production, in particular, has been acknowledged as representing the distinctive, cultural aspect of the AVS, and the driving force for the creative economy. Therefore, it should be safeguarded accordingly (EC 2007; BASC 2005; Cottle 2003; Puttnam and Watson 1997).

Finally, the increasing complexity of networking and cooperation within the AVS is evident. Media convergence has dismantled the boundaries between media markets, and changed the patterns of production, distribution and consumption of audiovisual content. Such industry restructuring profoundly changes the traditional media industry due to the emergence of new modes of exploiting works (Mueller 2004; EC 2000; Andersen 1996; Albarran and Dimmick 1996). As a result, issues surrounding the collection, coordination and allocation of resources in production have become increasingly intricate in multi-party collaborations and are being introduced to the content producers, who are the original creators of screen content.

On the basis of the discussions above, the definition of ‘audiovisual sector’ employed in this study broadly refers to *the sector centering on television and film industries and other related businesses concerned with producing or exploiting film and television content*. Correspondingly, my use of the term ‘cross-industry

network' within the AVS, as used throughout this study, is intended to indicate the hybrid nature of the sector, by referring to *the business relationships radiating from the core of TV/film productions into other related yet separate industry sectors*, for example book publishing, music recording, DVD distribution, multimedia, telecommunications etc. rather than to business relationships within the TV / film production sector. In other words, in this research, the focus of networking starts with the TV and film productions and looks outwards to their networking behaviors with other content-related, yet different industries.

Given the above understanding of the characteristics of the AVS, in the following section, I will look into the literatures concerning the networks of the creative and media sector. In so doing, I will suggest a change in the analytical approach to understanding the CIN phenomenon of the AVS and propose the independent production sector as an appropriate empirical context for this purpose.

2.2 Reviewing the Analytical Approaches

The section is divided into four sub-categories, under which the gaps in existing literatures on the network phenomenon in the creative and media sector are identified, and a need to narrow the gaps is suggested. Taken together, they represent a shift in the analytical approach towards the network phenomenon. The four headings are:

1. From Top-Down Industry Disintegration to Bottom-up Production Reconfiguration.
2. From Managing the Creative Project to Managing the Creative and

Commercial Venture

3. From Distribution-led Value System to Production-led Microcosm
4. From Network Organization Adaptation to Complex Adaptive System

2.2.1 From Top-down Industry Disintegration to Bottom up Production Reconfiguration

As the previous section suggests, cross-sector content-production is partly a result of top-down media industry disintegration. Such industry development can be largely explained by the theory of flexible specialization (Piore and Sable 1984). Given the CAS approach taken for the purpose of this research, the theory also provides a starting point from which to understand the reconfiguration forces within the production sector, yet without assigning particular weight to any actors, or assuming any dominant power or structure in the field. The following section looks into the analytical approaches that have derived from the theory, to draw out the implications for this study.

‘Flexible Specialization’ in the Cultural Sector?

This flexible specialization theory was proposed by Michael Piore and Charles Sabel in their book, *The Second Industrial Divide* (1984), and was presented by them as both an analytical tool and a historical account of industrial development. Therefore, since the 80s, other researchers have been drawn to apply the theory to examine the restructuring of the industrial networks of the media industry. Subsequently a longstanding debate has developed between two approaches of analysis, which I will term as the earlier ‘Media Industry Approach’ and the later

school of 'Cultural Industries Approach', as identified by Hesmondhalgh (1996). At issue is whether, and how, the mode of flexible specialized production has taken place in the media, and the broader cultural industries. These debates have triggered several streams of research on networks in the media and cultural sector.

The 'Media Industry Approach'

According to Piore and Sabel, the economic, political and market shocks since the 1970s have encouraged large corporations to respond to market uncertainty by outsourcing and divesting themselves of in-house production capacity. The purpose of this has been to minimize their operational costs and risks, and to achieve production flexibility by moving toward smaller batch production cycles. Such vertical disintegration of large corporations has resulted in an increasing number of small subcontracting producers who also began to diversify into niche markets. Subsequently, horizontal and regional inter-firm networks between small firms also began to develop, as ways to minimize some of the risks they face. In particular, Piore and Sabel stress that the advancing technologies have also contributed to the shift towards greater production variety and efficiency which depends upon constant technological innovation, further intensifying the growth of specialist service providers, and in turn encouraging further specialization.

This top-down model of the flexible specialization theory attempts to explain changes of industrial structure, and hence production organizations. Based on these theoretical frameworks, the American scholar Michael Storper initiated the 'Media Industry Approach' as a method for analyzing the historical restructuring of the U.S. film industry, arguing that flexible specialization in the film industry

resulted from the disintegration of large media firms. The media industry is characterized by a network form of production which is organized through combinations of specialized firms (Storper 1993, 1989; Storper and Christopherson 1987). This approach later triggered a line of research focusing on the network ecology of media production. Researchers examined a labour market made up of small firms and individuals tied up together in an elaborate structure of transactions, constantly reorganizing their production participants to accommodate the requirements of the corporate players and the needs of their niche markets (Blair 2001a and 2001b; Jones 2001; Hackett and Ramsden 2000; Blair and Rainnie 2000; Bilton 1999; Christopherson 1999; Langham 1996; Barnett and Starkey 1995; Baker and Faulker 1991; Faulkner and Anderson 1987).

The ‘Cultural Industries Approach’

However, while media industry has been undergoing dramatic structural changes since the 1980s, and has expanded into broader cultural and entertainment industries, the ‘Cultural Industries Approach’ to analyzing the industrial restructuring of the media sector has emerged from the European context. This model claims to offer a more updated, industry-wide framework which takes account of the special nature of the media industries, in particular the intricate corporate reintegration of the financing, distribution and exhibition sectors by major firms which fundamentally shape the development of the cultural sector. According to the ‘Cultural Industries Approach’, Piore and Sable’s production-oriented model, based on the manufacturing industries, was less applicable to understanding the real dynamics and subtleties of the cultural sector.

This, in turn, made Storper's argument problematic (Lampel and Shamsie 2003; Barnett and Starkey 1995; Lash and Urry 1994; Robins 1993; Aksoy and Robin 1992). However, similar limitations can be found in this new approach in terms of providing a full account of network phenomenon in the cultural sector.

Firstly, from a socioeconomic perspective, cultural industries researchers have demonstrated that specific geographical, historical and 'traded and un-traded conditions' (Pratt 2004) are embedded in the formation of such networks. In particular, the creative start-ups and micro-firms rely on the social and spatial proximity for their production efficiency and growth (Ward and Regan 2007; Santagata, 2006; Porter 2005; Tay, 2005; Florida 2005, 2002; Bathelt 2002; Pratt 2004; Coe 2000, 2001; Leisink 2000; Scott 2004, 2001, 1998, 1997; Cornford and Robins 1992). Consequently, this emphasis on regional networks has proved appealing to policy-makers, as they offer proposals for economic development.

Secondly, despite its criticism of the flexible specialization theorists on the industry level, the cultural industries approach has recognized that the external trading of large firms with smaller firms has contributed to a rise in small, independent units. Correspondingly, two types of network have been identified for cultural industries, namely the network relationships 'between production and distribution' and 'between majors and independents'. In regard to the former, the analysis of industrial restructuring tends to be seen from the perspective of mega conglomerates, and centres on strategic shifts in the distribution sector (Scott 2004; Finn et al 1994; Aksoy and Robins 1992). As a result, the production sector, in general, is positioned on the periphery of the centralized distribution core, and

network relationships are defined in terms of the relationship between production and distribution.

Instead of focusing on the distribution-led network, the later group of scholars has attempted to highlight the dynamics, diversity and unequal bargaining positions of the new breed of the production sector - the independent producers and their relationship with the majors. As Schatz (1993) indicated, the big film studios strategically reposition themselves as financing-and-distribution entities to the growing ranks of independent producers to minimize risks in the production process. Such an evolution has been noted by empirical researchers, who also highlight the various cross-over relationships and partnerships between the majors and the growing independents (Lampel and Shamsie 2003; Windeler and Jörg. 2002; Ursell 1998; Saundry 1998). In particular, it has been identified that while producers' external network relationships are shaped by their negotiation power in the value chain and their position in the social and cultural contexts, but that internally, they are driven primarily by their creative and entrepreneurial motivations (Bilton 2007:26-34; Hesmondhalgh 2007:174-175, 2006, 1996)

Informed by theoretical debates about the transition to post-Fordism and by empirical observation, both the 'media industry approach' and 'cultural industries approach' have attempted to interpret 'flexible specialization' and to map out a full network picture of media and cultural industries. While Piore and Sabel put forward the general picture of post-Fordist industry, later school of scholars provided more nuanced culture-specific observations of the broader context of the cultural industries. These two analytical approaches have documented the

top-down restructuring of the media and cultural sector, and provided a solid foundation for understanding the network picture of the 'audiovisual sector'. It is also notable that the research focus has gradually moved from distribution to production and towards the dynamics of independent production, and a greater interest in the micro-level relationships within the production sector, rather than the macro picture of corporate control. In this regard, the social theories of action in networks put forward by Bourdieu's 'field theory' (1985) and Latour's 'science in action' (1987) have induced a great amount of work surrounding the central issues of 'structure' and 'agency', given the fact that individual humans act within the constraints of external factors, within an intricate web of wider social context. However, this research goes beyond the conceptual dualism debates to the practical level, by focusing empirically on examining the intricate inter-relationships within the production organization. This is because few researchers have looked closely at the consequences of these top-down structural changes and the cross-sector, complex interacting dynamics generated from the micro level, for which the CAS theory provides a promising avenue.

2.2.2: From a Distribution-led Value System to a Production-led Microcosm

The Value-chain analysis of Audiovisual Content

In view of the complexity and interrelatedness of audiovisual production activities, there is a need to review briefly the production system's underlying value chain. Based on the fact that film and television play such key roles in the AVS, this review is achieved by combining the different stages of TV and film production, including development, production, distribution and exhibition/broadcasting. The

details of stage-by-stage value-chain discussions are presented in Appendix 1. Notably, in order to highlight the hybrid nature of the creative sector, given its technical, commercial and creative characteristics, the value chain model presented combines the concepts of ‘industrial value chain’ (Porter 1985) and ‘creative production system’(Pratt 2004). Porter’s value-chain, (Figures 2.1) is ‘an interdependent system or network of activities, connected by linkages’ (1985:41); whereas Pratt’s creative production system (Figures 2.2) indicates the links from an idea through to the production, execution, distribution and exchange to final consumption. By combining these two models, we can visualize how the activities and process of creative production always occur within a context.

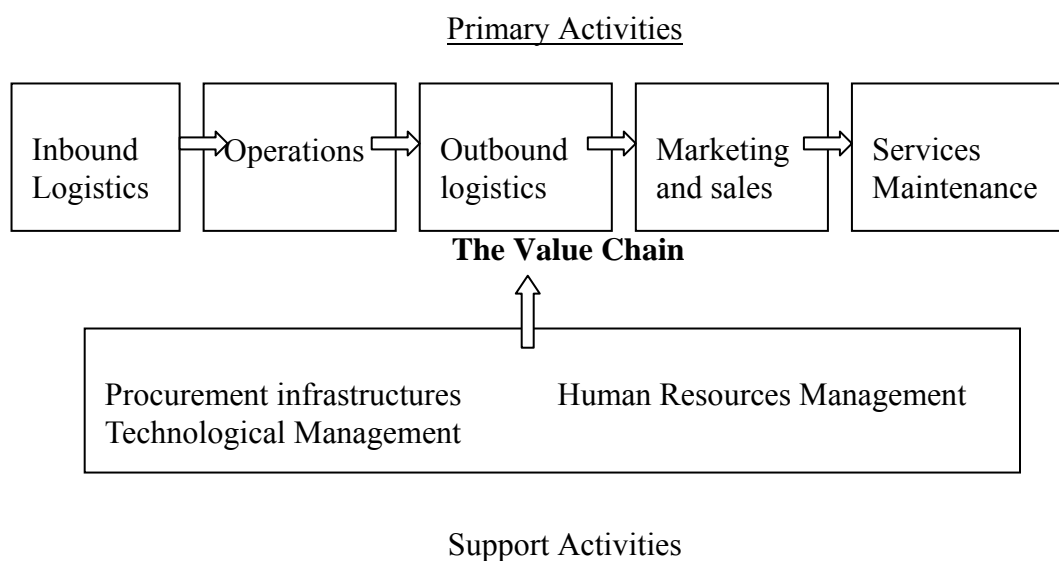


Figure 2.1. The Value Chain (Porter 1985)

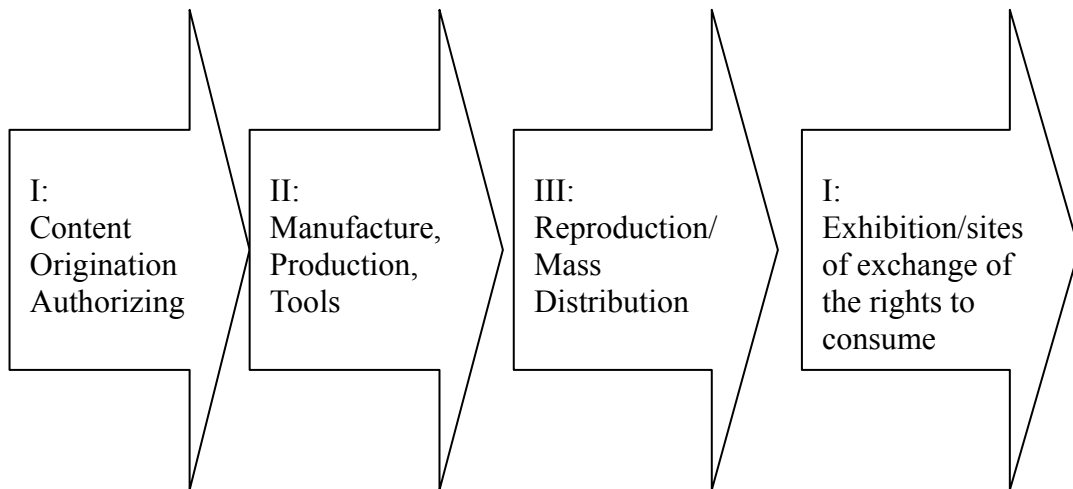


Figure 2.2 Production System of Creative Industries (Pratt 2004)

The ‘Distribution-led and Value System Approach’

Based on the value-chain analysis, it is clear that the AVS is a market-driven creative industry. In particular, as Storper (1989) indicates, entertainment industries are undergoing a wave of horizontal integration, enjoying overlapping production process and markets, shifting from production differentiation of films to product variety of entertainment goods.

This issue of product variety has been further considered by the cultural industries approach in dealing with the increasing ‘commodification’ during the process of cultural production, processing creativity into commodities through a series of packaging and repackaging of intellectual property right (Hesmondhalgh 2007; Mieke and Garnham 1979). Based on Hesmondhalgh’s (2007:34-38) sociological accounts, this approach distinguishes itself from other traditional political

economy approaches by drawing our attention to the tensions involved in cultural production. On the one hand, it attends to the supply side of cultural production, by highlighting problems of resource allocation and management among the ‘symbol creators’. On the other, during the distribution phase, the text-based symbolic and aesthetic attributes of cultural products result in an increased dependency on product circulators and on the subjectivity of consumers, as well as loss of control and ownership for the creators. In other words, taking the production, reproduction, circulation and consumption process as an entirety, the industrial network of commercial cultural production depends on a wider range of connections from a variety of social and political contexts.

This extended, interdependent model of cultural production has made Porter’s integrated value chain model inadequate. Porter’s model is too narrow to encompass the externalized ‘customer-driven network’ or a ‘value system’ which involves conflicting, indirect and sporadic relationships in the creative production system (Bilton 2007:47-56; Pratt 2004). As Throsby (2008) also indicates, value chain analysis of the creative industries represents the most recognized method for analyzing the structure and function of the creative industries. However, it is also the simplest way of taking a ‘snapshot’ of the value chain for a particular cultural good or service which separates out the multiple, interrelated and complex components in the value-adding system. From this perspective, the industrial network of the creative industries extends locally into social relationships with organization and individuals, and globally into pattern of ownership, distribution and consumption through the value networks among producers, brokers, intermediaries, markets and consumers (Bilton 2007:59-62). As a result, the

management challenge in the creative industries lies in the complexity involved in bridging the local-global and social-commercial aspects of the network. Significantly, ‘one consequence of this reconfiguration of value chain and networks is to shift attention away from content to the ways in which that content is filtered, packaged, delivered and consumed.’ (ibid: 2007:53).

The growing literature on the creative economy also echoes the value system approach in understanding the networks of creative production, which can be demonstrated by the six models of the cultural production sector of the economy identified by the economist David Throsby (2008).²⁰ The common ground of these models lies in their recognition of the interrelatedness in the creative production system across the creation, diffusion and distribution of creative ideas, commodities and services from the directly-related core creative arts into the wider and indirectly-related industrial sectors. The central issue among the models can therefore be summarized in Throsby’s ‘concentric-circles model’, concerning grouping, mapping out and identifying the core-periphery industries in the creative sector.

Toward a Production-led Network System

It is clear from the literature that the difficulty of managing creative production derives from the ecology of its interrelated value system. However, the models reviewed here tend to understand creative production by constantly moving from

²⁰ The six models are: UK-DCMS Model, Symbolic Texts Model, Concentric Circles Model, WIPO copyright model, UNESCO Institute for Statistics (UIS) Model, Americans for the Arts Model . Throsby. D.(2008) Modeling the creative/cultural industries.

conception to consumption in the system, emphasizing the interdependency of inputs and outcomes. Accordingly, network dynamics are seen to be more distribution-led, based on the collective importance and influence of the distribution sector. Thus, they tend to move away from content-making, and neglect the collaborative processes behind content production in order to address the uncertainty of consumption. As a result, the complexity of cross-sector networking seems to be happening outside the production process, and this overlooks the fact that the production sector has developed its own network system, a microcosm of the larger system as a whole.

In other words, instead of attending to the macro value system, there is a need to focus on the networking system developed within the production process. On the one hand, by focusing on the development of CIN during the content-making process, the issues of managing multi-directional complexity and structural tensions for cultural producers can be examined. On the other, instead of taking it for granted that cultural production is consumer-driven through a generic ‘distribution’ system or isolated within a ‘core-periphery’ model of the creative economy, it is imperative to explore how the cultural production process has evolved its own diverse cross-industry relationships.

2.2.3: From Managing the Creative Project to Managing the Creative and Commercial Venture

According to flexible specialization theory, industry restructuring moves to a production system which relies on self-organizing and collaborative teams, integrating specialists’ resources on a project basis. This is especially evident with

the production of cultural goods and services as ‘the nature of its output means the production can rarely be standardized on a long term basis’ (Davis and Scase 2000:14). There is also considerable empirical evidence to demonstrate that the creative and media businesses are mostly operating on a one-off project basis deploying within and beyond firms’ boundaries (Bilton 2007, 1999; Blair 2001; Blair and Rainnie 2000; Hartman 1998; Biörkegren 1996; Faulkner and Anderson 1987).

Accordingly, with the project form of organizational practices becoming a norm, the management implications for creative and flexible production have derived from two sets of frameworks. One deals with the interdependence between the project unit of production and the firm, with the boundaries between firms becoming increasingly blurred (Grabher 2004, 2001); the other concerns the management of the creative, time-limited and contractual form of project team (Bilton 2007; Grabher 2002; Caves 2000; Fletcher 1999; Belbin 1993). However, despite the different levels of attention, the research approach taken under both frameworks tends to be inward, focusing on how industry restructuring is managed internally by the project-based enterprise at micro-level, in order to achieve the best result for the projects concerned.

The ‘Project Management Approach’

The development of the formal project management approaches can be traced back to the 1950s.²¹ However, despite the utilization of project-based structures in

21 It was encouraged primarily because of the large-scale US Department of Defense contracts (e.g. the building of the Polaris missile and submarine fleet, NASA and the space mission)

many industries, the concept of project management still suffers a scanty theoretical basis (Soderlund 2004, Shenhar 2001, Whittington et al 1999). In essence, as a project is a ‘temporary organizational arena in which knowledge is combined from a variety of sources to accomplish a specific task’(Graber 2004), project management can be described as ‘a set of models and techniques for the planning and control of complex undertakings’ (Packendorff 1995). The central assumption of the formal project management approach is that by determining the minimum overall project duration, optimizing the scheduling, and identifying analytically the relationships between the tasks and associated members and resources, the variables involved in the production process will be controlled, so that the complexity, uncertainty and the risks of the project can be minimized (Pinto 2002).

As Soderlund (2004) indicates, the discipline has progressed from an initial concern with the management and implementation of single projects towards a variety of levels of analysis, such as project-based firms, inter-firm projects, project-based industries and the environment where the projects are embedded. In addition, the various roles and functions of project managers in managing these companies are also being increasingly acknowledged by researchers. Consequently, it is also found that the management research on the micro-level of creative production has largely followed such research trends, especially on the project-level and the project-firm relationship. However, both have a limited understanding of the complexity involved in the firm as well as the production. I

during the Cold War period of the 1950s and 1960s; research has accordingly been focused on the management tasks in R&D and construction projects (Loo 1996)

will discuss more under the following two sub-sections.

On the Project Level

In managing a creative project, since creativity is more likely to be realized through networks and social systems (Perry-Smith and Shalley 2003; Amabile 1988; Csikszentmihalyi 1988), researchers have highlighted the importance of diversity of team members and the factors of personal and entrepreneurial motivation, internal workplace culture, and external work-related social structures and economic conditions in achieving a creative synergy and ultimately a successful creative production (Bilton 2007, 1999; Yamada and Yamashita 2006; Dempster 2006; Staber 2004; Banks et al 2002).

In particular, research into the special character of creative projects indicates that a different set of skills is needed from the deterministic and optimistic techniques of Project Management (PM) which were developed from the traditional and manufacturing industries, and therefore found to contradict and suppress the nature of the creative processes (Hartman 1998). In particular they cannot accommodate the non-linearity and multi-tasking of creative productions, where each individual task involves different combinations of both 'creative' and 'operational' autonomy and planning (Hesmondhalgh 2007:190-193), and when the tasks are carried out largely by individuals who are only 'loosely connected to the network and may drift in and out of contracts with them according to the needs of particular projects' (Bilton 1999:16).

As a result, research into the management of artistic and creative projects tends to place greater emphasis on intangible assets and people, rather than on the allocation of material resources (Bilton 2007; Grabher 2004, 2002; DeFillippi and Arthur 1998; Hartman et al 1998). Correspondingly, the research interests of creative project management have increasingly shifted to the deeper interpersonal level, and the influence and significance of what DeFillippi (1997 in Manning 2005) termed ‘project entrepreneur’ or what Hesmondhalgh (2007:54) termed ‘complex professional’ in managing a creative and cultural production (Napier and Nilsson 2006; Bilton and Leary 2002; Grabher 2002; Belbin 1993).

On the Project-Firm Level

Similarly, due to the importance of inter-firm relationships and contexts for cultural productions, researchers have focused on the formal project-firm relationships (Grabher 2004, 2002, 2001; Banks et al 2002) or the informal networks of freelancers and life-style businesses (Eikhof and Haunschild, 2006; Leadbeater and Oakley 1999; Bilton 1999). As a result, researchers have not yet focused on how the internal dynamics around the project organization interact with and influence the firm and vice versa.

Based on the above, it is clear that under the project management approach the management of creative projects tend to focus on how to pool together diverse ‘creative’ resources and generate creativity by managing the internal relationships within the project organization (Manning 2005; Grahber 2004). As a result, the management of creative projects tends to treat the projects as an inward process of organizing the subtle reconfigurations of internal relationships and processes, etc.

Toward Managing the Creative and Commercial Ventures

It is evident that the subtlety and complexity of cultural production have driven research beyond project management, towards a concern with internal and external dynamics at play in project networks. However, there remains a risk of over-simplification. Firstly, while creativity is taken as a central attribute for a successful creative business (Howkins 2001), there is an assumption that creativity is a counter-force to the commercial priorities of the project, and hence to the operational objectives of the firm. If economic exploitation is taken as an external force imposed upon creative processes and people, it is assumed that tensions will exist between ‘arts’ and ‘commerce’ (Caves 2000). Secondly, in acknowledging the different layers of interrelatedness ‘in-between’ projects and between projects and the broader social and economic environment, there is a tendency to prioritize these external dynamics over internal ones in shaping project networks and hence to look at the organizing of project networks more from the outside instead of from the inside. As a result, the role of creative producers and managers on the inside, generating and influencing the networks outwardly, has been comparatively neglected.

Therefore, in order to provide a fuller picture of networks in the creative and media sector, instead of an ‘in-between’ or the ‘from outside’ approach of understanding the dynamics of creative projects, I intend to highlight another distinctive network dynamic of project-based industry ‘from within’. In other words, rather than a network-centred study, this study will adopt a project-centred,

production-led perspective of network development, looking at how the internal and complex networking dynamics generated for the purpose of content production shape the project networks which radiate outwards and across sectors. By so doing, the role and position of the individuals, managers, individual projects and firms as to the bigger project networks will be clarified.

As I will show in Chapter 5 and 6, the internal creative and commercial objectives and roles, in fact, melt into each other, rather than stand in opposition, and this reflects a more pragmatic approach adapted to the needs of each project. In addition, as has been indicated, project studies have tended to neglect multiple projects and combinations of firms connecting together (Soderlund 2004); in the later chapters, I will also show how cross-industry content production projects are operating in exactly such multi-dimensional contexts. As a result, the corporate management of multiple CIN projects which involve various inter-firm relationships proved to go beyond simply a matter of balancing tensions between arts and commerce or the continuity and change evident in project organizations.

2.2.4: From Network Organization Adaptation to Complex Adaptive System

The above literature has indicated that the flexibility of creative production results from its adjustments to the constant reconfigurations in an interrelated system. Empirical evidence also indicates that creative enterprises and producers demonstrate their intrinsic capabilities to adapt, shaping their roles so as to solve technical, operational and organizational problems, and to obtain access to social, capital and material resource (Bilton 2007; Howkins 2001; Baker and Faulkner 1991). While it is clear that creative producers are operating in a complex network

environment, the dynamics of their internal adaptation process have yet to be framed and understood holistically and systematically. Therefore, as the issues of adaptation and adaptability have remained central in organizational research, the following sections will look in more detail at the different analytical levels applied, to draw out the implications for this study.

Adaptation on Firm-level: balancing between Organization and Environment

Early organization theory (for example, Weber's bureaucratic model, Taylor's scientific management) primarily takes organizations as discrete entities, and the focus of organization theorists was on how to create an universalistic structure and hierarchy for organizations to maximize operational efficiency. Organizational structure and actions were thus considered as resulting from their efforts to balance the need for internal and rational planning (Thompson 1967). Subsequently, organization theory has gradually moved away from the classic 'machine' model to an approach based on environmental 'fit'.

Consequently, since the 1970s, researchers began to question the previously accepted 'pure' governance models, where business activities are coordinated either within firms or through market exchange. As a result, theories of resource dependence, transaction cost, institutional affect and organizational ecology have been developed to explain how organizations respond to the 'business environment' (Hannan and Freeman 1989; DiMaggio and Powell 1983; Pfeffer and Salancik 1978; Williamson 1975). As the variety of these non-market and non-hierarchical forms of organization increased, Powell (1990) has argued for the emergence of a new 'network' form of organization, distinct from the

firm-based or environment-driven models and characterized by their dependence on reciprocity, complementary collaboration, trust, and an informal climate to achieve common goals.

Adaptation on Relationship-level: balancing trade-offs between social-economic calculations

Likewise, Granovetter's social embeddedness theory (1985,1973) maintains that economic actors do not behave or decide as atoms outside a social context and all economic transactions involve different levels of economic and social embeddedness which combines strong ties to loose ties, involving implicit personal relations and explicit formal business agreements and entails cooperation as well as competition. As a consequence, since the 90s, research has concerned the perceived tradeoffs within interfirm networks, between cohesiveness and adaptability. In particular in regard to relationships among firms as social phenomena, researchers have highlighted that these network relationships have both positive and negative effects on economic decisions (Uzzi 1997; Grabher and Strak1997; Burt 1992; Powell 1990).

There is a growing focus on network relationships, especially 'loose/weak' networks as adaptable ways to respond to environment change; however, with the social factors coming into play in network relationships, the issues of adaptation become simplified. It becomes an act of calculating the benefits and costs, and balancing the exchange continuum, with one end of the economic and rational calculation and the other of the embedded and social coordination. However, as the research focuses on the single relationship, not the network as a whole, the

fundamental issues associated with the inside workings of business process and interactions between agents within the broader and more complex network organization are still neglected or downplayed.

Adaptation at Network level: Coordinating between Network Design and Managerial Practice

In analyzing the network organization at the network level, various conceptual approaches/models have been identified (Håkansson and Johanson 1992). The highlighted issues concerning adaptation to the network include the degree of interdependence between firms in terms of their operations and division of work (Perry 1999; Bjorn 1992); the changing position of the firm in relation to other firms in the network (Johansson and Mattsson 1984); or the overall performance of the network organization, which is subject to change as the network actors constantly modify a relationship during its development (Ring and van de Ven 1994). In particular, the industrial network model presented by Håkansson (1987) has been frequently chosen as an appropriate framework for analysing interrelatedness between firms within industrial networks, based on three components: actors, activities and resources. Those frameworks have been suggested as useful tools in assessing the organizational efficiency of a network, in that they identify, recognize and utilize the values and benefits of individual actors within the network (Dubois 1998).

In addition, researcher studies at the network level have also identified various internal motivations and exogenous contingencies underlying their formations, including necessity, reciprocity, efficiency, and stability etc.(Axelsson and Easton

(eds) 1992; Ford (ed.) 1990; Oliver 1990), and various forms of network organizations including strategic alliances, partnerships and joint ventures have also been observed (see review by Ring and Van De Ven 1994; Oliver 1990).

In putting the above together, however, the issue of adaptation in a network organization has been interpreted in a linear and causal framework, taking adaptation as a matter which can be absorbed or resolved with the right form of network relationship or design so as to achieve organization efficiency. Despite these frameworks also highlighting the dynamic aspects of industrial systems, especially concerning the exchange and adaptation process within them, such network dynamics have mainly been seen as shaped by the external environmental conditions and contingent factors. In other words, the internal dynamics and complexity involved in the adaptation process have not yet received equal attention.

Toward a Complex Adaptive System

According to the above, the earlier organization vs. environment theories developed since the 70s have been centered on single-theme explanations for the adaptation-selection phenomenon (Daft and Lewin 1990), recent research interests are also increasingly concerned with how the organization could be restructured to facilitate adaptation (Marks 2007), how managers adjust themselves to changing market conditions (Craine 2007; Gravells 2006; Miller 2004; Gurvis 2004) or how to adjust the organization so as to achieve competitive advantage or innovation (Dreyer and Grnhaug 2004; Tuominen et al 2004). Such research has tended to be at the level of the individual firm or a specific business relationship, or else

broken down into an analysis of individual roles.

In addition, although the network paradigms noted above have been well-established, the empirical context for research has been largely set within the traditional manufacturing or information technology industries. Furthermore, research has tended to focus on the sustainability and efficiency of long-term buyer-supplier relationships or the strategic logic for the best managerial practices (Freytag and Ritter 2005; Thompson 2004; Håkasson 2002; 1995; Dubois 1998; Castell 1996; Porter 1990, 1985; Oliver, 1990; Piore and Sable 1984). As its focus has shifted and extended to include the complexity and dynamics of network formation as a co-evolutionary system (Mitleton-Kelly 2003; Lewin and Volberda 1999; McKelvey 1999), a few points are still worth further consideration.

Firstly, because the agents or industries being studied are mostly similar in scope and attributes (e.g. in the banking, consulting, high-tech manufacturing, accounting businesses in Lewin and Koza 1998, Lewin and Volberda 1999; Eisenhardt 2000), their co-evolution or the adaptation pressure on each other tend to cancel each other out; in particular, as their business model and production function come to be better understood, their individual contributions to the network system can be more easily accessed, and hence encouraged or reoriented (Lewin and Volberda 1999).

Secondly, although there has been research on networks in the creative industries context (TV, fashion and record industries, in Windeler and Sydow 2002; Huygens

et al 2001; Marie-Laure and Ainamo 1999), such studies have also tended to focus on the macro-industry level, and are not yet to focus on the micro level and to cover a configuration of higher diversity. Taken together, the issues of asymmetry and diversity in a network system still need to be clarified. In this regard, the Complex Adaptive System (CAS) model, which allows network actors to drive unpredictable dynamics of the system, has emerged as a potential framework for analysing the CIN, as a CAS system demonstrates an adaptive transformation into a coherent order and displays the self-organizing behaviors through the interaction between agents from the micro-level (Brown and Eisenhardt 1998). I will explain the value and relevance of this analytical framework for this research in Chapter 3.

To sum up, theoretical tensions and empirical gaps exist between what is applicable to traditional and high technology industries and the network-dependent, diverse, flexible nature of creative production organization. To narrow these gaps, the 'independent production' has emerged as a valuable context for providing such an understanding. In particular, 'independent production' has become an increasingly recurring theme in discussions on the AVS because its creative and entrepreneurial nature is seen to play a key role in the growth of the sector (Muller 2004; Comford and Robins 1992) and hence the overall creative economy (DCMS 2000). The following section looks at the historical development of the growing sector which is proposed in this research as the empirical context for understanding the network phenomenon.

2.3 The Historical Context of the Independent Production

The increased visibility and success of the ‘independents’ in the international market has brought them cultural and commercial credibility and consolidation. Just as it is difficult to measure the shape and size of the ‘audiovisual sector’, the task of defining the ‘independent production’ within it is even more complicated. The following discussion on independent production draws upon two major streams of historical context and debates: the Hollywood-dominated film industry in the U.S., and the television industry within the European context.

2.3.1 The Development of ‘Independent Production’ in the U.S. Film

Industry

Independence is a dynamic rather than fixed quality; independent films stretch in the overlapping territory between Hollywood and the ‘non-industrial’ alternatives such as the avant-garde, ‘art’ cinema, the politically engaged, the ultra-low-budget exploitation film and the more generally cultish or eccentric.

King, G. (2005:2-3)

When it comes to defining ‘independent production’, attempts to do so are often made when discussing American ‘independent cinema’ (King 2005; Woods 2004; Hiller 2001; Pierson 1995; Rosen and Hamilton 1990). However, while the definition of ‘independent cinema’, in aesthetic terms, is still subject to long-standing debates, a common definition of ‘independent production’ in primarily industry terms has been established (Levison 2007; Holmlund and Wyatt eds 2005; Woods 2004; Lyon 2004; Wasco 2003; Hiller 2001; Wyatt 1998;

Balio1985). Specifically, as the term ‘independent’ suggests, independents were seen as ‘celluloid mavericks’ (Merrit 2000, in Hesmondhalgh 2007:295). An ‘independent production’ is, therefore, generally considered to represent a film production that has been financed, produced and/or distributed outside an established film studio. As independent production companies are free from reliance on corporate oligarchy, they are expected to retain their creative, budgetary and editorial autonomy, which distinguishes them from the standardized, commercially-driven mainstream productions, as represented by the Hollywood majors.

The shared interpretation of what constitutes an ‘independent production’ not only underscores the complex relationship between the majors and independents, but also highlights its developing context. The context in which it has been developing in the American film industry can broadly be divided into four phases. These historical developments will be discussed in more detail below.

The Emergence of the Independent Producers

Stage 1: The First ‘Independent Producers’

The roots of independent production in the U.S. can be traced back to the early twentieth century, with the opposition to the ‘first monopoly’ of the Motion Picture Patents Company (MPPC) (Anderson 1985). The company was formed in 1908, from the leading distributors and the suppliers of raw film, in an attempt to dominate the American film market through their holdings of various patents

associated with cinematographic technology.²² During its dominance from 1909 to its demise in 1915 when the Supreme Court decision to cancel all its patents, these other filmmakers who were against the monopoly of MPPC were thus recognized as ‘the first independents’ (Tzioumakis 2006:21-25), who formed their own alliances, which resulted in the division of the industry into two rival blocs (Staiger 1995).

Later, prior to the establishment of the studio era in the 1930s, independent producers could be defined as risk-taking filmmakers and entrepreneurs, whose ambitions were to operate outside any ‘established industrial-economic system designed to suit one company organized in a particular way’ (Tzioumakis 2006:23). The most cited early example was that of the United Artists (UA), formed in 1919 by a group of leading figures in the film industry. According to Tino Balio (1996, 1985), UA was recognized as one of the top-ranked independent producers able to produce artistically and commercially successful films outside the studios’ system, by breaking the conventional distribution strategies to maximize their profits.

However, it was not until the late 1940s when the Paramount decision led to the disintegration of the major studios, and independents started to unlock their marginal position by occupying different market niches (Kleinhans 1998). In particular, the growth of independent producers, by the 1950s, was mainly achieved through the studios’ active and vertical collaborations with them to bolster, and vary the nature of their output to reach different audiences (Balio 1998). The

22 Including the manufacturing of cameras, projectors and other necessary equipment for the production and exhibition of films. The company charges a fee for the use of them.

reality is that the ‘independent production’ did not develop as a truly independent phenomenon until the 1960s, as previously, nearly three-quarters of films were still produced by major studios (Geomery 1986)

Stage 2: The Breakout of the Independent Producers

It was not until the 1980s that the new business model of independent production developed out of a profound restructuring of the major studios, triggered by the market and technology transformations during the 1950s to the 1970s (Scott 2002; Gomery 1998; Balio 1985; Schatz 1983). During the period, the rapid development of television has resulted in the profitability of major films has reached an all-time low (Londoner1985 ; Schatz 1983) Such an unstable market has resulted in the majors’ continuing their restructuring since the 1980s. Simultaneously, the expanding audiovisual market for entertainment products, created by television networks for competitive programming and home video, further encouraged the growth of independent production (Balio 1998; McLoone and Hill 1996; Boddy 1990).

Stage 3: The Strengthening of Independent Production

According to Storper (1994), independent production companies made fifty-eight percent of U.S. films in the 1980s, growing from twenty-eight percent over two decades since the 1960s. While the visibility of the independent production companies grew with a series of box office hits²³ which signaled the persistence of independent filming-making despite the dominance of majors and which

23 The most frequently cited hits including *Sex, Lies and Videotape* (1989), *Pulp Fiction* (1994), and *The Blair Witch Project* (1999) which represent the aesthetic transition and commercial success of independent productions.

therefore could be termed as a ‘movement’ (Tzioumakis 2006:22) or the ‘celluloid mavericks (Merritt 2000 in Hesmondhalgh 2007:295) both in terms of its means of production and their ensuing social, cultural and economic impacts on the American film history and industry. Correspondingly, such progress has made some companies develop from life-style businesses to commercial enterprises driven by independent engines: for example, the Sundance Film Festival, Miramax and New Line²⁴ which provided showcasing and distribution outlets for independent films and added to the momentum of independent production (Biskind 2004; Levy 1999; Wyatt 1998).

Since the 1980s, there has been a continuing re-shuffle in the independent sector, as both the major studios and major independents alike began to show greater interest in acquiring ‘indie’ content, with an attempt to turn independent mainstream.²⁵ As a result, as James Schamus (1998:103), himself a producer and an entrepreneur of an independent production company, comments, ‘the success of independent production has made the film game look more and more like the microcosm of the studio business’ and an economic influence on contemporary mainstream Hollywood.²⁶

24 See Biskind (2004) for an insider account of the development of the Sundance Festival, and see Wyatt (1998) for case studies on Miramax and New line demonstrating their diverse and unconventional distribution and marketing methods which contributed to their sustention in the competitive market. The success of Miramax and New Line let to their mergers with major corporations Tuner and Disney in 1990s.

25 For instance, the major independents- New Line, Miramax formed over the 80s are now subsidiaries of AOL Time Warner, and ABC Disney. And Lionsgate the leading independent filmed entertainment studio has acquired renowned independent production and distribution company Mandate Pictures. *Screen International* (10. Sep.2007)

26 According to the 2005 data published by the MPAA, about 15% of the U.S. domestic box office revenue came from independent studios (data from January to March 2005), and they appear to be defying a general worldwide box office slump for U.S. movies in international sales in 2005, with an estimated \$3.08 billion, up from \$2.91 billion the previous year. ‘Indie films’ \$3 billion year beats slump’, *Hollywood Reporter* (31.Oct.2006)

The background and conditions that have facilitated the emergence and growth of ‘independent production’ in the American film industry have led to a restructuring in terms of what Hesmondhalgh (2007:294) describes as ‘a useful case study of the relations between the cultural industries and their resulting texts since the 1980s’. Specifically, it can be described as a continuing tug of war between the major studios and the independents which resulted in the increasingly blurring of boundaries between them (Woods 2004).

2.3.2 The Development of ‘Independent Production’ in the European Context

The TVWF Independent Production Quota

The other major area for debate in terms of the ‘independent production’ comes from the context of the European television industry, which represents about two thirds of the overall EU audiovisual market and employment (European Audiovisual Observatory 2004). As noted earlier, in an effort to enhance the competitiveness of the single market and to balance the increasing deficit within the US in audiovisual trade and to defend European cultural interests in the context of the WTO, the EU has eagerly liberalized the broadcasting sector, which has resulted in an explosion in the increase of commercial broadcasters, growing from four in 1982 to more than three thousand in 2004 (ibid). Correspondingly, in the light of such unprecedented growth in commercial channels, the TVWF Directive was designed and implemented in 1989, based on the general provisions of EU competition law. The aim of this was to stimulate new sources of cultural production of programs, especially from independent producers. According to the Directive:

Whereas a commitment, where practicable, to a certain proportion of broadcasts for independent productions, created by producers who are independent of broadcasters, will stimulate new sources of television production, especially the creation of small and medium-sized enterprises; whereas it will offer new opportunities and outlets to the marketing of creative talents of employment of cultural professions and employees in the cultural field.²⁷

To fulfill this aim, the Directive stipulates in Articles 4 and 5 which have an effect as the independent production quotas on broadcasting in the EU, that member states are required to ensure that at least ten percent of their programme transmissions must consist of European works made by independent producers. Importantly, although the Directive does not provide an account of what constitutes ‘independent producer’, however, it does provide a general framework, by stating that the member States should consider criteria such as the ownership of the production company, the amount of programmes supplied to the same broadcaster, and the ownership of secondary rights.

Such criteria, focusing on issues of ‘ownership’, highlight the fact that the television industry in Europe is still dominated ‘by incumbents who are the inheritors of previous public monopolies’ (Buigues and Rabassa 2007:284). In addition, with regard to the development of independent production, the issues concerning media ownership are considered as a fairly extreme form of intervention to avoid market abuse and to shape the European media market (Sawyer 2005; Doyle 2003). However, while the EU Directive sets out common

27 Television Without Frontiers Directive 1989, European Council Directive 89/552/EEC of 3 Oct. 1989.

rules for its member states,²⁸ Europe has yet to reach a Community-level intervention regarding media ownership at national level (Wheeler 2004), and controls on media ownership continue to be regulated primarily at the national level.

UK media policy has been seen as being inseparable from the commercial principles of the EU's audiovisual policy (Collins 1994). Therefore, the following section will look further into the UK, which is the largest audiovisual market in the EU, to examine how the regulation policies influence industrial structures, and hence, the growth of independent productions.

The Development of 'Independent Production' in the UK Television Industry

The End of the 'Cozy Duopoly' and Emergence of Independent Production

Ever since the post-war period, the UK television industry was characterized as a vertically integrated monopoly, in which the BBC was predominantly the only public broadcasting service, operating with the revenue from a guaranteed license fee system and as the only producer-broadcaster of all programmes. In 1955, with the establishment of Independent Television (ITV), the BBC's monopoly was succeeded by a duopoly competition for television audiences. However, both broadcasters operated in a highly vertical, integrated 'studio' manner in that they produced and broadcast programmes in their own studios by maintaining large permanent in-house workforces, covering all aspects of the production process

28 This is mainly due to the basic Treaty provisions that the stated ownership rules should fall within the regulatory supervision of the member states and the political sensitivity of ruling on media concentration in them. (Collin 1994)

(Saundry 1998). They thus enjoyed a long period of financial security and stable demand for their programming, which was later referred to as the ‘cozy duopoly’ (Peacock Committee 1986).

During the 1980s, guided by the Conservative government’s neo-liberal preference for encouraging competition and reducing state intervention, two major events signalled a significant shift toward a market-driven framework for the regulating of broadcasting services and as a consequence, contributed to the growth of independent production. Firstly, in 1982, as a major action taken by the Conservative government to end the ‘cozy duopoly’, Channel 4 was established under the 1981 Broadcasting Act. Importantly, it was set out to operate as a broadcaster-publisher rather than a producer; therefore it encouraged the growth of the independent production sector through its programming policy from a wide range of sources, including independent producers (Saundry 1998). Secondly, the Peacock Report came out in 1986,²⁹ and this marked another turning point for the growth of independent production. It indicated that the vertically integrated structure of broadcasters was restraining the development of a strong independent production industry in the UK. Therefore, to increase market competition, the 1990 Broadcasting Act imposed a quota system, by which both the BBC and ITV were required to purchase twenty-five percent of their programming from independent producers. Significantly, in the Act (section 186), the UK government provided a strict definition of what constituted independent producers.

29 The Peacock Committee was initiated by the Conservative government of Margaret Thatcher on March 27, 1985 which was led by Professor Alan Peacock.. It was a review into the financing of the BBC. The report of the Committee with the recommendations for BBC and public broadcasting service came out on 29th.May.1986.

In brief, an independent producer is one:

- (a) who is not employed by a broadcaster;
- (b) who does not own more than twenty-five percent of a broadcaster; and
- (c) in which no single broadcaster owns a stake of more than twenty-five percent or no two broadcasters together own a stake of more than fifty percent.

Increased Market Demand for Independent Production

The twenty-five percent quota on broadcaster ownership and independent programming can be said to be the beginning of a series of regulatory moves to foster greater competition within the UK production sector. In fact since the 1980s, the UK government's regulatory approach has increased market competition, intensifying pressures on the operation costs of terrestrial broadcasters, and as a result, increased their reliance on external content suppliers, thereby contributing to the development of independent producers (Starkey et al 2000).

During the 1990s, with the emergence of digital broadcasting, which put an end to spectrum limitation, another wave of expansion of 'media conglomeration', led to an increase in cross-sector production and distribution of content. This made the existing regulatory frameworks insufficient. As a result, the issues of media ownership and competition regulation came to play an increasingly crucial role in altering the regulations in the AVS across Europe (Buigues and Valérie 2007; Sawyer 2005; Doyle 2002). Under the Labour government's ambition of boosting its international competitiveness, media ownership regulations were further eased by its opening of the UK media market to major integrated competitors from other EU and non-EU countries. As a result, by the beginning of 2001, there were over two hundred channels on the UK television landscape. With only a few of the

larger companies having an in-house production capacity, the demand for independent production further increased.

Better Terms of Trade for Independent Producers

Such a rationale for market economics continues to be favored by the Labor government in its rhetoric and pursuit of a creative economy since the late 90s. Within this context, the DCMS and DTI collaborated, to publish the Communication White Paper in 2000, so as to deliver a prospect of ongoing deregulation of media ownership which climaxed and encapsulated in the recent most important and comprehensive piece of legislation of the AVS - the 2003 Communication Act. While emphasizing a strong independent sector is crucial to the quality and range of British broadcasting and hence the growth of its creative economy,³⁰ the 2003 Communications Act was also designed to further alter the bargaining position of independent producers, by stipulating improved terms of trade between broadcasters and independent producers. Overall, the retention of copyrights by independent producers brought by the Act could be seen as the UK government's fulfillment of its own commitment under the TVWF Directive 'to give the criteria of 'retention of secondary rights'' a more prominent and compelling position' to the independent producers.³¹ According to the 2006 Independent Production Census published by UK trade association Producers' Alliance for Cinema and Television (PACT), the new terms of trade implemented since early 2004 have been proved to attract increasing investment from the

30 The UK government-level commitment to foster the independent production sector can be found in numerous government reports and documentation. Visit website archive of DCMS for examples. <<http://www.culture.gov.uk>>

31 UK government response to the Commission Consultation on TVWF Directive 89/552/EEC as amended by 97/36/EC.

financial sector towards independent production.

The impact on the independent production sector brought by the Act will be further elaborated in Chapter 6 in the discussion of the empirical context in the UK. Nonetheless, the growth of the independent production sector in the UK demonstrates that it has been driven by a combination of macro-factors, including demand, technology, competition and globalization, triggered and enhanced by various forms of regulatory interventions. While technology triggered the proliferation of commercial channels and the relaxation of the regulations encouraged greater competition, such developments resulted in increasing market uncertainty to broadcasters. The result is that the UK broadcasters and the independent producers now rely on each other in a complex way for their production capacity (Office of Communication, 2006). In particular, with their aim of securing continuing control over production and distribution, a similar scenario to that undergone by the independent production sector in Hollywood has also emerged in the UK, as a series of mergers among the independent production companies taking place since the 1990s (Saundry 1998). The consolidation of the independent production sector has recently been accelerated, as they are now able to retain more rights of their productions and their bargaining strength against the broadcasters is expected to grow further.³²

The UK experience demonstrates the background of the emergence and growth of independent production in the European context. On the one hand, it has been

³² *Review of the Television Production Sector*. Office of Communications (Ofcom) May, 2005.

triggered by a series of sheltering regulatory measures to safeguard the output quotas by independent producers, in order to bolster production diversity and market competition; on the other, the recent attempts to strengthen the economic competitiveness of the broader European AVS by relaxing the regulatory control over media ownership play a further role in the growth of independent productions.

2.3.3 Research Implications

My attempt in this section has been to demonstrate that both the scenarios of the development of the independent production in the US film industry and the UK television industry can best be described as an ‘industrial activity’ which is illustrated in the following conclusions drawn from the above discussions.

Firstly, as Kleinhans (1998:308) indicates, “‘independent’ has to be understood as a relational term’. It means independent in relation to the dominant system, rather than a practice that is totally free-standing and autonomous. This leads to the second conclusion that the network characteristics of independent production are evident. Independent production has developed historically as a result of interdependence with the major studios/broadcasters; it has from the outset leant towards a ‘networked’ model, and increasingly across sectors, resulting in a production model of ‘cross-industry networking’.

Thirdly, it can be said that the expansion of independent production in the core of the AVS (the film and television industries) is largely an outcome triggered by regulatory and institutional changes, and subsequently, accelerated by the

operational decentralization of large corporations (studios/broadcasters). As a result, independent production emerged, evolved and became consolidated.

Additionally, the relationship characterized as competing and cooperating between majors and independents is found to be conducive to the growth of the independent production sector at the industry level, as it creates market competition. However, at the production level, the empirical data has demonstrated that the label ‘independent’ comes at a price, as these ‘independent’ producers, whether inside or outside of the orbits of the majors, still operate in a fragmented market, relying on a contractual and one-off project-based business (Levison 2007; Tzioumakis 2006; Ofcom 2006; EC 2005³³; Wasco 2003; Blair 2000) .

Finally, while it is clear that externally, the technology, regulatory and market impacts have contributed to the emergence and growth of the independent production sector, at the same time, internally, the entrepreneurial and creative nature of pursuing the integrity of ‘independents’ has also been the central drive for the individual producers to retain creative and commercial control over their enterprises and hence for the development of the sector. Yet such tendency has not been empirically and qualitatively examined in the broader and commercial context of cross-sector collaborations.

Based on the above discussions, the term ‘independent production’, utilised in this

33 European Commission (24 May 2005) Final Report, Impact Study of Measures concerning the Promotion of Distribution and Production of TV Programmes Provided for Under Article 25(a) of the TVWF Directive.

study, refers to *a TV/film production carried out independently by a producer or production company who are themselves responsible for the financing, production, distribution and the rights management over their productions*. This rather general definition is also indicative of its value to the AVS because such producers are necessarily dynamic, entrepreneurial and network-dependent.

Summary and Continuation

The Chapter started by reviewing the definitions of ‘audiovisual sector’ and ‘independent production’. For the term ‘AVS’, I have identified three major approaches in arriving at the definition, including the ‘International Trading Approach’, the ‘Industrial Development Approach’ and the ‘Creative Industries Approach’. By examining the proposed definitions, I have indicated that despite the changing patterns of content-production due to the technology convergence and market expansion, the film and television industries remain the core of the expanding sector and the CIN practice has emerged as a current norm, both on the company and industry levels. However they are not sufficiently grounded in an understanding of industry’s practice.

Additionally, to narrow the gaps existing in the relevant literatures on the network analysis of the creative and media sector, I have positioned my research toward the production-led, bottom-up approach, looking at the cross-sector reconfigurations during the production process to achieve a multilevel analysis. Furthermore, as the network paradigms tend to overlook the complexity involved

in an organization of higher non-linearity and diversity, I proposed here that the model of the CAS provides a promising framework to analyse the network phenomenon under study.

In regards to the term ‘independent production’, its emergence and development in the US film industry and the UK television industry, has demonstrated their common creative, entrepreneurial and autonomy-driven characteristics. It is historically evident that independent production has grown as a result of industry structural change which has gone alongside its growing dependence between majors and increasingly across sectors, resulting in a production model of ‘cross-industry networking’. In particular, the sector has been increasingly recognized not only as the engine for the development of the AVS but also for the broader creative economy. Given its multidimensional significance, I suggested that independent production provides an important micro-level and bottom-up perspective to examine the empirical network phenomenon in the creative and media sector as the CIN on the production-level has been neglected and taken for granted.

Having examined the important dimensions of network research on the AVS, I shall now set out the analytical framework and research questions that shape my interpretation of the networking practices in Taiwan and the UK. This will be undertaken in the next chapter.

Chapter 3

Building the CAS Analytical Framework for the Cross-Industry Networks

The universe...is like a kaleidoscope is a matter of patterns that change.... If you think that you're a steamboat and can go up the river, you're kidding yourself. Actually, you're just the captain of a paper boat drifting down the river... if you quietly observe the flow, realizing that you're part of it, realizing that the flow is ever-changing and always leading to new complexities, then every so often you can stick an oar into the river and punt yourself from one eddy to another...This is a powerful approach that makes use of the natural nonlinear dynamics of the system. You apply available force to the maximum effect...

Waldrop M. M. (1992:330)

Introduction

Thus far, I have suggested that the CIN in the AVS can be conceptualized as a CAS in a broad sense. In this chapter, I will further draw out the fundamental characteristics of CAS and how they are utilized in the way of analogy for analyzing the network phenomenon under study, namely to achieve the bottom-up, multi-level analysis of the CIN phenomenon. 'Level', in the analysis, refers to the specific viewpoints and activities: the 'macro-level' refers to the CIN system as a whole, while the 'micro-level' represents the individual producers who are the central composing agents in the system.

I begin the chapter by briefly reviewing the evolution of CAS theory, how it has been interpreted in organizational science, and the features of the CAS models. From section 2 to section 5, the overall analytical framework of this research is

built up in a step-by-step manner, based on three fundamental properties of the CAS. These are *dissipative structures*, *self-organization*, and *emergence*. These framework elements were chosen not only because they offer tools to analyze specific aspects of the network phenomenon at each level, but also because they help us to understand the ways in which networking practices are interrelated in an organizational setting.

Section 2 presents the first element of the framework, based on the theory of *dissipative structures*, coined by Physicist Ilya Prigogine, to describe a bottom-up process of system transformation which is triggered by a continuing injection of external energy into the system. As the emergence of *dissipative structures* involves some underlying ‘conditions’, the concept provides tools for analyzing the initial condition of the CIN being examined in this research. Accordingly I must examine the individual producers’ perceptions and responses to such a development, in order to understand how the external cross-sector trends have triggered their networking actions from the bottom- up.

Section 3 introduces the second element of the framework to address the organizational issues at the project-level (i.e. at the level of individuals collaborating on a specific project). This element is based on the *self-organization* theory advanced by the biologist Stuart Kauffman. Kauffman highlights the fundamental properties of diversity, flexibility and specialization catalyzing and maintaining the evolution of life in a self-organizing system. Such properties reflect largely the organizational characteristics of independent production. My main questions in this regard are: To what extent do the ‘self-organizing’

characteristics of independent production companies drive their CIN practices? To what extent does the network development depend on a spontaneous interaction between the different roles in the production team?

In Section 4, the overall analytical framework is completed by complexity scientist John Holland's theory of *emergence*, to examine the project-firm relationships in the network. According to Holland, the complex patterns are 'emergent', in the sense that new properties are created through the interacting dynamics of agents at a lower level. The element of emergence is, therefore, taken to analyze how project-based networks give rise to network orders or new organizational properties at the firm-level. The theory therefore sheds light on the key question at the firm-level: Is there any firm-level strategy, action or organizational design, and are the future paths of the company informed or driven by the CIN practices of its productions?

In the final section, I will draw out two key themes from these CAS theories. The purpose of this section is firstly to construct a coherent and workable framework to analyze the case studies, and secondly, to explain how the two empirical contexts in the UK and Taiwan are related to each other under the framework so as the joint implications to the research topic can be drawn. Overall the chapter is structured around the three CAS properties, composing a framework for analyzing the empirical data in this research. This framework paves the way for more descriptive and analytical tasks in Chapter 5, 6 and 7. The patterns of the CIN in the UK and Taiwan can only begin to emerge from these later chapters once the analytical framework has been put in place.

3.1 The Evolution of Complexity Theory

In the following section, I will firstly review the development of complexity theory and its reflections on organizational studies. I will then outline what a CAS is, so as to explain why the analytical framework based on properties of the CAS seems suitable and promising for the purpose of this research.

3.1.1 Complexity Science and Organizational Studies

From Linear to Non-linear Principles

The science of complexity concerns systems that have the capacity to self-organize themselves into a coherent order, under an even greater state of complexity (McMillan 2004). Yet the complexity of organizations, which has only recently been recognised, has had deep roots in science over the past centuries (Anderson 1999). Since the late-17th century, the mechanistic principles of sciences represented by Newton's Laws of Motion and Charles Darwin's statistical approach to explain the evolution phenomenon dominated Western concepts of organizational management. Under the linear approach, the best way to manage business organization is to follow the *Principles of Scientific Management* (Taylor 1911). As a result, early organizational forms were designed to achieve predetermined goals, and thus have limited flexibility in adapting to a changing environment, and tended to result in bureaucracy (Morgan 1997).

From the early 20th Century, these mechanical approaches began to be undermined by the Uncertainty Principle, developed by Werner Heisenberg, and

the Theory of Relativity developed by Albert Einstein. Later, in particular, the *General System Theory* proposed by the biologist Ludwig von Bertalanffy in 1968 was considered to pave the way for the development of complex science. Its central concept was that the composing agents in the system are interlinked by feedback loops in a close and autonomous evolutionary system. Such a closed system view was then extended by theories of open-systems, which recognized that systems have ‘environments’ and are thus characterized by increasing uncertainty and complexity (Morgan 1997).

The open system view can be represented by the *chaos theory*, which was developed by James Gleick (1987). Gleick coined the term ‘butterfly effect’³⁴ to suggest that the long-term development of a chaotic system is highly sensitive to its initial conditions. In particular, when the system is under certain external control parameters, it will revolve and explore in a non-linear series that is not repeated and expected over a long term (Anderson 1999).

From the Reducing Parts to the Complex Whole

While organizational scholars started to pay attention to chaotic systems, they nonetheless still avoided the complexity phenomenon by exercising *reductionism* (Stacey et al, 2000). As declared by the renowned futurologist Alvin Toffler, in his foreword for the book *Order out of Chaos* (Prigogine and Stengers 1984:xi):

34 The term was coined by the American mathematician Edward Lorenz, whose interest in chaos came about accidentally through his work on weather prediction in 1961. The weather system displays patterns typical of a strange attractor. The representation of the attractor in the weather system looks like a shape similar to a butterfly, in which patterns of temperature, air pressure, and so on, swirl around one wing and then shift abruptly to the other wing without repeating the same movement. whereby a butterfly flapping its wings in India causes a series of air movements that eventually result in a thunderstorm over Chicago.

One of the most highly developed skills in contemporary Western civilization is dissection: the split-up of problems into their smallest possible components. We are good at it. So good, we often forget to put the pieces back together again.

As a result, since the mid-1980s, complexity theorists have built on chaos theory as an evolutionary concept.³⁵ However according to Stacey (et al 2000), the chaos theory still fails to account for the internal complexity and dynamics of human systems. Firstly, the models of chaos theory seem to be built on the same causality theory, which excludes the complex nature of human interactions which changes through adaptive learning. Secondly, although the chaos theory models a system state of uncertainty at a macro level, it implicitly assumes that the composing agents are homogeneous or average, and therefore the diversity, and hence the complicated dynamics between them, are overlooked (Morgan 1997). Thirdly, chaos theory has identified the properties of interdependence, feedback and the emergence of a nonlinear system; however, ‘chaos by itself doesn’t explain the structure, the coherence, the self-organizing cohesiveness of complex systems’ (Waldrop 1992: 301). In contrast, ‘the science of complexity has to do with structure and order’ (Lewin 1992:10), and emphasizes ‘process rather than state’ (Gleick 1987: 5). According to the above, the evolution of complexity theory suggests an awareness of, and appreciation for understanding complex interactions instead of reducing or simplifying them away (Stacey et al 2000).

35 Those efforts in modeling complex systems have been notably emerging from scientists affiliated with the multidisciplinary Santa Fe Institute in New Mexico, USA. Scientists including the Nobel Prize laureates Murray Gell-Mann on complex adaptive systems and Ilya Prigogine on dissipative structure, and by other eminent scientists such as evolutionary biologists Stuart Kauffman on self-organization, computer scientist Christopher Langton, and psychologist John Holland; and Brian Arthur on economics and increasing returns. (Mitleton-Kelly 2003; Stacey 1996; Waldrop 1992)

Significantly, it also represents a shift ‘from the linear, predictable, causal attributes of the mechanical motor, to the crisscrossing, unpredictable, and fuzzy attributes of living systems’ (Kelly 1994:24).

In particular, despite there not yet being a single unified Theory of Complexity (Mitleton-Kelly 2003; McKelvey 1999; Anderson 1999; Horgan 1995), a group of theories has been derived from various natural sciences to identify deep principles underlying the nonlinear and adaptable systems (Mitleton-Kelly 2003).³⁶ Organization researchers have sought to apply the theory to explain organizational behavior in coping with changes (McKelvey 1999; Brown and Eisenhardt 1998; 1997; Levinthal 1997), and how modern organization should be structured, changed and managed with a decentralized, collaborative and adaptive approach (McKelvey 2004; Chiles et al 2004; Rosenhead 2001; Kelly 1999; Morgan 1997; Daft and Lewin 1993).

3.1.2 Using CAS Model for Analyzing Networks in the Audiovisual Sector

The Defining Characteristics of CAS Models

Non-linear, Self-organizing and Pattern-seeking Adaptation

The development of complexity theory is derived from the study of various CAS (Gell-Mann 1994; Kaufman 1993). The term ‘complex adaptive system’ is coined by Holland (1975) to describe the behavior of ‘nonlinear systems’. CAS systems demonstrate a dynamic, adaptive transformation into a coherent order at ‘the edge

36 In thermodynamics, physics, chemistry, biology, mathematics, and computer simulation.

of chaos' (Langton 1991), where it forms a middle ground that displays self-organizing behaviors (Brown and Eisenhardt 1998). Notably as Kauffman (1993) emphasizes, the 'order' in a CAS is different from stability or equilibrium; it refers to the dynamic behaviors which enable the system to sustain itself, while being capable of continuous evolution.

The dynamic behaviors of CAS are created by their diverse composing agents, which interact with and adapt to each other and with their environment by exchanging energy or information. The CAS models also illustrate how such multiple interactions and adaptations progressively generate, test, and as a result, modify the structures within a system, so as to improve the system's performance in its environment (Holland and Miller 1991). As the Nobel physicist Gell-Mann (1994) maintains, a CAS is distinctive from a non-adaptive complex system like weather in its capacity for adaptive learning, the CAS are pattern seekers, they interact with the environment, learn from the experience, and adapt as a result.³⁷

Co-created System Transformation from the Micro-level Interaction

Also of importance in CAS is the fact that no single agent can control the system's progress in a comprehensive manner. The evolution of a CAS is co-created from the disorganized micro-level of the nonlinear system, thereby producing an emergent order at the macro-level (Holland 1998). As Anderson (1999) has noted, CAS models demonstrate how the higher-level order of a

³⁷ Examples of CAS include the flocking behavior of birds, biosphere and the ecosystem, the cell and the developing embryo, the rain forests, the stock market and social human communities.

complex system evolves and emerges out of the way the autonomous agents interact with each other at the lower level, and the efforts they make to achieving higher fitness. In Stacey's (2000:129) words, such models provide a 'perspective of "transformative teleology" that place detailed human interaction at the center of the explanation', as 'it is in such micro diversity and micro interaction that the potential for transformation lies'.

As the feature of CAS models lies in its interconnections distributed all over the system, the organizational research approach derived from the models is inherently multilevel, and this suggests a holistic way to examine the interrelationships within the system at all levels (Cilliers 2000; Anderson 1999; Brown and Eisenhardt 1997). However, according to Anderson (1999), in order to analyse the complex behavior of the system, the CAS models allow researchers to focus on one agent, rather than the whole system in its local environment, by taking local conditions and perceptions into account in the aggregated outcomes and properties.

Correspondingly, while numerous computational simulations have been undertaken to model how emergence happens (Casti 1994; Crescenzi 1994; Cohen and Stewart 1994; Goodwin 1994; Kauffman 1993; Levy 1992; Waldrop 1992), there is, as yet, no universally accepted paradigm for CAS (Gell-Mann 1994). However, despite their scientific origin, complexity theorists have called for 'a shift from the scientist's concern with prediction to a concern with explanation,...from a science concerned purely with quantities to a science of

qualities, as it is interaction that causes emergent qualities rather than quantities’ (Stacey et al 2000:112).

Applying CAS Model to the Network Phenomenon of the Audiovisual Sector

Based on the above discussions, the CAS model is found to correspond to the purpose of my research from several angles.

Firstly, while a CAS requires the capacity of diverse components to evolve, it reflects many of the attributes of the AVS. On the one hand, the sector is characterised by groups of businesses of various kinds which are constantly collaborating with each other. In this way, the sector is developing in an unpredictable way; on the other, the independent production sector represents the granular-level dynamics of the network ecology in the creative and media sector, and their interaction with other agents as well as the bottom-up implications for the overall development on the macro-sector-level.

Secondly, the discovery that a CAS exists at *the edge of chaos*, between ‘order’ at one end and ‘chaos’ at the other provides a helpful conceptual spectrum for my empirical analysis. In other words, in order to draw a joint implication for the research topic by linking the UK experiences with those of Taiwan, the order/developed end can be represented by the relatively developed UK case while the developing case of Taiwan represents the end of chaos, given their different developmental states within the independent production sector. I will therefore examine their networking practices and reflect each of them from both ends so as to draw out the differences, and most importantly, to locate the

common underlying dynamics which drive the CIN in the AVS.

Thirdly, the integrative and cross-level principle of CAS offers me tools to examine the interrelatedness between the network levels delineated in this research, namely the individual, project, and firm levels. In other words, the CAS model not only sheds conceptual light on my research, but it is also ideally suited to my bottom-up and multilevel analytical approach.

Finally, as has been suggested, the behaviors of creative producers are not only shaped by technology, market forces or rational calculations, but their decision-making process also involves the nature of intuitive, personal and informal judgments. Therefore, my qualitative and exploratory approach to understanding the drives behind the networking practices of independent producers may also refine some of the technical concepts of CAS.

In the following sections, I shall discuss respectively the three elements of the analytical framework. These are *dissipative structures*, *self-organization*, and *emergence*. By so doing, I intend to achieve two aims. Firstly is to enhance our understanding of the CIN phenomenon under study by using those theories through outlining my research questions under each level, and presenting the specific organizational characteristics of each property. Secondly by drawing out the interconnections between the CAS properties, I intend to highlight the research issues concerning how the CIN evolve in practice in the independent production sector.

3.2 The First Element: Setting out the Conditions from the Individual Level

3.2.1 Research Questions on the Individual Level

The qualitative approach is shaped by the fact that the diverse content outputs of independent productions are driven not simply by external factors, such as technology and the market, but also by the internal complexity of the production organization, especially as independent production has proved to be a fundamentally creative and idiosyncratic enterprise, underlying the tendency that their individual attributes play a key role in their actions. In this section, by using the CAS model, I attempt to map the dynamic forces which shape networking behavior in independent production, and focus on interaction between external factors and internal responses.

My research question in this regards are: what are the external forces and how are they perceived by the producers? What are the internal values and aspirations which shape their choices? Together, these questions amount to an examination of how the network trends are affected by the responses and perceptions of the producers.

3.2.2 Analytical Framework on the Individual level- based on the Theory of Dissipative Structures

My analysis of CIN, at an individual level is based on the theory of *dissipative structures*, ‘which are the basic structure of all living and self-organizing systems’ (McMillan 2004:28). The theory was developed by the Nobel Laureate Physicist Ilya Prigogine to describe a bottom-up process of system transformation in the thermodynamics experiment called ‘Benard instability’ (Nicolis and Prigogine 1977). In essence, the theory provides an explanatory model that differs from traditional deterministic models of organizational process, which simply take organizations as stability-seeking, mechanical entities; the model incorporates both internal and external complexity and instability into the process of organization transformation (Gemmill and Smith 1985).

While the process demonstrates self-organizing dynamics, the emergence of dissipative structures is fundamentally ‘conditioned’ (Macintosh and Maclean 1999). It requires several conditions such as *importing energy and matter*, *symmetry-breaking*, and *self-referencing* capacity to trigger the self-organization. As the long-term trajectory of a system transformation is highly sensitive to its initial conditions, these underlying conditions offer guidelines to investigate the initial state of the network organization under study (Stacey 2000). In order to draw out those conditions which form the analogy at the individual level, I will briefly explain the Benard instability experiment below.

According to Prigogine (Prigogine 1997; Nicolis and Prigogine 1989; Prigogine and Stengers 1984; Nicolis and Prigogine 1977) the Benard cell experiment

demonstrates a distinctive kind of bottom-up transformation in the behavior of a pan of liquid. Before the heat is applied, the liquid demonstrates an orderly, symmetrical situation, which is thermodynamic equilibrium, and seems to rest at a macro level. However, at the micro level, the molecules are in fact moving randomly, without correlation. When heat is applied from below, it sets off fluctuations which are amplified through a series of positive and negative feedback loops between the molecules. When a critical temperature is reached, the molecules spontaneously begin to display joint movement in the form of convection rolls, a transition point known as the *bifurcation point*. At this point, when the system spontaneously ‘chooses’ a pathway that leads to a high degree of molecular organization, emerging through the transference of energy from thermal motion to macroscopic convection currents. The new type of organization emerges on the surface of the liquid, in the form of highly aligned, intricate hexagonal patterns (Benard cells). This is what Prigogine referred to as *dissipative structures*. It is *dissipative* in that the system imports and dissipates the energy from outside into the system; and the *structures* mean the evolving interactive process between the molecules, not the emergent outcome, which shows non-equilibrium as a source of order.

The framework of dissipative structures not only illustrates an entire bottom-up system transformation, but implies a profound reformulation of relationships (Leifer 1989; Gemmill and Smith 1985). Importantly, it demonstrates the conditions for a self-organizing system to go through micro-level symmetry-breaking and transform and maintain itself through a sufficient, continuous flow of energy into new structures of increased complexity at the

macro-level (Capra 1996:89). The three requisite conditions are pertinent to my research questions at the individual level.

3.2.3 Analogy: the Conditions with Individual Producers as the Network

Foundation

Condition I: Open systems for importing energy and to push to far from equilibrium

The increasing application of heat can be translated into a social system, as the continuous injection and internalization of external energy and information (Chiles et al 2004, Anderson1999), or the new challenges, new activities or the contribution and resources that are introduced by network partners to an organization (Lichtenstein 2000, Anderson 1999). The primary message is that the continuing energy, being imported, not only maintains the dissipative structures in a stable state, far from equilibrium; it also allows them to explore qualitatively new ways of organizing, to remain flexible and to handle greater energy inflow (McMillian 2004; Macintosh and Maclean 1999; Kelly 1994; Smith and Gemmill 1991), as well as to sustain a pattern of interactions in a network organization (Anderson 1999).

It is difficult for a social system to capture the critical point or levels and rates of energy injection; however, it is clear that self-*organization* only occurs in open systems that import energy from outside (Anderson 1999; Capra 1996; Parker and Stacey 1994). Only by being open can they exchange energy, so as to create a degree of freedom far from equilibrium and to evolve into a new regime of order

(McMillian 2004; Leifer 1989; Gemmill and Smith 1985; Prigogine and Stengers 1984). In contrast, closed systems degenerate to an equilibrium with maximum disorder (Anderson 1999).

Condition II: Symmetry-breaking for stimulating fluctuations and new order

The energy injections eventually serve to push the system across the threshold of stability. This breaks its symmetry by punctuating the existing order, so as to create a series of fluctuations within the system through the nonlinear interactions in a bounded instability (Stacey 2000 et al, Anderson 1999). In regard to the social organization, the purpose is to ‘move around the loop of discovery, choice and action, evolving through both positive and negative feedbacks’ (Stacey 1996:40). While the organization discovers a new preferred configuration, the positive feedback loops will facilitate and reinforce them across the system into a new order (Mckelvey 2003; Cilliers 2000; Anderson 1999; Parker, 1995, Leifer 1989; Gemmill and Smith 1985). On the contrary, the negative feedback damps down change and secures stability.

Symmetry-breaking in the dissipative structures is, therefore a fundamental ‘enabling’ condition that permits an organization to take risks and to keep evolving, through experimenting with new ways of connecting (Stacey 2000 et al; Mitleton-Kelly 2003). It refers to the breaking down of existing functional relationships and patterns of interaction that have previously been the source of equilibrium of the system (Gemmill and Smith 1985). The idea of ‘order through fluctuations’ is what drives the evolution of dissipative systems, and ‘dissipative structures use symmetry-breaking disorder as the source of new order’ (Stacey

1996:66).

Condition III: Self-referencing capacity to express identity

Where the symmetry of the system is broken, some convection rolls spontaneously ‘choose’ one direction at the bifurcation point, while others ‘choose’ another. The process of spontaneous ‘choice’ is what Prigogine means by self-organization (Stacey 2000 et al). A bifurcation point is like ‘forks in the road’ when the system can self-organize itself through unpredictable leaps into different configurations (Morgan 1997). However, according to Prigogine (1990), such spontaneous choice is subject to the individuality of agents and the interactions between them. In other words, although the system transformation is stimulated by external energy, its reconfiguration is determined by its own internal dynamics, through its capacity of ‘self-referencing’ (Chiles et al 2004; Stacey 2000 et al). This ability represents the third condition of the emergence of dissipative structures, and draws out several organizational issues concerning the identity and values upheld by the individual agents. It is therefore worth some deliberation here.

Firstly, as Stacey suggests (2000:118), ‘the self-referencing capacity is fundamental for social systems as it concerns the purpose of human behavior: “For the sake of what?”, “In order to realize what?” is a phenomenon moving to the future?’ This ‘why’ question was also highlighted by Lichtenstein (2000) and Goodwin (1994). They argue that the interaction between network agents in human systems is driven by an intrinsic need to express both individual and collective identities.

Secondly, as dissipative systems are distinctive (Stacey 1996:66), organizational researchers present yet another interpretation as to the emergence of these structures. They argue that instead of emerging structures, the self-referencing framework that guides choices during the chaotic transformation is based on deep structures and prior history, the ‘reference points’ of the system (Chiles et al 2004; Cilliers 2000; Lichtenstein 2000; MacIntosh and MacLean 1999; Morgan 1997). They may take the form of simple hidden rules that comprise fundamental ‘organizing principles and business logic’ (MacIntosh and MacLean 1999) to guide the agents’ beliefs and values (Chiles et al 2004).

Thirdly, just as bifurcation points are generated and characterized by tensions, so is self-referencing in terms of the choices between what provokes and what restrains (Stacey 2000 et al). For business organizations, while the choice they make leads them to different future paths, self-referencing implies tensions between conformity and individualism (ibid), as well as a dilemma between the status quo and future development (Morgan 1997).

3.2.4 Summary and Refining the Network Research Question on the

Individual-level

The first element of the analytical framework is drawn from the theory of *dissipative structures*, and sets out the networking condition at an individual level.

It serves as the foundation of the overall analytical framework, not only because it explains the ‘conditioned emergence’ of order from the bottom-up, but also

provides an overarching context within which other analytical elements can be incorporated. By addressing the system conditions at the individual level, I regard the independent producers as the micro and central agents for developing the CIN in this research.

The three underlying conditions outlined are 1) open systems for importing energy to push to far from equilibrium, 2) symmetry-breaking for stimulating fluctuations and new order, and 3) a self-referencing capacity to express identity. These three fundamental conditions suggest that the research questions might be refined at an individual level.

Firstly, having an open system to import energy highlights how far independent producers are open to ongoing industry developments in the AVS. Questions in this regard can be drawn out as: How do the independent producers receive and respond to external technology and market trends while they are operating as the agents at the bottom of the industry system?

The second condition of symmetry-breaking is an impetus for new forms of organization to happen. The condition concerns how the creative and entrepreneurial nature of the independent producers affects their networking decisions, and what the facilitating and impeding forces behind their symmetry-breaking actions are? To what extent are the independent producers pushed to change their current patterns of organization and to collaborate with new partners for their content-making?

Thirdly, the condition of self-referencing capacity at the bifurcation points brings out issues concerning how independent producers see themselves as independent and creative producers in the network-dependent and multi-party collaborations. What are their rationales and criteria in choosing their networking directions? What tensions do they encounter in making network choices as an independent producer? What history could they refer to when they are operating in an *ad hoc* project organization?

However, among the propositions in the dissipative structures theory, there are some points that can be refined by the empirical reality. On the one hand, a line has been drawn between positive and negative feedback, with the positive encouraging new ways of organization and the negative dampening changes. However, as I will show in Chapter 5 and Chapter 6, the empirical evidence not only shows that the line between the positive and negative feedbacks is blurred, but more interestingly, the negative feedback on the agents' symmetry-breaking ways toward their productions and the tensions triggered by the different priorities and choices among the interacting agents are considered to be healthy and helpful for independent producers in confronting the changing patterns within their production organization. In addition, while the theory suggests internal control correlates with freedom from external control, as I will also show, the creative producers' seek for internal self-control (i.e. autonomy) also reflect their attempts to minimize external/environmental controls.

As Prigogine suggests, based on the initial conditions, internal self-organizing drives the emergence of new organizational patterns. The following section builds

up the analytical framework for analysing the self-organizing dynamics of independent production at the project level.

3.3 The Second Element- Self-organization at the Project-level

3.3.1 Research Questions at the Project Level

In this section, I seek to draw out issues at the project level. By project level, the focus is on examining the internal process which allows producers to interact with other decision-makers, and function within or beyond the existing project structure; and to manage the internal complexity, so as to drive the development of the CIN for their productions.

Firstly, the essential task and ideal for independent producers at the outset of their projects is to secure financing, distribution, exhibition and exploitation. It therefore requires the production management to perform diverse roles and functions to deal with the various network relationships. The first project management challenge therefore lies in how to accommodate this internal diversity, and what kind of working structure is needed to support it.

Secondly, the issues of flexibility of creative productions need further examination. As research has indicated, at a personal level, the decision-making of independent producers tends to be based on their own personal experience and styles, given the fact that there are no clear rules, nor fixed models to follow as to how to make their productions successful. However, at the product-level, the structural flexibility of the project organization still remains to be examined in

terms of its internal flexibility and adaptability to the network development.

Thirdly, there is a fundamental issue of control in independent production. While independent production is necessarily network-dependent, the producers are also striving to retain more control over their production. Although formal control methods are found to be against the nature of creative productions (Amabile 1988), and the outcome is highly subject to market uncertainty, the producers are constantly seeking ways to minimize the risks by controlling the production progress.

The above issues highlight the fact that challenges for independent producers in terms of project management go beyond simply balancing elements of ‘creative’ and ‘commercial’ imperatives; it has become more demanding, as they are now organizing their production in a context of increased complexity and trade-offs. In other words, whereas the networking characteristics of independent production are partly the result of external forces and commercial necessity, they are also driven by internal ‘self-organizing’ flexibility. Therefore, the focus on the project level lies in understanding how the internal properties of independent production drive their organizing of CIN.

Accordingly, the following research questions will be addressed. How do these different roles and functions interact to meet the needs for developing CIN? To what extent are the existing organization structures sufficiently flexible to facilitate the internal interactions? And how do the different roles adapt to each other in the process? To what extent is the development of the networks dependent

on a spontaneous interaction between the different roles, or how much does it follow a deliberate plan or control?

3.3.2 Analytical Framework at the Project Level- based on Theory of Self-organization.

My analysis of CIN at the project level is based on the theory of *self-organization*. The first use of this term was by the engineer W. Ross Ashby (1947, in De Wolf and Holvoet 2005). He asserted that a system was self-organizing if the system altered according to its own organization rather than being changed by an external force. The idea became a prominent organizational concept when it was later advanced by complexity scientists, and especially the biologist Stuart Kauffman, in his two influential books: *The Origins of Order- Self-organization and Selection in Evolution* (1993) and *At Home in the Universe- The Search for Laws of Self-organization and Complexity* (1995).

Kauffman's books are revolutionary, in that he offers a 'conceptual framework' of self-organization (1995:150) which sheds new light on the internal process of evolution: 1) evolution of life is not solely dictated by natural selection; it is also driven by their inherent spontaneous sources; 2) complex systems exhibiting a self-ordering capacity tend to evolve from a random state towards order instead of disorder; and 3) the origins of life are broader than we expect as they emerge during the dynamic autocatalytic process in a web of interacting catalysts.

Based on the above, Kauffman refers to *self-organization* as a dynamic, adaptive

process whereby systems acquire and maintain an inherent structure themselves without external control. The theory has significant implications for examining the internal mechanisms and complexity of network organization, and especially for explaining how systems composed of diverse agents autonomously organize themselves into order (Stacey et al 2000, 1996; Morgan 1997; Comfort 1994). Three fundamental elements of self-organization may be distilled from his theories, and are considered useful for my project-level analysis. These are: *diversity as evolution catalysts*, *flexible structures to facilitate adaptive learning*, and *specialized processing without central control*. I will look into the three elements to draw out the analogy.

3.3.3 Analogy: Self-organization of the Cross-industry Project Networks

Property I: Diversity and randomness as the evolution catalysts

In building his ‘autocatalytic set theory’ (1995), Kauffman uses models of molecular biology to demonstrate the origin of life as a collective property derived from a mixture of catalytic polymers. ‘It is not necessary that a specific set of 2000 enzymes be assembled,...Whenever a collection of chemicals contains enough different kinds of molecules, a metabolism will crystallize from the broth.’(1995:45). Kauffman also notes that ‘once you’ve accumulated a sufficient diversity of objects at the higher level, you go through a kind of autocatalytic phase transition- and get an enormous proliferation of things at that level. These proliferating entities then proceed to interact and produce autocatalytic sets at a still higher level’ (Waldrop 1992:317).

Whilst Kauffman also indicates the inadequacy of the theory to fully represent the non-linearity of the biological living world, as it is based on computerized models, its central ideas are frequently utilized in organization studies. Researchers tend to take requisite variety as the management principle, to ‘tune’ the members’ background (Chesters and Welsh 2006; Marion 1999; Anderon 1999; Leifer 1989); the managers’ roles are to facilitate the internal creativity and adaptability into an innovative and strategic direction (Eisenhardt and Martin 2003; Rivkin 2000; Kelly and Allison 1999; Madhavan and Grover 1998; Stacey 1996, 1995), or to develop the forms of organization to ensure that the internal variety is sufficient to deal with the challenges posed by complex environments (Axelrod and Cohen 1999; Morgan 1997). The issue of diversity and randomness thus represents not only the diversity of the members’ background, but also the variety in the forms of interaction, which are the building blocks for self-organizing evolution (Anderson 1999).

Property II: Flexible structures to facilitate adaptive learning

Kauffman clarifies the concept of organization as ‘structural stability’, and sees this as an ‘adaptive evolution, or learning in dynamic systems, achieved by adaptive walks through parameter space to find ‘good’ dynamical behaviour in a structurally stable system’ (1993:181). He further emphasizes the fact that ‘living systems, from collectively autocatalytic protocells to cells in your body to whole organisms, surely must have networks that behave stably, that exhibit homeostasis and graceful minor modification when mutated. But cells and organisms must not be too rigid in their behaviour if they are to cope with a complex environment...to ensure stability, yet full of flexibility and surprise’ (1995:86-87). Correspondingly,

this is what Kelly (1994:358) refers to as the ‘structure of organized change’, in which the structure becomes the link between learning, behavior and adaptation as a rule of evolution.

The concept of ‘flexible structure’ has thus been taken in complex human organizations in the form of spatial, temporal, functional (De Wolf and Holvoet 2005) or cognitive structures characterised as a set of flexible rules which constrain the agents’ local actions (Anderson 1999). Organizational theorists also indicate that as structures are flexible in that they may also evolve over time, in interacting and learning to adapt to their environment (Anderson 199; Drazin and Sandelands 1992). This is also what Langton (1987) calls the ‘self-tuning’ capacity; that is, agents trying to gain control over the parameters affecting its ability to evolve so as to maximize its own survival chances, by continually modifying their behaviors (Stacey 1996). In other words, the issues with flexibility will shape the overall structures, interactions and scope of the project networks.

Property III: Specialized processing without central control

While each gene in the networks is modified by the activities of other genes during its adaptation, Kauffman also indicates that its evolutionary process is governed by its own local catalyzing. He uses models of ‘genetic regulatory circuits’ (1993: 411-534) to explain the *construction requirement* of the networks - the cellular differentiation and the functional integration of distinct cell types. As distinct from the familiar serial-processing systems, Kauffman emphasizes that

the gene differentiation behaviors appear to be performing in parallel-processing networks (ibid: 10,186). This is also what Goodwin (1994) suggests that as being an organism which is not only structural, but also a functional unity, in that the parts not only exist for each other but by means of each other in the construction of the system.

The organizational implications are: firstly, while no single functional agent has sufficient complexity to understand the whole system, or to determine the patterns of the system's behaviors, the self-organizing system is controlled by a system-wide dynamic, instead of by the controlling individuals (Schneider and Somers 2006; Hunt and Ropo 2003; Crossland and Smith 2002; Larsen and Lomi 1999; Stacey 1996). They form a peer network in which they are highly interconnected to each other, rather than to a central hub (Stacey et al 2000, 1996; Fontana and Ballati 1999; Drazin and Sandelands 1992). Secondly, while a self-organizing system demonstrates flexible capability in managing changes without distorting its functions (Kelly 1994: 21-22, 448), Comfort (1994) also highlights that in order to enable independent agents to operate simultaneously; they require different types of information and resources to respond to different requests.

It is clear that the third property emphasizes that self-organization requires the component parts of the system to behave autonomously and simultaneously – and that coherence and order result from those specialist units processing and focusing on their own tasks, rather than from the imposition of centralized control.

3.3.4 Summary and Refining the Research Questions

The second element of the analytical framework is drawn from the theory of *self-organization*, as advanced by Stuart Kauffman (1995, 1993). The theory provides a conceptual framework for examining the internal organizational process in developing the cross-industry production networks. Three main characteristics of self-organizing systems constitute the analytical framework: (1) diversity and randomness as evolution catalysts; (2) flexible structures to facilitate adaptive learning; and (3) specialized processing without central control.

The purpose of utilizing the framework is not to prove whether those content-making projects are self-organising systems. Rather, the theory is taken as a mirror for examining the following aspects: 1) the extent to which the organizational characteristics of independent production affect the development of the network; 2) the unfolding order or underlying organizing principles in developing the networks for a given production; and 3) the extent to which their existing project organization structures are being challenged, changed and hence new structures are revealed or created for the purpose of building the networks.

While self-organization is fundamentally an adaptive process in which agents modify their behaviors to achieve a collective goal, it underlines the fact that in project-based production firms, there are tensions between project goals and company objectives, which I will show in Chapter 6 with the UK case. In the following section, I will develop a framework for the project-firm level analysis.

3.4 The Third Element- Emergence from the Project to the Firm level

3.4.1 Research Questions on the Firm Level

In this section, I will lay out the issues and their analytical framework at the firm level. Specifically, by firm level, I am looking at whether there are any organization structures, management actions and strategy that have emerged or changed due to the networking practices around a given production, or whether there are any proactive properties designed to advance the company in a cross-industry direction which are not tied to a specific project, yet which affect the production process. These issues concerning the project-firm relationship are becoming increasingly apparent, as tensions are found with small and creative business facing growth into a corporate setting.

Firstly, as the previous section highlights, granting autonomy to project-based teams is important; herein lies the tension of control at the firm level, as the ability of the central management to control their activities is destabilized (Morgan 1997). This dilemma is especially pronounced for a production firm which operates in a multi-project, relatively hierarchical corporate environment. It is because the central management needs to allow decision-making autonomy to producers; meanwhile there are discrepancies between the producers' objectives of their project enterprises and management's expectation for those individual 'units'. As I will show in Chapter 6, in the UK case, the tensions involved in the project-firm relationships remain a major management challenge for both sides.

Secondly, while independent production moves into a commercial and corporate mode of production, it still remains to be seen whether there are any organizational designs or management practices involving central management that have emerged, or changed, as a response to the production practices. As I will demonstrate in Chapter 5 and 6 with both the developing case/Taiwan and the developed case/UK, issues concerning structural changes and gaps reveal that independent production companies at different development stages confront different struggles and challenges in the cross-industry production environment.

Thirdly, as different projects carry different degrees of complexity, they are likely to be distinctive. The production projects therefore have varied ways and priorities in terms of organizing their CIN. For the UK case, it remains to be examined whether there are any common, identifiable principles underlying their CIN practices which can be seen as a property being accumulated for the company.

My research questions in this respect include: How do the producers mediate within the existing company structures and hierarchy to realize the production networks? Are there any different priorities between the production and firm levels in terms of developing the CIN? To what extent are the firm-level strategies or the future paths of the company informed or driven by what happens at project level and vice versa?

3.4.2 Analytical Framework on the Company level- based on the Theory of Emergence

The analytical framework at the company level is drawn from the theory of *emergence*. This concept was developed by the computer scientist John Holland

during the 1970s and was refined in his book *Emergence- From Chaos to Order* (1998). Although Holland indicates that the concept has not achieved a shared definition as it is originated from diverse scientific disciplines, yet in the domain of CAS theory, emergence refers to ‘a phenomenon of the process of evolving, of adapting and transforming spontaneously and intuitively to changing circumstances and finding new ways of being. And in doing this, something complex, unexpected and enriching takes shape’ (McMillan 2004:32).

More specifically, the term ‘emergence’ explains how the macro-level patterns and collective properties arise from the dynamic interaction of agents at the lower level,³⁸ and how this macro-level system then feeds back and interacts with the local interaction (Boschetti et al 2005; De Wolf and Holvoet 2005; Goldstein 1999; Mekelvey 1999; Anderson 1999; Kauffman 1995; Holland 1998, 1995; Kelly 1994; Holland and Miller 1991). Accordingly, to model an outcome at a particular level of analysis, one assumes that the outcome is produced by a dynamic system comprised of agents at a lower level (Holland and Miller 1991). However, Kauffman (1995: vii-viii) cautions the challenge as follows:

How do we use the information gleaned about the parts to build up a theory of the whole? The deep difficulty lies in the fact that the complex whole may exhibit properties that are not readily explained by understanding its parts. The complex whole, in a completely non-mystical sense, can often exhibit collective properties, ‘emergent’ features that are lawful in their own right.

Holland provides a general setting for studying the complex parts-whole

38 Holland (1998) gives the example of the cells in the human brain working together to provide a powerful collective intelligence and the emergence of consciousness.

relationship and emphasizes that the whole is more than the sum of its parts. His theory echoes my research issues on the firm-level in two aspects: 1) he argues emergence is not as a pre-given coherent entity, but a dynamical construct from the lower level arising over time, 2) he emphasizes that recognizable features and patterns are pivotal in the study of emergence. An emergence phenomenon is both recognizable and recurring (1998:4). In particular, his central concepts of *mechanisms* and *building blocks* in the theory of emergence which highlight the cross-level influence in a rule-governed system are found to be reflective to my research questions.

3.4.3 Analogy: Exploring the Mechanism and Building Blocks between the Project-firm Levels

Setting I: Mechanisms mediating constraints and rules

In his book, Holland begins his exploration for the ‘laws of emergence’ by highlighting the settings which ‘look at complexity and emergence in terms of mechanisms and procedures for combining them’ (1998:6). He sees mechanisms for recombination of elementary building blocks as critical in the emergence process, as ‘mechanisms are like the elementary particles in physics for mediating interactions, as when a photon causes an electron to jump from its orbit around an atom’... ‘Mechanisms so defined provide a precise way of describing the elements, rules, and interactions that define complex systems.’(ibid:6)

In addition, as Holland restricts emergence study to rule-governed systems, he adopts mechanisms as the formal counterparts of rules (1998:132). For Holland,

mechanisms mediate the interaction between rules, and are therefore capable of modifying interaction patterns (1998:129-132) which drive the unpredictable emergent behaviors of the system. In particular, while the ‘mobile mechanism (agents) interact with and adapt to each other without central control, the possibilities for emergence increase rapidly as the flexibility of the interactions increases’ (1998:6-7). In this regard, Holland takes mechanisms also as the defining transition or strategy function in emergence. The mechanism is therefore important, in that although the laws in a system are fixed, the things they govern change, and it is its mediating roles that facilitates the ever-changing flux of patterns which leads to emergence and perpetual novelty.

Setting II: Searching for Building Blocks during the Constrained Generating Procedures

Another central feature of Holland’s process model of emergence concerns the requisite of the ‘constrained generating procedure’ or CGP, which is a typical kind of ‘interlocking hierarchy’ (1998:8). Holland uses some basic neural net models and the checkers-playing program to prove that the emergent result is a generating procedure, because moving up a level involves constraints in the connections between parts and levels. CGP therefore refers to the feature that while emergence involves moving onto a higher level in the system, it also demonstrates that persistent combinations of the previous level constrain what properties emerge at the next level.

Given the accumulating and mutually-influencing characteristics of the CGP, Holland emphasizes that the rule-supplied CGP also represents a never-ending

task of discovering *building blocks* for emergent properties (1998:24-26). Holland comments elsewhere that ‘building blocks at one level combining into new blocks at a higher level seemed to be one of the fundamental organizing principles of the world....Once a set of building blocks like this has been tweaked and refined and thoroughly debugged through experience...then it can generally be adapted and recombined to build a great many new concepts...CAS are constantly revising and rearranging their building blocks as they gain experience...’ (Waldrop 1992:167-170). In other words, during the emergence process, while structural constraints inevitably build up, the building blocks function as adapting and unlocking properties within the hierarchy and form the foundation for new properties to build on a higher level.

Organizational Implications of Emergence

As emergence represents an ‘organic’ way of developing modern organizations, researchers have sought to understand the conditions which encourage emergence to occur. Firstly, emergent properties inevitably involve a degree of hierarchical ordering. However organizational change should be an unintended consequence of the immense variety of actions of agents at the lower level, rather than being pre-designed and imposed (Chiles et al, 2004; Mitleton-Kelly 2003; Cillier 2000; Morgan 1997; Kelly 1994). In other words, the emergent pattern is a new property of true synergy resulting from the lower level of actions (Stacey 1996).

Secondly, the evolutionary process of emergence moves constantly between micro behavior and emergent structures, each influencing and recreating the other (Mitleton-Kelly 2003; Stacey eds 2000). This leads us to rethink the management

of paradoxes in the network- the contradictions between control and adaptation, exploration and exploitation (Wilkinson and Young 2002). Thirdly, as an emergent property cannot be traceable to parts, instead of making nonlinear systems traceable by modeling complex building blocks with few interactions, we can make them understandable by modeling simple building blocks with many interactions. In other words, to understand the emergent property at the firm-level, the building blocks and their many interactions have to be understood (Anderson 1999).

3.4.4 Summary and Refining the Research Questions

The third element of the overall analytical framework is developed from Holland's (1998) theory of *emergence*. The purpose of this is to examine the organization structure and strategy actions developed at the firm-level of the independent production company. Holland's ideas of *mechanisms* and *building blocks* for emergence echo my interests in the interrelationship between the project-firm levels. In this respect, Holland offers an important perspective, namely that higher-level order of a complex system emerges out of the low-level interactions of the autonomous parts, and the constraints on the emerging properties in fact come from the lower level of interaction.

Following his logic, I propose to ascertain whether there is any 'mechanism' that functions between project-firm levels and the extent to which the new properties at the firm-level are generated from, or limited by the building blocks of the emergence. However, there is one point that has not yet been clarified in the emergence theory-namely the tensions and constraints between building blocks.

As I will show with regard to the UK experience in Chapter 6, there is an underlying competitive tension between the projects in the multi-project firm, and such tension is seen by the management as a strategy at the firm level to drive the internal dynamics of the projects and hence of the firm.

After discussing the analytical framework for the individual, project and firm levels respectively, the following section will explain how the three sets of frameworks are connected, so as to form the 'bottom-up and multi-level' analytical approach in this network research. This will be achieved by outlining how the analytical framework will be applied to the UK and Taiwanese scenarios and how the comparison between them will be achieved in later chapters.

3.5 The Overall Analytical Framework for the Empirical Cases

The CAS approach concerns the holistic view of a system, rather than reductionism; however, my purpose in laying bare the elements of the approach in the above sections is not to develop a comprehensive or causal framework for this research. Instead, as each of the three threads of the CAS theories finds parallels in organizational theory, the aim is to draw attention to the overarching themes from which to build a focused, workable framework for empirical analysis.

Two themes are identified as being the most significant, and relevant to the purpose of this research. Firstly, the CAS approach concerns how the micro-level agents (independent producers) self-organize their (network) activities and lead

into a network pattern at the macro-level (of the AVS). Secondly, this approach also explains how the macro-level order (the CIN of the AVS) might emerge from the chaotic state (the developing scenario of Taiwan) to an order of a higher degree of complexity (the developed scenario of the UK). I will explain further how the two themes relate to my empirical analysis in the following sub-sections.

3.5.1 Theme I: From the Micro-level Activities to a Macro-level Pattern

How do micro-level agents (independent producers) self-organize their (network) activities and lead into a macro-level pattern (the AVS)? The first theme will be tackled by applying the multi-level analytical framework developed in the previous sections (see Table 3.1) to look into the empirical contexts in Taiwan and the UK respectively. Specifically, I am interested in understanding how the networks spread outwards from the individual producers to project groups, to a firm and to a wider context of the AVS. In order to focus on and address the key research questions, only some of the analogical elements that have been discussed above will be examined in detail, while others will be touched upon more briefly.

CAS Property/ Key theme	Analogy	Network level
3.4 Emergence/ Cross-level mechanism and building blocks	↔ 'Emergence' from Project to Firm level	↔ Firm level
3.3 Self-organization/ Inherent autocatalytic process and properties	↔ 'Self-organizing' project network	↔ Project level
3.2 Dissipative Structures/ The underlying conditions of system transformation	↔ Setting out the 'Network condition'	↔ Individual level

Table 3.1 The CAS Level-specific Analytical Framework

↑
Bottom-up emergence of CIN pattern
↓

The CAS approach explains how these three elements of the framework led to the

emergence of order from the bottom-up, and demonstrates how the CIN organization develops through the emergence of order, each level building on the next in a nonlinear interaction and accumulation, and each level setting the stage for greater complexity. I will examine the extent to which the emergence of the CIN pattern at the AVS level in both Taiwan and the UK can be explained from the bottom-up, through the networking activities of independent producers, in terms of three properties of the CAS model identified.

- (1) Dissipative structures: the conditions of openness and adaptation among individual independent producers which trigger CIN.
- (2) Self-organization: the internal properties of project organization, which spontaneously construct the development of networks.
- (3) Emergence: the cross-level coordinating mechanisms that facilitate and maintain the emerging network order and strategy from the project to the firm level.

Accordingly, in order to gain a deeper understanding of the bottom-up dynamics, which is the main purpose of this research, the first task of the case studies analysis is to employ a multi-level analytical framework, and to pay close attention to the two chosen network systems, i.e. the independent production sectors in Taiwan and the UK. The empirical cases will be examined separately, in order to identify the relationship between agency and structure in their distinctive content-making process and to draw out the differences and commonality between the two cases.

In other words, by applying the CAS approach, such empirical analysis is meant to go beyond the external and macro drives of networks within the AVS, which concern politics, economics, the market, technology or regulation. The main enquiries under the first theme include: Firstly, to demonstrate that there is an alternative set of networking behaviours that demonstrate their own internal logic, driven by a complex ecology of preference, priorities, choices, and motives; secondly, to explore how the micro-level network dynamics among the independent producers emerge and influence the macro sector level network. That is how the individualistic and entrepreneurial characteristics of the independent producers at the bottom of the system have significant consequences for the system as a whole; thirdly, to investigate the extent to which the independent film/TV production companies are part of a bigger pattern of networking in the AVS, how far the CIN activities are content-driven, and how they affect or impinge upon other content-creating businesses in the sector at large.

3.5.2 Theme II: From Chaos to Order- seeking the Edge of Chaos

After examining the distinctive network patterns of Taiwan and UK, the second theme of the empirical analysis is about pulling together the two cases of Taiwan and UK under a collective CAS of the AVS (see Figure 3.1 on next page). The aim is to take account of both the developing and the developed networking scenarios in drawing a joint implication for the subject of this research, i.e. the CIN of the AVS.

The Complex Adaptive System of the Audiovisual Sector

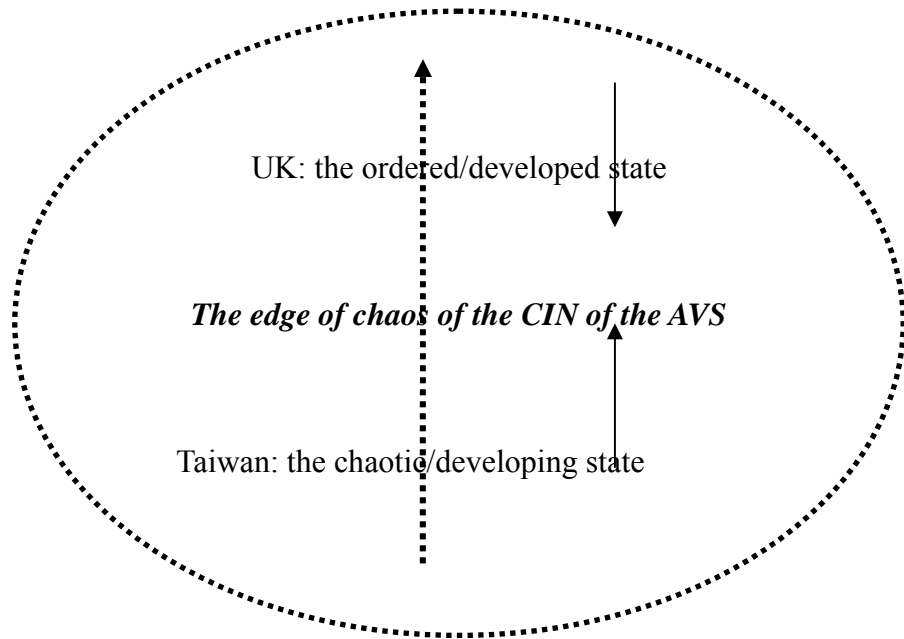


Figure 3.1 The Complex Adaptive System of the Audiovisual Sector

In this regard, we find that a CAS demonstrates a dynamic transformation, and sustains itself at ‘the edge of chaos’, a middle ground between ‘chaos’ at one end and ‘order’ at the other. As indicated in Chapter 1, this idea provides a helpful conceptual spectrum for positioning my empirical cases. Accordingly, given their different developmental states with the independent production sector, I put the CIN patterns of Taiwan at the end of chaos, and place those of UK as the state of an evolved dynamic order.

Despite differences in the two empirical contexts and the discrepancies in the models of film and TV production, the two independent production sectors are in essence the result of top-down industry restructuring. Therefore, in order to gain a

broader view of the research topic-managing the CIN of the AVS based on micro-level cases of the two major industries (TV/film) of the AVS, the UK and Taiwan are taken as representing the different evolutionary stages in the network system of the AVS. The focus of the analysis is thus on examining how far the CIN interactions of the independent production sector starts to fall into patterns and hence how order starts to emerge from chaos, and what mechanism is needed to facilitate and sustain this order. Following this logic, the aim is to explore the middle ground, between the developing/decentralized and the developed/centralized scenarios in terms of the cost and benefits for an 'independent' and 'creative' producer in the expanding, complex and inevitably network-dependent context. In so doing, the management implications for the CIN will be drawn.

Interestingly, what stands out, when empirically reflecting upon the networking practices from both ends of the AVS (Taiwan/chaotic and UK/ ordered) is their paradoxical implications. While the UK case seems more centralised and organized, operating in a corporate and developed context of production, Taiwan is more chaotic and random, yet the analysis shows a paradox of order and chaos in terms of their flexibility and adaptability. As I will show in Chapter 7, the chaotic end of the networking practices in Taiwan in fact demonstrates an individualistic and centralised decision-making process. Meanwhile in the UK, despite the corporate mode of TV production, the managing process and the structures reveal a great amount of flexibility and the appreciation of randomness during the emergence of the networks.

Summary and Continuation

In this chapter I have progressively built up the multi-level analytical framework which is based on the theories of complex adaptive system for the CIN phenomenon under study. I have identified the three CAS properties (dissipative structure, self-organization, and emergence) and have drawn out analogies between each of them and the level-specific networking issues that will be examined in the case studies. In so doing, I have also explained why the CAS represents an appropriate and significant way of understanding networks in the creative and media sector, and how I will take such an holistic approach to look into the case studies for the purpose of this research.

The three threads of the CAS theories employed in this research direct me into the empirical world with a level-specific focus. Although these theories are proposed by different complexity theorists, in my examination of the CAS of the CIN phenomenon, they are connected to each other, and form a bottom-up, multi-level framework.

The first theoretical idea is that of *dissipative structures*, as proposed by the physicist Ilya Prigogine. I indicated the three conditions of the bottom-up system of transformation which are intended to clarify the perceptions and responses of the individual producers towards the network phenomenon as the initial conditions for network development. The next set of theoretical ideas is that of

self-organization, which is advanced by biologist Stuart Kauffman. Kauffman provides a conceptual framework for examining the inherent and spontaneous dynamics within the production networks. In addition, the cross-level relationships between projects and firms will be examined through the theory of *emergence*, as proposed by the computer scientist John Holland. The analysis will focus on identifying any coordinating mechanisms emerging at the upper level, and the horizontal relationship between the building blocks at the lower level will also be clarified.

In brief, in the empirical chapters (Chapter 5 and 6), I will cover the multi-level analysis of the cases in Taiwan and UK respectively with a closer look at the connections between the network levels to draw out their bottom-up network patterns. I will then discuss the joint implications for the research topic in Chapter 7. Before that, however, I need to explain how the empirical research is designed and conducted in the next chapter.

Part II

Examining the Empirical Evidence

Chapter 4

Empirical Research Design and Strategy: Data Collection, Analysis and Presentation

Getting in, getting on, getting out, and getting back³⁹

Introduction

In Chapter 1, I presented the methodological choices made for this study by discussing the qualitative research methods and case study strategy, and by addressing the rationale for utilizing those approaches in this study. In this chapter, I will show that in order to address the research questions, the major research methods applied to the Taiwan and UK contexts remain the same, while the design, scope and process for the fieldwork vary to some extent. I will discuss the selection of the empirical case; the data collecting and analysis process before I move on to present the empirical findings in Chapter 5 and 6. Figure 4.1 on next page illustrates the common methods applied in both contexts.

³⁹ Buchanan, D., Boddy, D., and McCalman, J. (1986) Getting in, getting on, getting out, and getting back. In Bryman A. (Ed.), *Doing research in organization* (pp. 53-67). New York: Routledge.

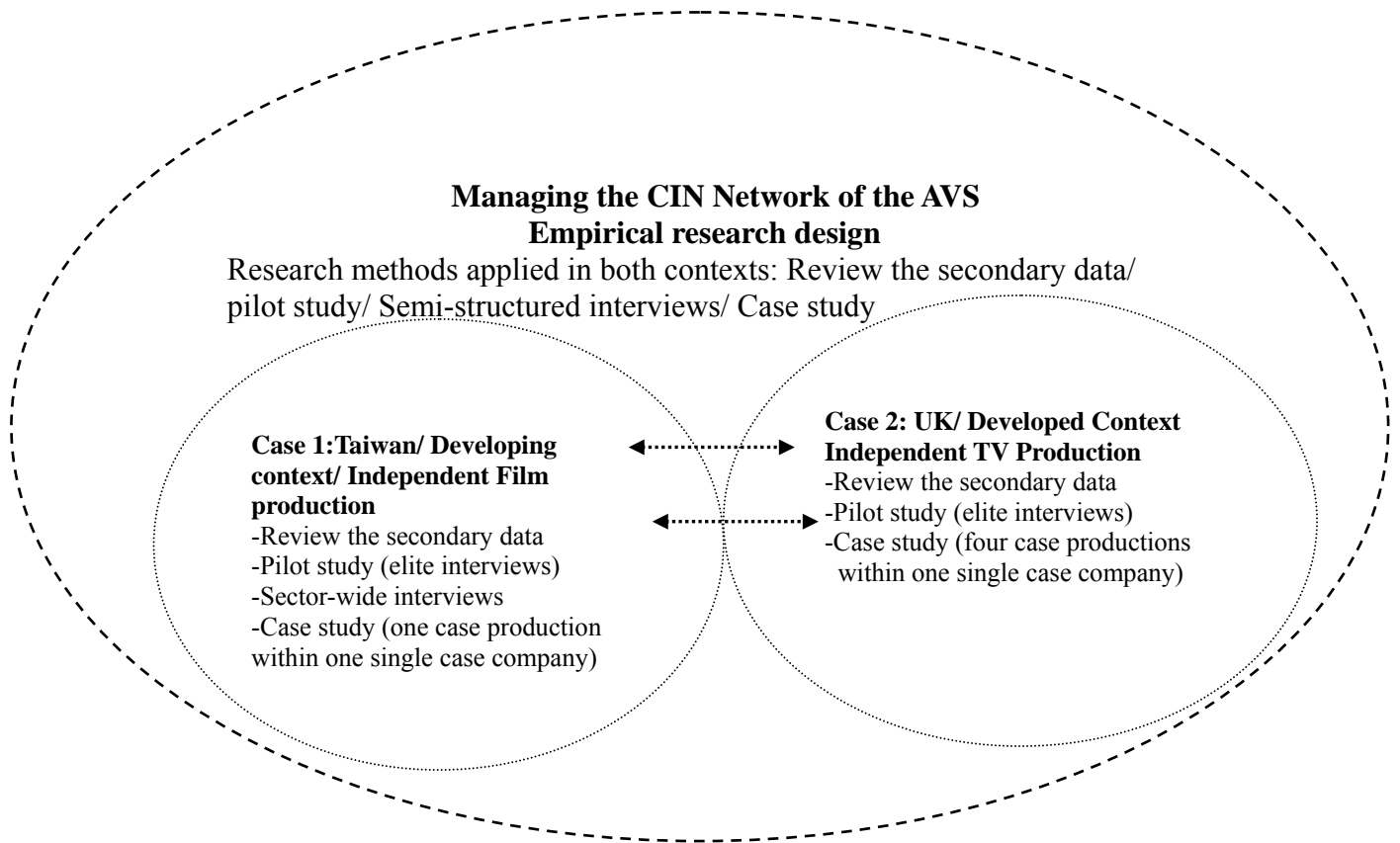


Figure 4.1 The overall empirical research design of this study.

4.1 Data collection: Taiwan and UK

4.1.1 Taiwan

The empirical research in Taiwan was based upon the following five steps, undertaken from December 2005 to August 2007. An email letter of research interview invitation is attached as Appendix 2.

Step1 : Review of the Secondary Data

The secondary data of this research was collected through a review of related

government documentation, research papers, newsletters, and press and internet materials concerning the development of the audiovisual industry in Taiwan. Particular attention was given to the materials concerning the independent film production sector and its collaborations with the content-related businesses. However, the data concerning this respect were limited and fragmented; therefore the pilot study (Step2) and sector-wide study (Step 3) were applied to the fieldwork in Taiwan, with the aim of drawing out a general understanding of its networking characteristics, before probing into the network phenomenon with a deepening case study.

Step 2: A Pilot Study through Elite Interviews

A pilot study was conducted in Taipei, in December 2005, by undertaking small scale semi-structured interviews with two independent TV/film producers, and two Managing Directors of music and publishing businesses who had collaborated with independent film and TV productions. The purpose was a) to empirically verify the relevance of my research issues concerning the CIN phenomenon; b) to gather local practitioners' interpretations with regard to 'independent productions'; and c) to fine-tune the data-collection methods and questions. The pilot study was helpful, as the interviewees highlighted three points: a) the wide-ranging nature in terms of scope of the independent film productions; b) the unpredictable cross-sector business relationship and c) the method of initial e-mails contact and the face-to-face semi-structured interviews was found to be effective, as they tested out the relevance of my research topic to these practitioners, and produced rich first-hand data.

Step 3: Face-to-Face Semi-structured Interviews with Independent TV/ film producers.

The first tier of the primary data was collected as following thirty face-to-face, semi-structured interviews with independent film and TV producers in Taiwan. The interview process involved the following: 1) the interviewees were firstly filtered through an official database of production companies that are registered with the Government Information Office; 2) a snowballing technique (Malhotra et al, 1996) was employed to gain contact with potential interviewees and/or key informants; 3) interviewees were those currently active producers who had film projects in progress at the time of interview, or had had their production recently screened and 4) as the independent producers are rather elusive, they were initially contacted by email, with an interview invitation letter covering a brief background to the research and key interview themes. The overall response rate to all interview invitations was nearly one hundred percent, with only one producer declining, owing to her availability.

The aims of conducting these interviews with independent TV and film producers were 1) to gain a broad understanding of the networking background, practices and issues with the independent production sector in Taiwan and 2) to identify an appropriate case for a deepening study so as to examine the network development during its production process and 3) to empirically identify the key and more active content-related businesses who had showed interest in, or collaborated with independent productions.

Step 4: Face-to-face Semi-structured Interviews with Managers of the Content-related Businesses.

Subsequently, the second tier of the primary data collection was carried out by conducting another fifteen face-to-face, semi-structured interviews with the managers of these active content-related businesses. They were in charge of the strategic decisions, or responsible for collaboration with independent producers. The response rate to all the interview invitations was one hundred percent. The purpose of these interviews was a) to gain an understanding of their decision-making and their networking experience with the independent producers, and b) by doing a two-way, counterpart interviews with the independent producers and the collaborating related business, the CIN networking issues and themes were initially analyzed and identified. A list of interviewees in Step 3 and 4 is attached as Appendix 3.

Step 5: The Case study with An Independent Film Production: Film-T.

Of the independent producers interviewed, one independent film production company: INDIE-TAIWAN and its ongoing production Film-T were identified for conducting a deep, multiple-level case study. The selection criteria for the case study were as follows:

- a) The case production was structurally representative of the prevalent ways of organizing independent film productions in Taiwan;
- b) The Producer of the case production represented an entrepreneurial style in building the network relationships for the survival of production, which

reflected the business reality that confronted most independent producers in Taiwan;

- c) The case production was the recipient of government funding, indicating its status as an authentic Taiwanese production, and the partly government-funded status was also a fundamental feature of most independent productions in Taiwan.
- d) The Producer was willing to collaborate in my research, and its production schedule also gave me a good opportunity to follow their CIN development.

The case was tracked over a period of twenty months from April 2006, through the production process: pre-production, production, distribution, exhibition and the post-screening period. This approach involved obtaining agreements with the producer and ten face-to-face and on-line internet-call and follow-up interviews with the Producer focusing on tracking the evolutionary process of their CIN and how the Producer interpreted the evolving network relationships and adapted or modified organizational practices. In addition, another six interviews were also carried out with the managers of those related businesses around the case film. The networking dynamics captured in the case study served as complementary and crosschecking references to the static and retrospective data draw from the earlier interviews in Step 3 and 4. The process of the case study is shown in Figure 4.2. The study includes in total sixteen interviews and a track record of the interviews of the case film is attached, as Appendix 5.

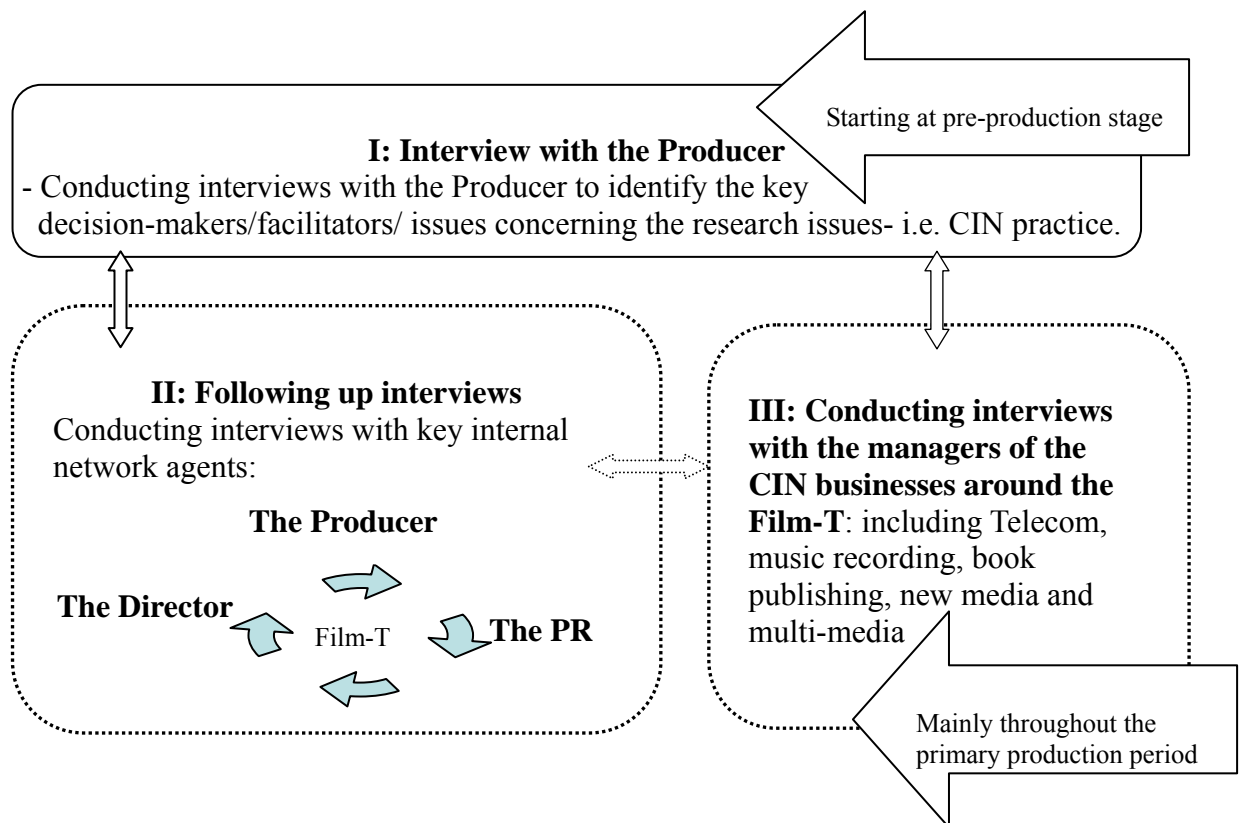


Figure: 4.2 The Case Study Process on the independent production company INDIE-TAIWAN.

4.1.2 UK

This single case study carried out in the UK, drew on thirty-eight interviews undertaken within the company-INDIE-UK during the period from October 2006 to March 2007. It represents a single case study at the company level, derived from four respective case studies on projects of different departments/ genres at the production level. The semi-structured and face-to-face interview data made up the bulk of the information-gathering efforts. There were four major phases in the overall case study progress.

Step 1: Selecting and Pitching the Case

In selecting the case study company in the UK, I took account of their CIN

experiences, their knowledge of the UK TV sector and the representativeness of the independent production as a company, and their willingness to cooperate on my project. I began a narrowing down and filtering selection process towards the case study company with an initial survey through the major trade directories which cover the updated profiles and performance of the independent production companies in the UK. Following this, I consulted those who have direct knowledge and contact with the production companies. Meanwhile, two pilot interviews with elite UK film and TV independent producers were conducted during March 2006 (before I returned to Taiwan for the fieldwork), with the aim of gaining their views as to what ‘independent production’ in the UK and the representative company was. Finally, with three company names in mind, I took a networking approach by volunteering for the conference logistics service at the annual *Broadcast Conference* in London,⁴⁰ with the hope of meeting delegates from these companies. Fortunately, one Head of Production at one of the target companies was present at the conference, and I approached her, explaining my intention to do the case study with her company; my proposal was warmly welcomed.

The target company is one of the UK’s most successful independent TV production companies, producing screen content for all the major UK broadcasters and across a broad range of screen production genres. This company has recently been voted in a *Broadcast* trade survey as the best independent

40 The weekly *Broadcast* trade paper represents the most circulated and representative on the UK broadcasting sector and its trade events are known by practitioners as good business networking occasions. The conference I assisted with was titled: ‘Creating Long-termed Value in TV’ Friday. 3rd March. 2006.

production company that most freelancers in the UK TV sector would like to work with. This represents its industry-wide recognition from the UK independent sector. In addition, the key staffs within the company are recognizable senior professionals, with sufficient experience and knowledge of UK TV production practice. More importantly, the tracks of growth of the company also mirror the increasing growth of UK independent producers.

Step 2: Getting in the Field

Following the networking meeting with one of the key staff of the company who then became the gatekeeper of my case study, the second step in the fieldwork involved proposing the case study project. This was achieved by conducting warm-up and briefing meetings with the gatekeeper, another department manager and the department assistant, signing up a confidential agreement to ‘get in the field’ so as to get access to the company’s corporate data. The presented case study brief is attached as Appendix 6. I was required by the management of the company to start with a pilot study with one of its four production departments, and a pilot study report was required for their review, in order to further proceed with the project. I was also provided with a work-station with the department, situated among its production management team. It then became a base for my overall case study with the company. With the pilot, I took it as the first step in navigating myself into the case company’s organizational complexity.

The five-day pilot study is structured into two interrelated parts. The first (the first two days) concerns an understanding of INDIE-UK’s corporate and production structures, through a general study of the data on its Intranet about organization

structures. This included the Company Handbook and the Production Manual. The data helped me to become familiar with the company and production structure, as well as to formulate and tailor appropriate questions for the interviewees. The second part (the remaining three days) was achieved through brief face-to-face interviews in the meeting space/ rooms at the pilot department. In regards to the semi-structured interview, an interview invitation email, outlining the purpose and themes of the research, was sent out to each interviewee. Eight interviews within the pilot were conducted with members of both senior and junior levels across functions, with an average duration of forty minutes. The focus was more on the production level. The interviews were concerned with how the interviewees see the CIN progress, and the involved decision-making process.

I intended to use the two-tier study structure so as to ensure a top-down, as well as bottom-up understanding of my research questions. The pilot study facilitated not only my understanding of the key decision-makers at both the company and production levels, but it also familiarized me with the company structure, so as to formulate and tailor themes and questions for the target interviewees. A referring technique was also used as a sampling technique, by asking the interviewees to provide the names of individuals for future interviews. The interview questions are given in Appendix 7, and the list of the interviews carried out for the pilot study are given in Appendix 8.

Step 3: Cross-department/genre Examination with Four Production Cases

After a three weeks review period, the case study project was finally approved by the management of the company, and I resumed and continued the

cross-department interviews. After becoming more familiar with the company's internal contacts and networks, and identifying the key decision-makers at both the corporate and production levels for carrying out the project, I started to arrange face-to-face interviews with the executive producer, Business and Legal manager and Commercial Director, with each production selected. The interview themes were similar, while the questions varied, depending on the interviewees' job duties and experiences. The questions developed for the interviews were concerned with the personal *views, observations, attitudes* and *experiences* of the production and management practices of the company, with a focus on how they interpret the development and management of the CIN of their productions.

Regarding the choice of case projects, the decision was based on 1) the fact that the project was current: (nearly or newly finished); 2) it was referred to by the interviewees of the pilot study as the most relevant case considering my research questions; 3) my own judgment of its relevance in terms of its CIN developments; and 4) the agreement of Head of Production to conduct the study. By interviewing the key decision-makers, I identified the distinctive and common management issues for each production case. The key interview themes remained similar to the interview question list in Appendix 7, with some questions tailored to each case production. The purpose was to enable the themes and issues arising from the pilot study to be probed further, and to gain validation of the initial findings by a cross-department/genre examination and to discover their common practices as well as any department or genre-specific particularities.

Step 4: Interviews with the Managing Directors

After grasping the key themes and issues emerging from the cross-production study, further interviews with the Managing Directors of the case company were conducted, as these were most likely to have knowledge and power in strategic decisions, especially those involving the business networking practices at both the production and corporate levels. The identified issues throughout the previous study were addressed to the Managing Directors, so as to gain personal views and comments, and to achieve a top-down understanding and examination of its production practices.

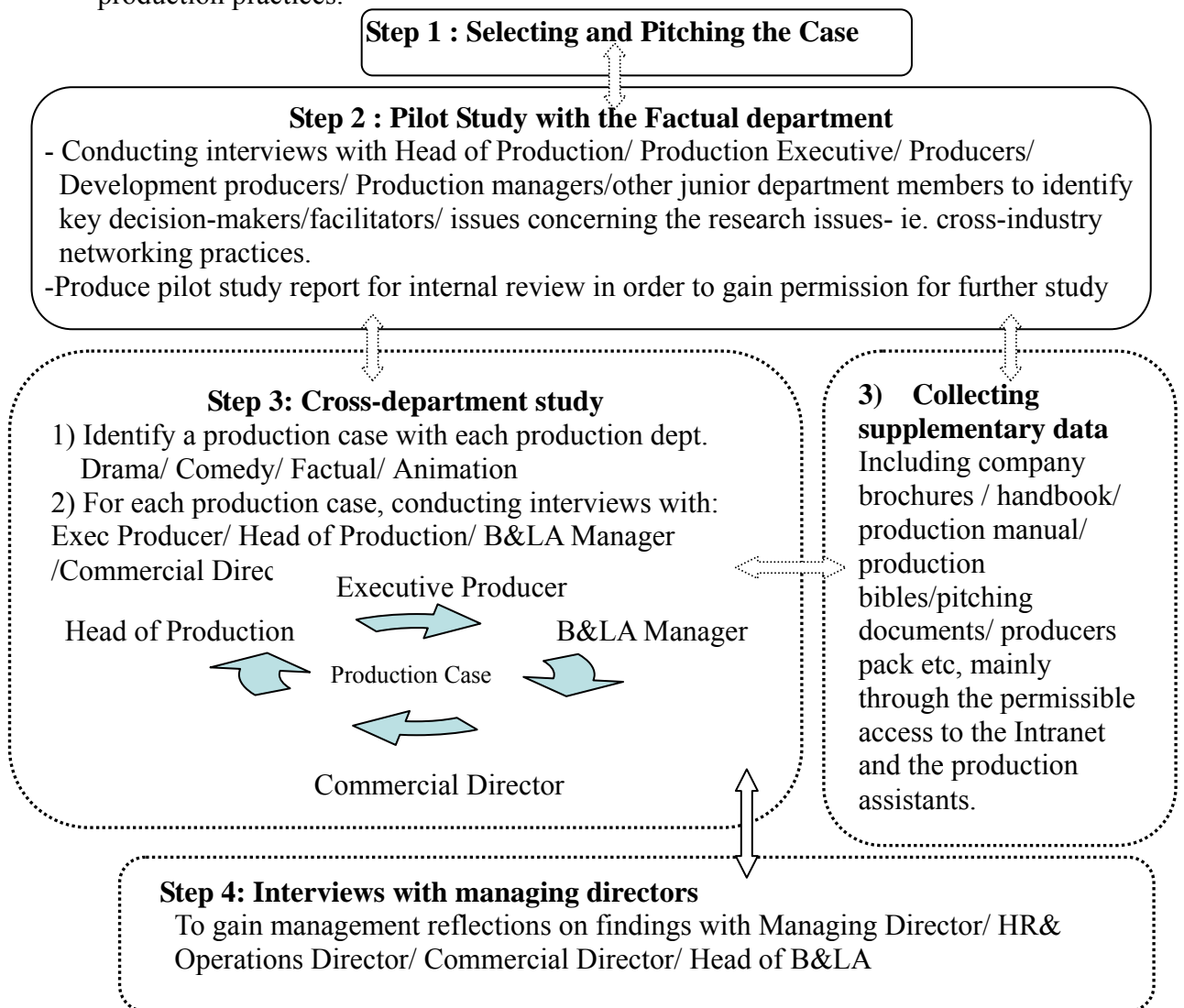


Figure: 4.3 The Case Study Process on the independent production company INDIE-UK.

Overall, the triangulation of data with the case study was achieved at both production and the company levels. At the production level, it was achieved by interviews with key decision-makers of each production, including the executive producer, Commercial Director, Business and Legal managers, and the Managing Director, where necessary. At the corporate level, it was achieved through cross-department and cross-function interviews with both junior and senior members and the staff and freelance production members, as well as studying the company data and trade press and reports, and random data collection from newspapers and the internet. A final case study report was also submitted for the gatekeepers' review and no further questions ensued. There was one hundred per cent response rate to my interview invitations for the case study. See Appendix 9 for the full list of interviewees.

4.2 Data Analysis and Presentation

The Interpretative Approach

As the semi-structured interview data form the bulk of the empirical data in this research, this qualitative study is characterized by an interpretative, subjective analytical orientation. However, the interpretative approach to qualitative research bears the burden and potential of subjectivity (Holliday 2007). Therefore, my awareness of taking a step back and taking a 'stranger' approach (Schütz 1971) was present throughout the research, so as to achieve a mutual co-construction of meaning in the real world, and especially, to show how the research is constructed

in relation to the research setting, to ensure its cultural and ideological appropriateness (Holliday 2007:15)

The interpretative approach taken for the data analysis in this research can be said to consider both deductive and inductive dimensions, yet it is more inductive than deductive. Firstly, the collection and analysis of the empirical data aims to acquire first-hand knowledge of the phenomenon under study, from the individual actors involved, through to a more inductive exploration, so as to allow implications, meaning and patterns to emerge, and in order ‘to allow the differentiating characteristics of the groups to be discovered rather than presumed’ (Holliday 2007:12). Such an inductive and interpretative approach involves ‘the constellation of procedures, conditions, and resources through which the reality is apprehended, understood, organized, and represented’ (Gubrium and Holstein 1997:14).

Secondly, this research provides both theoretical and empirical inferences, so as to explain the real circumstance and to develop generalizations and implications for the research topic (Yin 2003). However, rather than coding in any strict sense, with the utilization of the CAS analytical framework, I essentially utilized schematization and grouping (Eskola and Suoranta 1998) in building my subjective interpretation of the data. The data-analysis began with the identifying and bundling of the keywords which seemed to be used by my interviewees frequently in connection with the level-specific themes and concepts, I then progressed to integrate those prominent keywords of clusters into thematic entities relating to particular research questions (Miles and Huberman 1984) that emerge from the multiple-level analysis. Such a data-analyzing process was more

inductive than deductive, in that the theoretical codes or themes of the CAS framework were taken only as metaphorical, in making sense of the network complexity. Moreover, I have sought to allow the empirical data to offer its own view of the network phenomenon. In addition, the findings from the individual-level data guided the analysis of the higher-level data, and consequently, the exploratory approach helped me to comprehend the emergence of the networks in a more holistic way. Overall, such levels-and-themes-based analysis proved to be manageable for the large volume of empirical data collected for this research. However, it has been carried out without the aid of any data-coding software package, and was achieved ‘manually’ by using Microsoft Word.

All the interviews conducted in this research were digitally recorded, with the consent of the interviewees. The interviews were then transcribed verbatim in Chinese (interviews in Taiwan) and English (interviews in the UK). For the interviews in Taiwan, due to the huge amount of interview data (all fifty-one interviews) and limited time and resources, translating from Chinese to English was impracticable. Therefore, the coding of the interview data was carried out both in Chinese and English transcripts, and I only translated those selected extracts from the Taiwanese interviews into English for the purpose of the thesis. In such cases, I translated the meaning that best matches the specific context of the conversation.

The ethical guidelines for research concerning anonymity and confidentiality were applied throughout the collection, analysis and presentation of the empirical data.

In order to protect the anonymity of the interviewees, all interviewees were indicated by their job titles in the thesis. As for the interviewed producers, with the two case study company, they will be indicated with their title as Producer or Executive Producers (EP), followed by the production case they were responsible for, for example: Executive Producer/ Drama.

Summary and Continuation

In this chapter, I have explained the choices that I have made and the main research tasks. I adopted a qualitative research methodology, which enabled me to answer my research questions. Based on these themes of the CAS framework, the main findings of the empirical study and the outcome from the bottom-up and from the three levels of analysis are presented in Chapter 5, 6 and 7.

Chapter 5

The Cross-Industry Networks of Independent Film Production in Taiwan

Q: How would you define the ‘independent production’ in Taiwan?

*A: It is a unique way or culture of making low-budget films in Taiwan; we are forced to be independent because...we don't have healthy industry infrastructure for us to rely on. So we are also the mainstream, because everyone is independent, and we just have to do everything by ourselves...
(Interview 1/ senior independent film producer)*

Introduction

This chapter marks the beginning of the empirical part of this thesis. The purpose of this chapter is to examine the extent of CIN activities that are taking place in the AVS in Taiwan, and to demonstrate its micro-level, bottom-up dynamics, as driven by the independent producers within the fragmented film industry.

The chapter begins with a discussion of the macro factors that lie behind the structural characteristics and the impact of the film industry on independent production in Taiwan. This discussion paves the way for an understanding of the micro-level network phenomenon under study. Section 2 presents the first part of the empirical study on Taiwan, with a sector-level analysis. This section outlines a bigger picture of CIN behaviors in the AVS, in terms of how and why the two counterparts, ie. the independent producers and content-related businesses, collaborate with each other. Such an analysis is helpful, in that it not only empirically verifies the issues brought out by the secondary data, but also

provides empirical and analytical directions for the in-depth study of INDIE-Taiwan, the case production company and the case film project- Film-T.

From Section 3 to Section 6, I will present a bottom-up analysis of the case study under the CAS framework. The examination of the individual level is the first step in understanding how the network system is triggered by the way the Producer opens up the network to external trends, and the way in which he reveals his personal expectation and anxiety towards the CIN. Then, at the project-level, I will look at how the network agents expand the network, and learn from their spontaneous interaction and individual actions, which shape the CIN of the project. Following this, the questions for the firm-level analysis are answered by looking at the self-transformation experiences of the individual agents in the system, as opposed to the firm. In the final section, I will present the CIN characteristics of the case, based on the above findings.

5.1 Scene-setting: The Independent Film Production in Taiwan

The Hollywood's Formosa

Historically, due to Taiwan's particular political background in relation to mainland China, the media sector, including the film industry in Taiwan has been seen primarily as an instrument of political propaganda. Indeed, before the 1970s, it was under strict censorship, controlled as it was by the media regulator, the Government Information Office (GIO) of the Kuomintang (KMT) government. During the 70s, however, along with profound political de-regulation and

economic transformation, the Taiwanese film industry did in fact prosper, with an annual production volume of over two hundred movies, making Taiwan the third largest film producer in the world in terms of number of locally-produced films, after Japan and India.⁴¹ The forces behind the prosperity were found to be the success of the government-run Central Motion Picture Corporation/Studio, founded in 1954, and a few opportunistic businessmen and entrepreneurial producers who also enjoyed a wide range of social contact across the entertainment sector (Wang and Huang 2004: 251-312).

However, this heyday changed quickly. Since the 1980s, in response to increasing pressures from the alliance of the US government-Motion Picture Export Association (MPEA) to further open up its local market, the Taiwanese government relaxed the quota system on film imports and prints, and abolished the levy system, which had been imposed since the mid-50s on imported films to support domestic production. Subsequently, the distributors' strong links to, and interest in the marketing of Hollywood films, made local exhibitors become increasingly commercially concerned, and they therefore tended to release US blockbusters, so as to ensure their box-office income (Lin 2001).

With the introduction of the multiplex cinema into Taiwan since the late 90s, the major distributors' increasing dominance in the theatrical market has further forced locally owned cinemas to disappear from the cinema landscape. Over the

41 According to UNESCO data, in Wang and Huang (2004:27)

past decade, the city of Taipei alone has seen the closure of ten local cinemas,⁴² which made the split in integration between producers, distributors and exhibitors for local productions even more severe. In the year 2000, there were only fourteen locally produced films released. In contrast, two hundred and thirty-nine foreign films (of which over 90 % were Hollywood products) were screened in Taipei (95.9% of the total).⁴³ In other words, after the initial financial predicament of the last two decades, by the turn of the 21 century, Taiwan's film industry had surrendered completely to a free film market for Hollywood, and since then, Taiwan has remained among the top ten foreign markets for Hollywood, displaying the U.S. majors' dominance across the distribution and exhibition sectors (Lee 2004; Lin 2001).

While Hollywood's victory in Taiwan correlates to the removal of state regulation, these opening actions were also found to be part of the Taiwanese government's efforts to obtain formal WTO membership. In fact, in October 2001, on the eve of Taiwan's formal entrance into the WTO, the GIO proposed an amendment to the Film Law, removing all articles on quota and levying regulations on imported film under the statement that this was necessary 'in order to fulfill the requirements of the WTO', and the Legislative Yuan (cabinet) approved the amendment without dispute.⁴⁴ It may therefore be said that after being liberated from severe party-state control, the Taiwanese film industry has been incorporated into the economic logic of international trade, which is the fundamental force behind the restructuring of the Taiwanese film industry (Lee 2005, 2000, 1997; Wang and

42 'Chia-Ning Hwa Cinema Closed'. *United Daily News* (23.Dec.06)

43 Data on GIO official website < www.gio.gov.tw > (10.Oct.2006)

44 Data on GIO official website: <www.gio.gov.tw> (10.Oct.2006)

Huang 2004; Lu 2003; Wei 2003, 1998).

The Fragmented Independent Production Sector

As a consequence of Hollywood's dominance throughout the last two decades, it has been indicated that film production in Taiwan was largely carried out by independent producers on an irregular, one-off project basis (Lu 2004; Lin 2001). In particular, the film production sector has remained highly fragmented, made up as it is of independent production companies, ill-equipped to compete with U.S. majors.⁴⁵ Such accumulated fragility has been exposed by the fact that Taiwan's biggest, oldest studio-Central Motion Picture Corporation subsequently diminished their production operations, and was closed and sold to a Taiwanese corporate investor in early 2006.⁴⁶ This undercapitalized nature of Taiwanese production has, inevitably, forced the independent producer to continue relying on the Domestic Film Guidance Fund, which was set up by the GIO in 1990, so as to encourage domestic productions on a project basis. The Fund has remained a major funding source for local productions since then, and in year 2007, for example, half of the domestic film production was subsidized by state funding.⁴⁷

However, despite the government funding steadily increasing from the first year to the maximum funding of US\$100,000. per film in year 2004, it represents

45 According to the Directorate-General of Budget, Accounting and Statistics(2006), there are 592 film business companies in 2006, out of which two and eight are production companies, a declination of 42.6 over a decade . Despite there having been signs of gradual growth of its overall number since year 2000, most of them are very small (with capital less than US\$ 30,000. and employee of less than three staff. Some of which are only the single vehicle to carry out one film). 'Historical Statistics on Film Business Registration Status', June 2008, GIO, Taiwan. Data on <<http://www.taiwancinema.com/>> (10.Oct.06)

46 'Taiwan studio closes' .*Variety*. <<http://www.variety.com>> (01.Mar.06)

47 Data on GIO official website:< www.gio.gov.tw> (03.Feb.2008)

only a tiny fraction of what it took to make a film like *The Titanic* (US\$200 million), or the neighboring Hong Kong film *Ashes of Time* (US\$25 million). While the subsidy has been crucial for the local productions over a decade, the shrinkage within the production sector remains with the annual output insignificant at around twenty films since the early 90s and only seventeen in the year 2007/2008,⁴⁸ and most productions were operating with an average budget size under US\$50,000.⁴⁹ Such a limited production budget means that most independent producers can hardly afford adequate distribution and marketing and wider theatrical release, which has inevitably resulted in their failures to recoup domestically (Lin 2007).⁵⁰

Mixed Promises of the 'Audiovisual Sector'

Recently, since year 2000, a new transformation logic has taken place within the media sector, as Taiwan enters a new political era with the new Democratic Progressive Party (DPP) government, whose approach towards the sector principally involved liberalizing the industry into the free market. In particular, in response to the increasing market forces brought by the WTO since early 2002, in the same year, the Executive Yuan (the Cabinet) proposed the *Challenge 2008: Six-Year National Development Plan*, which is the most recent national development plan aiming to transform Taiwan into a knowledge and cultural-based economy. Significantly, among the ten major development plans,

48 Data available at <<http://www4.cca.gov.tw/artsquery/doc91/05-1.pdf>> (03.Feb.2008)

49 Only recently, a few Taiwan films are produced with Hollywood model, such as film *Silk* which is operated with the production budget of \$ 6 millions by the CMC Entertainment Group which is the largest and the only company in Taiwan capable of handling the function of development, financing, production, distribution and exhibition.

50 On-line article by a Taiwanese film industry expert/scholar Lin W. C. <http://www.rthk.org.hk/mediadigest/20080115_76_121717.html>(30.Jan.2008)

the cultural and creative industries were, for the first time in Taiwan history, included in the national development plan. In short, the Ministry of Economic Affairs also proposed the ‘Law for the Development of the Cultural and Creative Industries’ and submitted this to the Executive Yuan for review in September 2003.

Under the Plan, originally in the draft of the Creative and Audiovisual Industry Development Plan, the GIO gave a wide-ranging definition of the AVS, and aims to develop it as an overarching sector as indicated in Chapter 2.⁵¹ Although the plan was later scaled down and renamed as Developing Key Media and Cultural Industries, it was clearer that the government’s focus on the AVS centres on the film, TV, music and publishing industries.⁵² Throughout the plan, while the Taiwanese authorities acknowledge the ongoing progress of media convergence, they also recognize that it is beyond the capacity of the film industry to lead any growth in the audiovisual market in Taiwan. Therefore, instead of focusing on film productions, the GIO strongly calls for a timely integration, both within and beyond the audiovisual industries, and both vertically and horizontally, as a development strategy for the long-term growth of the ‘content industry’ in Taiwan. Accordingly a ‘Development Fund Investment Plan for Digital Content, Software, and Cultural Creative Industries’ was announced in 2005, with the aim of incorporating Taiwan’s advantages in the ‘content-related industries’, so as to

51 As indicated in Chapter 2, it widely covers all the vertical and horizontal production services of screen production, distribution and exhibition, ranging from TV, film production and DVD retailing to the music, publishing, game, performing arts, and advertising industries.

52 The sub-plans include the Film Industry Revitalization Plan, the TV Industry Revitalization Plan, the Pop Music Industry Development Plan, the Publishing Industry Development Plan, and the Plan to Establish the National Audio-Visual Business Development Center. GIO Official Website: <http://www.gio-media.com.tw/welcome_en.htm> (15.Aug.2005)

strengthen the overall content sector.⁵³

Despite the development plan also recognizing that there are conflicts, and even hold-ups in integrating these related industries to be solved, in order to achieve the CIN synergy, priority has clearly been given to the ‘digital’ content industry.⁵⁴ Consequently, the GIO has taken measures to boost local film production, including the following: a partial revision of the ‘Motion Picture Act’, in which a broader definition of domestically produced films is given, to encourage transnational co-production; increasing the maximum funding of the Domestic Film Guidance Fund for a ‘3D animation flagship project’ of US\$100,000.; introducing financial incentives of 20 per cent tax breaks for corporate investments; and channels of institutional and bank financing, which were only available to other service sectors are now also accessible to the independent producers.

Correspondingly, the DPP government also shows its confidence in its White Paper on Small and Medium Enterprises (MOEASMEA, 2005)⁵⁵ that the strong entrepreneurial base, a well integrated and global supply chain of the digital,

53 See GIO website for details. <<http://www.gio.gov.tw/taiwan-website/2-visitor/fund.html>> (30.Jan.2008)

54 There has been a promotion of maximizing economic values of the digital content industry as the Taiwan government has announced the year 2002 as the “First Digital Year,” and has formulated the “Two Trillion and Twin Star Industries Development Plan” which maps out the strategic directions for core and emerging semiconductor, TFT-LCD, biotechnology, and digital content industries. According to the plan, it is indicated that the digital content industry in Taiwan has huge potential with the expected output value to be reached as NT\$ 370 billions (\$11.5 billions, approximately) in 2006. Therefore, the priority in developing the content industry in Taiwan currently emphasizes the ‘digital’ content industry, including games, 3D animations, media applications, communication applications, internet services, digital content software, and e-learning. Seeing such frenzy, however, the general critique is that without a sound content production industry, those digital and multimedia applications will be only empty shells.

55 Small and Medium Enterprise Administration, Ministry of Economic Affairs (MOEASMEA)

information and IT sectors which have opened a trans-national market for Taiwanese companies can also further support the growth of knowledge-intensive service industries in Taiwan. However, the White Paper also identifies that the major concern for developing the cultural service sector in Taiwan lies in the fact that the mechanisms needed for the appraisal of intellectual property rights, or an appropriate regulatory framework, are yet to be put in place.⁵⁶ Such a weakness has also been identified in the National Development Plan as a major obstacle in the integration of the AVS.

Taiwan has just entered another new political era in May 2008, with the KMT government making a comeback and new schemes being announced to address the creative, cultural sector including the promise that the ‘Law for the Development of the Cultural and Creative Industries’ will be passed and delivered soon. Yet any major shift at the time of writing has yet to emerge, and the government’s project-based funding schemes and digital and content-related approach seem to continue.⁵⁷ Nevertheless, the above briefly outlines the facts concerning the current state of the film industry in Taiwan, and the corresponding measures taken by the Taiwanese government. It is clear that the policy-makers in

56 The reasons behind the lack of IPR awareness in Taiwan are mainly found to be the fact that Taiwan has long been engaged in OEM manufacturing in the past decades which resulted in insufficient education in R&D protection for original products. However, recognizing that effective protection of intellectual property right serves not only as our commitment to the international community, but also as the drive to industrial and national competitiveness upgrading, the Taiwan government has implemented relevant intellectual property right protection measures by formulating the “Comprehensive 3-year Action Plan (2003 to 2005) for IPR Protection” after the completion of the “2002 Action Year for IPR Protection” campaign. January-August 2003. Supplemental Report on Taiwan's Intellectual Property Rights Protection.GIO. (12.Dec.2005).

57 The GIO has announced to encourage the local TV and film productions through the National Development Fund, especially on the mega-budget films (GIO Press release, 2008/8/15). Meanwhile the Minister of the Executive Yuan (Cabinet) has promised that further tax-breaks incentives will be developed for the digital content and the games industries. (*ChinaTimes*, 20.Agu.2008).

Taiwan, during the time of my study, have been taking an integrating, and relatively comprehensive approach toward the AVS, by locating film and the AVS within a broader concept of digital technology-driven content creation. The secondary data available, as illustrated, is both limited and limiting in terms of understanding the current network picture of the sector in Taiwan. Thus, as a complementary and necessary measure, I began the case study on Taiwan with a general study of the sector-level, by interviewing thirty independent film/TV producers and fifteen content-related businesses. The main findings of the first part of the case study are discussed in the following section.

5.2 Getting the Bigger Picture- a Sector-level Investigation

The aim of this broader-level study is to provide an overview of the external, top-down factors in relation to the CIN of independent film productions in Taiwan. The discussion below is built around my analysis of a) how independent producers define ‘independent productions’, by which I will empirically identify the structural characteristics of the film industry in which the independent producers are embedded; and b) a cross-examination as to how and why independent production companies engage in CIN. In sum, I will demonstrate how my primary data, that is the interview materials, shed light on the themes that emerge out of the secondary data, as follows.

1. The fragmented structural characteristics of the film industry
2. The undercapitalised, one-off project nature of the independent film productions

3. The government's technology-driven approach towards an integrated AVS
4. The lack of knowledge and regulations of the IPR issues

The quoted interviewees are indicated according to its serial order of the interviews carried out as listed in Appendix 2. The interview questions are listed in Appendix 3.

5.2.1 Structural Characteristic of the Film Industry: Seeing from the Definition of 'Independent Production'

It is an unique way or culture of making low-budget films in Taiwan; we are forced to be independent because we don't have stable funding and exhibition channels. Also, there are no major studios or healthy industry infrastructure for us to rely on. So we are also the mainstream, because everyone is independent, and we just have to do everything by ourselves, and at the same time, develop ourselves within limitations. (Interview 1/Answer 1)

According to the producers interviewed, the most frequent opinion about 'independent production' in Taiwan was that the film industry in Taiwan is sustained by numerous fragile production companies and self-driven individuals. This view can be represented by the above quotation, given by a senior independent producer, who has over fifteen years in the independent filmmaking in Taiwan. Such a predominant view immediately draws out some interrelated structural issues of the film industry, and hence, the organization behaviors of the independent producers in Taiwan as shared among the interviewees.

Firstly, as was notably revealed in their interviews, the industry is highly

disintegrated between production, distribution and exhibition. As an expert who has also been a representative local distributor for more than ten years indicated,

Most of the independent producers in Taiwan don't have any way of guaranteeing their possible financial return, so the channels for pre-selling their rights to gain production finance from distributors, which are supposed to be the normal ways of film financing, are becoming difficult, and as a result, they can't afford wider domestic theatrical release. Without that, they stand very little chance of recouping the money invested in them. It has become a vicious circle. (Interview 4/A3)

Secondly, most of the interviewed producers pointed out that they hardly secured any consistent production finance. The reasons are partly that public fundings and private investments are unpredictable and unstable, but mainly because few of them have the specialized and integrated functions in their companies to take care of development, production, distribution and exhibition. Such a situation immediately means that most productions have to be rushed into filming in order to secure production funding. As a result, a highly shared concern among the producers was that the development stage has remained the most problematic area of the production process.

Thirdly, it was indicated by most interviewed producers that due to the recent poor performance of local productions in Taiwan, the local films had in fact become a liability and not an asset for the domestic box-office. Such circumstances, in effect, triggered the producers to seek outwardly any possible markets and business partnerships. Interestingly, it is found that those cases with well-established directors tend to have relatively easier access to potential network and market resources.

The ‘director factor’ is worth a special note here, as most interviewed producers have criticized the fact that the director-centered practice has been one of the most unhealthy ‘cultures’ within film production in Taiwan. Indeed, as distinct from the main-stream concept of ‘independent productions’, which is defined by their independence from the major Hollywood studios in a business context, it is found that the idea of ‘independent production’ in Taiwan is strongly associated with artistic filmmaking or the personal aspiration of the directors, which has been identified as a fundamental blight on the film industry. For example, one producer who has recently established herself as a leading figure in independent filmmaking gave the following reply, in a rather serious tone:

Unfortunately, ‘independent production’ is also a very big ideological term in Taiwan; it’s about director-led filmmaking practice, which usually means that the films won’t speak to the audience, so as one of the new generation of producers, this is what I am trying to change. (Interview 2/A1)

Finally, when it came to questions about the Taiwanese government’s technology-driven approach to develop the AVS, those interviewed producers’ attitudes toward such ‘digital content-related’ strategy were found to be mixed with a sense of both welcome and defensiveness as the ‘independent’ and ‘creative’ producers. The following extracts illustrate this point.

I had some meetings with those high-tech or digital-driven investors, but some of them either didn’t respect us or acted as philanthropists; in these cases I would just give up and rather make the film myself, I don’t allow our creation to follow others’ agendas. We have to insist on what we want. (Interview 2/A2)

The possibilities are increasing, but as independent filmmakers, we have to be careful not to get lost and become only content-factories for those high-tech or telecom businesses, they are too commercialized and short-sighted. Film is an

art form and also a commodity, but it is a delicate and cultural commodity.
(Interview 1/A17)

According to the above, the Taiwanese government's 'top-down' approach towards the convergence of the AVS seems to prompt a defensive reaction from the independent producers. Putting together with the 'the director factor' discussed earlier, it suggests that a self-driven, individualistic partnership rather than top-down strategic collaboration is preferred by those independent film-makers in Taiwan. Importantly my empirical data shows that a pattern of unstable, one-off, and self-surviving film production remains the deep-rooted structural feature of the Taiwanese film industry and has contributed to the 'needed' embeddedness of the independent productions in a broader content-related context, which serves as a starting point in their CIN behavior. I will discuss this further in the following sub-section.

5.2.2 Structural Characteristic of the CIN: Seeing from the Views of 'Cross-Industry Networks'

In this section, I will move on to reveal the networking characteristics of the independent producers with those content-related businesses in Taiwan. Despite my empirical data showing that their CIN practice are partly a result of the fragmenting film industry, and hence a case-by-case practices, my purpose here, by showing views from both sides as to what CIN means to them, is to draw out some prominent micro-level dynamics, which characterise the network phenomenon under study.

Views from the Independent Producers

When asked about how they would define the ‘cross-industry networks’ of their film productions, most interviewed producers immediately commented on the undercapitalized reality of the production sector, and their networking practices are therefore mainly motivated to acquire cash injections into productions, or to minimize their production costs by seeking corporate investment or sponsorships.

In addition, with the hope of driving the box-office momentum, and to draw vertical sales interests of DVD and cable TV etc, it has become a rather common practice for the producers to develop the market-driven networks, i.e. horizontal business relationships with the book publisher, record company, telecom, new media and retail businesses, to develop all sorts of by-products such as script novels, original sound tracks albums, down-loads and merchandising products. As a first-time producer indicated,

CIN relationships are crucial to us, not only because they concern our funding and investment status, but also those by-products developed with those related businesses can be the promotional vehicles for our film as they will be launched weeks ahead of the screening. In doing so, we hope that they could attract more interest from different, yet related markets to the box-office, which is the most crucial for us as it concerns the successive sales... (Interview 7/A6)

Consequently it was found that most producers considered the vertical networks as the primary ‘sales relationship’ as they concern funding and investment sources, including those from the TV and DVD sectors. However, those sales relationships are often one-off and unpleasant, involving the independent producers being forced to sell their content at a low price, with little chance for negotiation. The interviewees were therefore found not to be keen to comment much on this aspect.

Meanwhile the horizontal networks, such as the collaborations with the book publishing, music, new media and even telecom businesses are considered by those producers as the secondary 'partners relationship' associated mainly with joint-promotion. In particular, I found that most interviewed producers were relatively positive, and tended to give details of such 'partnerships', which are regarded as built on mutual interests, personal interaction, or a shared purpose of expanding new markets, and most importantly, the opportunity to fulfill a sense of being creative producers. For example, a senior film/TV producer and another first-time film producer both commented that:

By networking with these content businesses, we might gain different views on our production and its potential market, and even some interesting business opportunities. It's helpful in terms of our survival and creativity. (Interview 19/A2)

The credit exposure on different medium is helpful in promoting our profiles as a creative content- producer. It might be more valuable to us than just sharing a tiny amount of revenue from the by-product sales. (Interview 6/A11)

However, while some interviewed producers complained that most revenue-sharing deals were unfair due to their weaker negotiation power, in general, they were also found not to be articulate and spontaneous talking about the contracting issues. In fact it is evident from my empirical data that most independent producers did not have much experience and knowledge about how content licensing could work in practice, as a result, they were not able to negotiate in their favor in terms of the division of profits, tasks and obligations, which have become a major problem to cause unsatisfactory CIN relationships. As an expert and a senior producer concurred in their interviews that the

producers' lacks of the IPR management and negotiation ability have become major problems to cause unsatisfactory relationships. As the following examples show:

Ideally, those vertical and horizontal relationships were supposed to achieve a synergy in terms of the content business; however whether we are taking a film as the core, to exploit its content-related values, to generate more income for those businesses, or using them as marketing tools so as to strengthen the core value of the film, so far in Taiwan we haven't seen one successful CIN case based on a good rights management practice. (Interview 4/A7)

It might be because we were a bit desperate to get resources from other businesses, but mainly because we did not have a producer who has the know-how to negotiate with them so as to make full use of their resources, but without over-promising them what we could offer. So, in the end it's like getting half the result with too much effort. (Interview 21/A23)

Such circumstance highlights the significance of the producers' roles as considered by both sides. For independent producers, they pointed out that it all depends on how savvy the producers are to act as intermediaries, facilitating and smoothing the conflicts and difficulties involved during the process. Correspondingly, in cases where the producers' roles were more active in the relationships, both sides tend to be more pleased with their collaborations, even if the outcome was not satisfactory in commercial terms, or required more efforts during the processes.

Views from the Content-related Businesses

From the point of view of content-related businesses, it became clear from my empirical data that collaborating with independent producers offered them a means to get to know the logic of creative content-making, and also new access to

potential markets. While most interviewed managers indicated that poor performance of local production has pushed off most rational investors who base their decisions on the calculation of return on investment; however, it was found that personal interests, preference or aspiration for films, content and cultural business were abundant with the decision-makers of the related businesses, which proved to be crucial in shaping the possibility and prospect of their relationships with independent producers. However, their interests in collaborating with independent productions were found to be vulnerable, depending on whether the producers could resolve the potential problems in the relationship. A vivid example may be seen in the CEO of a DVD manufacturer-turned film/TV investor suddenly becoming emotional when talking about his experiences in investing and collaborating with independent producers. He replied, in English, that:

It is an unfair treatment of the investors! The independent producers only take me as a cash machine! I have been receiving quite a few film proposals which were simply trying to cheat me. I felt much hurt and I told myself that it is a long learning curve for me to know about how to work with and invest on the independent producers, those creative and artists, and most importantly, how to find producers with a business sense that I can truly trust! (Interview 31/A19)

The issue with the producers brings out the fact that the process of collaboration also has a major impact on how these businesses evaluate their relationships. From the point of view of independent producers, although it was found that their experience in managing their network relationships varied, yet the common problem identified by themselves was that mainly due to the lack of planning and specialized personnel, the developing process of their CIN is therefore highly fragmented, opportunistic and individualized. Correspondingly, from the other side, most interviewed managers also found that the relatively disorganized and

elusive business practices of the independent producers were the major problem in making an effective collaboration. The following comment made by the vice-president of an established book publisher, with twenty-five years in publishing, and has been collaborating with several independent productions, and the marketing director of a leading telecom business in Taiwan, who recently became a major sponsor of local productions, provide good examples of this point:

Those filmmakers are just unmanageable; they don't play by the rules of publishing. I mean they do not respect our profession at all and only take us as someone to do the marketing for them. The problem is mostly the planning period for any by-product books is simply too short and insufficient to guarantee good quality, let alone to achieve mutual satisfying outcome!(Interview 40/A5)

I have found it's inevitable that the independent producers would simply disappear for a couple of months for their production shootings, and suddenly they will show up again, asking for money. That's why we have the three-staged payment rule in our contract; the producers can only get the money when they deliver step by step of what we requested. It just follows exactly the same procedure as how we control our 'procurement of services' in general. It is so far the only solution we could come up with to deal with them, as we have no idea how to monitor their production progress or how to assess the quality of the content they produced. (Interview 32/A3)

The above examples suggest a fundamental 'culture clash' between those disorganized and essentially hand-to-mouth entrepreneurs and the established businesses which are driven by rational and risk-averse corporate disciplines. Likewise, although my empirical data shows that the producers' personal contacts is the key to opening up the CIN relationship in terms of getting quicker access to and response from the decision-makers of the related businesses, unsuccessful collaborations were still abundant which underline the greater complexity and

even conflicts involved in their relationships. The following failed collaboration between an independent producer and a telecom business, for example, illustrates this point, as the producer and the branding manager elaborated in their interviews that:

We both decided to do some co-promotion events, and we broke down the jobs, but in the end, they were just too slow to collaborate. It was very frustrating because for us, timing was everything, and we only had one chance to promote the film to drive the momentum for the first-weekend box-office, but for them, they probably got a whole season to promote their products.(Interview 6/A4)

I felt very sorry for the producer. We are friends and we thought we could collaborate on the production to promote the film as well as our brand, so we two initiated the whole thing. But because it required a cross-department collaboration within my company to deliver any branding event, and the producer was just not able to give us a clear idea of what she wanted to do to promote the film, and when she finally rang me up with the idea, it was already very close to the screening schedule, and we simply could not respond to her as quickly as she expected. It put me in an awkward position as I genuinely would like to help her out as a friend but I could not control the decision-making process with other departments beyond my command... (Interview 36/A1)

As for those cases where business relationships were relatively more formally structured and well-managed, they still tended to be short-lived. Such short-term practice from the perspective of content-related business echoes the independent producers' negative views about the effects of the CIN in that they were only temporary 'tie-ups' and not 'integrated partnerships'. However, according to the interviewed managers, this was mainly due to the underperformance of the independent productions in recent years, they therefore tend to use smaller stakes including product sponsorships or co-promotional collaborations for a 'try-out' to collaborate with creative producers. As a result, in general, it is found that the current CIN around the independent productions are relatively short-termed, and

has yet become a significant part for those content-related businesses.

Section Summary

According to the above discussion on the broader level of CIN phenomenon of the AVS in Taiwan, it is clear that while the fragmentation of the film industry can be explained by contributory factors such as policy and markets, they fall short of accounting for the individualistic, opportunistic, and to some extent experimental and arbitrary CIN behaviors around independent film productions.

In terms of the structural characteristics of the film industry, interviewees shared surprisingly consistent opinions, which were found to be largely in line with the findings from the secondary data. Historically, the film industry in Taiwan has developed as a fragmented, undercapitalized, and production-led cottage industry-over-dependent on national funding, with sluggish growth and no stable domestic base, resulting in a fragmented production sector. As a consequence, the interrelated structural impact on the AVS was that there is an increasing network taking place and extending from independent productions, which are largely individual-driven. However, based on the sector-level analysis, it becomes evident that despite the economic insignificance of the independent production and the elusiveness of its influence on the integration of the AVS, it is still proved to play an important role in the network phenomenon for several reasons. Such findings are revealed not only by the independent producers themselves but also by those content-related businesses with whom they seek to collaborate.

Firstly, due to their eagerness and flexibility in networking, the CIN of the

independent productions in Taiwan cannot be defined within clear boundaries; instead they can be dynamically related to many other industries in the sector. Additionally, although it is difficult to find official statistics specific to the integrating AVS, according to my interview data, it can be said that the independent productions contribute towards establishing cross-sector collaborations. In particular, personal relationships and self-driven practices are two important ways for the independent producers to connect with those related businesses, and enable their networks to develop a process of self-organizing interaction. It can, therefore, be argued that closer and dynamic relationships have started to emerge at the micro-level of the sector.

Specifically, the sector-level analysis shows that the CIN that extend from the independent productions include different kinds of relationships, for each involves different depth and intensity of interrelatedness, those ties are partly based on the nature and strategies of the related businesses but more importantly depending on the motivations and attitudes of the decision-makers involved. As a consequence, while independent film productions are moving into a broader context, there is a shift from the director-centred film production practices to more producer-led CIN activities, and a shift from creative collaboration to short-term commercial partnerships, which tend to be largely one-off. In particular, such change not only highlights that the dynamics and extension of the independent productions' CIN relationships cannot be ignored simply due to the micro size of the productions, it also underlines the complexities that needed to be dealt with during the process of the CIN collaborations.

Additionally, while the secondary data reveals that specific regulations are still underway, it is evident that the Taiwanese government has been showing a technically-driven approach to encouraging an integrated AVS. In practice however, according to my empirical findings, the approach is still problematic and unrealistic. Such a finding not only goes against the government's overemphasis on the technical aspects of the integration, importantly it supports my argument that the CIN of the AVS do involve a web of interconnections at the micro-level, and the relationship-oriented questions have emerged as the characteristics of the CIN phenomenon.

Overall, my empirical findings on the sector-level offer a direction for a further bottom-up study of the CIN, in that they show the individualistic aspect of the network dynamics at micro-level is important. It enables the independent productions to revolve actively around various content-related businesses, and there is a need to examine the evolutionary process of their networks. Additionally the findings concerning the roles of the producers provide a good foundation and starting point for the second part of the study on Taiwan, the bottom-up and multi-level analysis, which is presented in following sections.

5.3 Deepening the Understanding

After a cross-examination of the secondary and the primary data in terms of a retrospective perspective, the aim of the in-depth study is to capture the internal dynamics during the emergence of the CIN of the production case-Film-T with the

case company-INDIE-Taiwan. Through the CAS multi-level analysis, namely from individual to project and to firm level, I will demonstrate a distinct set of networking behaviours, driven by individual and entrepreneurial motivations. The study process in this case is illustrated in Figure 4.2. All of the quoted interviewees of the case film are marked by the Roman Numerals as listed in Appendix 4.

5.3.1 About the INDIE-Taiwan and the Film-T

The INDIE- Taiwan under study is a typical example of an independent production company operating in the film industry in Taiwan: drifting in constantly one-off projects and in their early and fragmented learning-curve of how to carry out a film production independently as a ‘business’. Established by its current Managing Director, who is also the only producer of the firm with some of his production partners in Taipei in early 2000, the company started as a specialized production house, subcontracting from and providing wide-ranging staffing and technical TV/ film production services on a flexible, on-demand basis. The chosen company therefore is not well-equipped with the functions and know-how of the film business, such as development, distribution and exhibition and it was when the Film-T took shape that the company moved towards the self-producing of its own films. Such a shift was found to be challenging to the company as the Producer/Managing Director, and its current partners and employees were mostly specialized in technical aspects of production, and did not have much direct understanding of business logic, concerning how to produce a film independently. However, such a ‘first-time project’ for those decision-makers involved in the case, as Table 5.1 shows, represents a rather typical scenario of

independent production in Taiwan, as the sector-level findings suggests in the previous section. Consequently, as I will show later with the case findings, its CIN developments tend to be inevitably filtered through individuals rather than through firms.

Title	Note
Producer	First-time Producer for feature film
Director	First-time Director for feature film
PR /Media officer	First-time in film marketing

Table 5.1 Key decision-makers of the CIN of the case Film-T.

Like most independent productions in Taiwan, the idea of the film originated from the Director, who then came to the Producer for a production partnership. They then secured funding from the government’s Guidance Funding programme, necessary to make the production possible, which is also a fundamental feature of most Taiwanese films in recent years. However, government funding only amounted to one fifth of the total required budget of the Film-T, and such a budgeting situation is, again, representative of the under-capitalized nature of independent production in Taiwan, as I highlighted earlier. Therefore, throughout the pre-production and the primary production process, the Producer had to take a series of actions to search for co-production opportunities and corporate investments and sponsorships. Consequently this under-funding reality triggered, and required the CIN process of the case production to develop simultaneously without discontinuing the shooting of the film. In fact, over the whole production process, Film-T has developed CIN with various businesses including telecom,

book publishing, music records, new media and multi-media, as listed in Table 5.2 below. Overall as the case reflects and represents the characteristics of independent productions and their CIN practices in Taiwan, it offers a purposeful context for the multi-level, bottom-up study of this research.

Related businesses	How the network relationship built	By-products/services
Music Recording	Producer's Friend	Original Soundtrack
Book publishing	PR's Friend	Script novel
Telecom	Sponsorship Pitching	Co-promotional events, product placement
New Media	Producer's Friend	Co-promotional down-loads
Multi-media	Sponsorship Pitching	Co-promotional product placement
Retail/Merchandise	Sponsorship Pitching	T-shirts and accessories
Domestic Distribution	Business call	N/A
Overseas Distribution	Director's Acquaintance	N/A
DVD Distribution	Director's Acquaintance	DVDs

Table 5.2 The CIN categories of the Film-T. Data compiled according to the interviews with the two counterparts.

5.4 On the Individual Level- Dissipative Structures Triggered by the Producer

As the first step in the multi-level network analysis, Prigogine's *dissipative structure* theory suggests that an *open system*, *symmetry-breaking* and *self-referencing* capacities are crucial initial conditions for the transformation of a

CAS system. By taking the theory as an analogy, therefore, the first level, namely the individual-level analysis, is to understand the initial conditions of the CIN of the Film-T from the Producer's point of view, including how the Producer perceived the CIN developments, and the extent to which his decisions and considerations reflected those conditions. They are considered in the research as an important foundation for organizational transformation.

At the time when the Film-T was still at its pre-production stage, four months ahead of its official filming, the Producer was interviewed for the first time and asked about his ideas about CIN in terms of production, and his response is characterized by three prominent points which largely resonate the three fundamental conditions as: 1) his attitudes toward the CIN are very open and eager, to the point that he does not set any boundaries for the possibilities, 2) the fundamental purpose mainly concerns fulfilling the creative aspirations, instead of the profits, yet 3) he also revealed mixed feelings toward the ensuing responsibilities and trade-offs involved in the network relationships. I will elaborate on this as follows.

Firstly, the Producer's open, positive attitude, and high expectation towards CIN can be said to be an extension of what he sees an independent production to be, which can be seen from the following extracts.

The independent producers in Taiwan are still exploring and trying to find our own way out. But this doesn't mean that we are only doing something artistic, for only a small group of audience. I want the film to have more commercial elements attached to the film... (Interview I/A1)

CIN is certainly the things I will do with all my future productions! With them, we can create a strong current to push and integrate all those different businesses, be they music, retail, games or leisure businesses , they can create glories around the film, to draw more attention to the film, that's my ultimate goal in making those CIN. (Interview I/A 33)

I will use water and fish to describe the relationship between us and all those related businesses , so it is about helping each other, it's a mutual dependence, we can find out what we want from each other, so to start the relationship from here. (Interview II /A49)

In fact, I found that the CIN of the Film-T actually derive from an even earlier stage in the production, that is, during the idea-forming stage of the film. It is at this point that the changes can be introduced into the production. It can be seen as the Producer's emphasis, as follows.

Although we have to abide by the rules of the Guidance Fund, so we can't change much of the story, but we are still trying very hard to get more feedback on the script so that to make it more interesting, more commercially appealing (emphasis)! (Interview I/A20) .

It is, therefore, found that while the Producer is open to and in need of those networks, he also plays a role as a 'creative and commercial gatekeeper' for those incoming resources, which can be seen from the following extracts.

Money is, of course, the priority, because it can help us to concentrate on the filmmaking itself instead of worrying about the cash-flow. But I actually turned down an offer, there was an investor who said he would like to fund the film, but he wanted all the rights. He said that he was trying to help us to make our dream come true. I just couldn't see any point of accepting such an offer. (Interview I/A16)

For example, the reason we settled for the independent music producer instead of a mainstream one is that we share similar ideas in terms of the original soundtrack and the musicality of the film, we have the same tune, we can collaborate to create something different. Maybe I was wrong from a commercial point of view (big laugh) (Interview II/A 30)

For example we have been contacting some telecom companies, but it is NOT (emphasis) about whether we have to do something deliberately in order to get their sponsorships, it is because we have the needs of our content-making, we want to make some scenes more relevant and interesting to the target audience, so it would be nice to have their products placements, like their SMS (Short Message Service) products in our film, that is why we approached them. (Interview II/A27)

We are very clear about our bottom-line; we know how much we can give away in exchange for those resources. So I will only accept deals where we don't have to sacrifice too much. And any potential resources that would affect the content of the film I would make sure that the Director is ok with that. (Interview III/ A39)

The awareness of the 'content ownership', the 'doing something wrong', the 'bottom-line' and the 'Director's view' all indicate that the CIN, for the Producer, involves balancing between two ends: commercial calculations and creative considerations. The former exploits the content for investment and profit returns, while the latter acts on what they really aspire for the content of the film, and the Producer's responses suggest that the latter still accounts for more of his decisions. In particular, the reflexivity of Producer also reveals that the evolution of the project organization grows from his inner-level awareness. In fact, it is obvious that the Producer is very aware of his personal and practical challenges, which is very discernable, as he tends to elaborate about what he needs to do and his concerns for the building of the CIN.

I have prepared the story-board of the film to present to those potential investors and partners, because they don't know about filmmaking, so in order to let them understand what we will be doing with their money and products, we have to visualize it, I hope in this way I can minimize the misunderstanding. Also we have put together a sort of business plan; this is also because there are too many things that I am not familiar with, I don't have the business vocabularies, but I will have to talk about them in most occasions, so I just put them all down on paper to show them. It's very difficult, we asked a lot of

people to put the information together, especially I don't have any partner to write the financial and market analysis. And also, things like there is no formal contract about the partnership between me and the Director, it just an oral agreement, but I just found it problematic, because I got nothing to show to those business investors, it might be too informal.(Interview II/ A 28)

Well, if I have any concerns about getting into the CIN, it would be that I am afraid that I will disappoint those partners and investors. Whether they could make some money out of the film? Whether we could achieve the prospects that I build for them? It may sound superficial... but to be honest, I don't want anyone to invest on the production, because in that case I may lose my freedom to do things according to my own imagination of the film. But I know I have to learn all these things, it's inevitable, I won't be able to fight by ourselves, I need those network partners, I am very clear of this. (Interview I/A 24)

Section Summary on Individual-level Analysis

It is clear from the above that in terms of the case production, the symmetry-breaking point for stimulating the fluctuation of its organization lies in the individual risk-taking attribute of the Producer. This can be seen from his ambition to make the film a commercial enterprise, instead of another 'director's story' which has previously been the prevailing approach to independent film-making in Taiwan. Therefore, naturally, his expectation for CIN seems to be relatively high.

Additionally, the Producer acts as an initiator and gatekeeper of the CIN of the Film-T. While desperately looking across the sector for possible network partners, the Producer also holding to a rule of principle that filters the possible resources and obligations based on his identity and capacity as the creative and independent filmmaker. For the Producer, the CIN will be helpful to the production, and is regarded as something expected and needed. Importantly, it is the Producer's

principle and attitude of acceptance or refusal that defines the specific CIN relationship as positive or negative. In the Film-T, the Producer shows his high expectation and consciousness toward the involved trade-offs in the networks. He is also aware that the progress of the network is a process of self- challenge.

Yet the ‘creative the first, commercial the second’ principle is not an easy task. It has, in fact, caused the Producer to encounter conflicting consciousness, struggles, and ‘preparations’ at the beginning of the production organization. As a result, it is found that while the open-mindedness of the Producer allows the external CIN forces to start to flow into the organization of production, the influx of network resources is, in fact, introduced alongside, with discernible tensions and pressures on the Producer. This embodies the point of view about the negative concerns shared by most independent producers that I interviewed.

Overall, it is clear that at an individual-level, my discussion on the initial conditions of the network organization, based on the theory of dissipative structures, shows that the Producer enthusiastically opens himself up, and hence the project organization, towards an increasingly complex environment of film production beyond merely personal fulfilment. However, while Prigogine’s theory suggests that the organization will move towards a system transformation, based on organizational conditions which incorporate both internal and external complexity and instability, the scientific model falls short of accounting for the human side of the complex, which characterizes the conditions of independent production, and has much to do with their personal feelings and self-reflections. As we will see in the next section, this process, indeed, involves a higher

complexity of learning, adaptation and tension which emerge at the surface of the project organization.

5.5 On the Project Level: the Self-organizing Project Network for CIN development

The examination at the individual-level has helped us identify that the Producer responds to the CIN with a self-driven motivation and openness. However, as the case firm embodies a flexible, yet fragile organization, lacking specialized personnel and organization structures, there are questions that deserve further examination. Firstly, in what ‘flexible’ ways does the case organization cope with the increasing complexity and manage to facilitate the development of CIN? Secondly, how is decision-making achieved when balancing trade-offs in network dealings? In this regard, the self-organizing theory advanced by Kauffman offers conceptual insight into the related issues of spontaneous and inherent properties, such as the diversity, flexibility and specialized processing within the organization. In other words, while external forces seem to dominate the fragile organization of the project, the project-level analysis aims to understand how the internal dynamics of the project organization are generated in a CIN way. This analysis is achieved from the point of view of key internal agents, including not only the Producer but also the Director and the PR officer.

Firstly, despite the facts that the planning of the CIN of Film-T involved only the

Producer, the PR and the Director in internal terms, and the Producer indicating that *'we did do some research on who could be the potential businesses partners by searching the internet, asking friends and making cold-calling strangers'* (Interview III/ A8). However, when I inquired into their practices and experiences in terms of how they explore and initiate networks, it is easy to find that the CIN of the project are fundamentally shaped by their personal networks, which has become inherent diversity and assets of the project organization towards a broader network.

According to the data collected from both sides of the CIN, the network relationships with the music recording, the book publishing and the new media companies are all built based on personal friendships, and their collaborations are achieved with ease at an earlier stage of the process. Meanwhile, a degree of randomness and informality in such friendship-based interactions can also be found in the case data. An example of this is the Producer, who commented on the deal with the music producer:

Because we are good and old friends, that helps a lot, basically our discussion is done via chatting on MSN messenger or just a call, so it saves me a lot of paper work, and if we want to , we can sign the memo deal or contract for the collaboration on the soundtrack at any time. (Interview IV/ A17)

In addition, it has been found that internal network agents have taken their personal networks as advantages in terms of achieving creative collaborations, in producing by-products. The comments from the Producer when reviewing the relationship with the music producer can illustrate this point.

Well, in fact we did not have the money to pay for the music producer fees, and we only got a tiny amount of money for him to make the soundtrack. But because we are good friends, so he will do what he thinks the best for the film and for me, he won't do it just based on the budget he got. He has been giving us many ideas, and together we are creating something different! So our friendship does help in this respect, I feel I am taking advantage of him (laugh). (Interview V/A16)

Secondly, according to my interview data, the idea of 'learning' is frequently brought up by the agents while talking about their experiences of interacting with other businesses during interviews. Any specific route they took to build up the relationship, no matter how formal or informal, with new or their existing acquaintance, provides opportunities for them to learn. The experience of their learning, both creatively and operationally, can be illustrated by the following extracts:

Coming from a music marketing background, it's been a learning process for me to collaborate on the script novel with the book publisher, although the chief editor and I are old friends. He gave me a lot of ideas in terms of the content and marketing of the novel, they were lovely surprises which gave me different feelings of the novel from what we originally thought. We basically took all his suggestions on board, because he is the one knowing their kind of market. (PR / Interview IV/ A 21)

There were quite a few regrets that we did not team up with some mobile or game businesses. I just learned that some of them would like to join us, but when we approached them, the timing was just too late for them to allocate any of their yearly budget, or it would take them a long time, as they are not in control of decision-making as a regional office of a global brand. (Interview III/ A30)

Because the telecom company is so big, and I just learned that they are also under government regulations in terms of what content they can acquire and the ways they can make use of it, and their decision-making has to cross many departments, this is why the contract between us took months to settle, and there are lots of boring and technical details involved, it's been a tedious process but I did learn a lot during our interactions. (Interview III/A13)

We don't have any strategy for developing the CIN, but what I learned from meeting those related businesses is that I have to see things from others' point of views and not just keep talking about our film. Because no matter how great our film is, if we can't make it relevant to them, it's still useless. Also, I think we have to use different ways to interact with different businesses, because what they want from us is different. (Interview III/A 36)

The above evidence shows that as the Film-T operates in a flat company context, without structures, and the agents extend immediately and enthusiastically to the outside, without much constraint. They learn directly from those they make connections with. This kind of learning is based on the individual agent's own reflections, and is a result of their self-driven practices. Such a learning process is similar to Kauffman's idea of adaptive learning through flexible structures. However, my empirical data shows that there is relatively little learning between the network agents which can be seen from the fact that the interviewees seldom spontaneously refer to or comment on the interactions among them as they are busy engaging in attending the network relationships that they themselves are in charge of.

Thirdly, task-sharing between network agents reflects a two-side problem of the Film-T in terms of functional differentiation and integration. For the former, it is found that the key network agents (the Producer and the PR officer) share similar roles in terms of their network developing tasks as their comments centre on either the operational progress or the creative output on those by-products. On the other, due to such break-down of work, both of them show signs of unfamiliarity in terms of the substance of the relationships which they are not directly involved in, just as the following replies suggest:

Oh yes, we chatted about what we could do with the book publisher, but she (the PR) knows the editor well, so she is fully responsible for maintaining that connection, and developing the product, (and then the Producer suddenly shouted out loud to the PR who was sitting downstairs and asked when and whether the by-product script-novel could be on the market as scheduled). Well anyway I just love the design of the book, it looks very exciting! (Interview V/A22)

I am only in charge of the relationships with the book publisher and the new media. As for the others, I don't know much about the details, you have to ask the Producer, as he is in charge of other business relationships. (Interview IV/ A5)

In fact, I found that the differentiation functions required in solving issues involved in the CIN are largely left unfulfilled in the project organization, such as commercial and legal issues. Such a reality is also frequently indicated by the interviewees as their fundamental weakness in dealing with the CIN. As a result, their internal integration process, and the processing of the CIN, can be seen as fragmented, relying on either their own personal experiences or external resources to deal with commercial and legality issues.

However, decision-making to commission functional jobs outside the firm is not an easy one for the Producer, who is also the Managing Director of the company. In fact, it took him a long period of consultation and hesitating struggles before he finally made up his mind to commission the domestic distribution to an independent distributor and another freelance broker, who is a friend of the Director, to deal with overseas sales. As for legal matters, the Producer was referred to by a close friend of his to commission it to a lawyer, who is also new to the film business. The lack of functional integration in processing the network affairs was also visible, owing to the separation of the functions; as a consequence, the project organization becomes stretched, without interconnections across

functions. The issues can be seen from the Producer's comments on the legal services.

The lawyer can only help us with fine-tuning the wordings of the contracts, it's all very technical, she couldn't help us with negotiating the commercial terms of content-licensing or revenue-sharing, and we still depend on our limited experience and knowledge... (Interview V/A27)

The lack of coordinating and balancing agency inevitably means that their decision-making tends to be random and arbitrary. To take the commissioning relationship with the freelance broker for international sales, for example, the comments of the Producer in his early and later interviews vividly illustrate this point:

We did shop around for possible distribution brokers, but some of them were just too arrogant so we just walked away from them, as the Director always said 'why should we bother listening to them!'. So we just decided to work with the freelance broker, because she is acquaintance of the Director. I believe this will make things easier in terms of communication. Although she is new to the business, I can see her passion for this project. (Interview 4/A7)

However, nine months after the fourth interview, and after the first round of international sales, in reviewing the relationship, the Producer reflected, in the eighth interview, that:

It's one of the biggest mistakes I ever made for the production, to commission the job to her, she doesn't even have the vocabulary to handle the deals, so in the end, she couldn't do much sales for us. We shouldn't rely on her simply because she is a friend of the Director; we are too naïve, the international film distribution is such a specialized and tricky game! (Interview VIII/ A17)

The above example highlights an issue related to the specialized processing and

integration as being that of control of the CIN of the case production. It is found that the Producer is constantly confronting a dilemma of control in project organization: inwardly, he shares the control of decision-making with the Director, who also plays a key role in the final decision; outwardly, the network picture becomes even more unclear, as the Producer is required to acquire functional services to fulfill the specialization gaps in the project organization, yet those functions are disconnected, in terms of decision-making for the network, which in turn reinforces the pressure and control of the Producer and the Director. Such circumstances are frequently revealed as the Producer becoming increasingly aware of the complexity of the tasks and trade-offs involved in the CIN. It is also manifest through the agents' struggles and failures to follow through their personal contacts, and embed them into more formal contracts between firms which highlight their individually initiated and informal, instead of formal ways of networking. Overall the agents' accounts of their experiences can be regarded as a reflection on their roles, and the overall development of the project organization.

Section Summary on the Project-level Analysis

From the above analysis at the project-level, we can see that while the Producer opens himself up and hence the project, into the CIN, the internal organization structures of the Film-T is too fragile to handle their own aspirations, let alone accommodating the ensuing networking complexity. As a result, as the CIN bring the network agents a mix of promises, problems and challenges which force them to seek outside, it can be said that it is from the seeking of these external resources

that the project organization of the Film-T gains structure and agency. However, while the constructing process of the project networks embodies self-organizing and self-driven properties, it is still embedded in relative disorganization which can be seen from three aspects.

Firstly, while the diversity of the network agents' personal contacts becomes an inherent property of the project organization in terms of developing the CIN, such diversity, and the randomness of their respective interactions, lies at the level of the network, and due to the lack of accommodating structures, the internal interaction or the self-catalyzing process among the internal agents seems to be overwhelmed by outward interactions between the agents and the related businesses. As a result, the project organization can be said to be characterized by its network agents acting randomly, without much correlation, and therefore its bottom-up pattern tends to be stretched outwards in a disconnected way.

Secondly, while the network agents' decision-making is not solely based upon their pragmatic needs, it becomes evident that autonomy-seeking, entrepreneurial, and creative-driven characteristics of independent production all come to play in shaping the emergence of CIN. In addition, it shows that it is in the process of outward interactions by which the network agents manifest themselves, and learn from the outside, so as to become more familiar with the business logics in the networks, which in turn underline their lack of intrinsic capacity to absorb the incoming network energy at the project-level. Consequently, the line between whether the system organization of the project is altered by its own self-organizing, or is changed by external forces, becomes even more difficult to

draw.

Thirdly, as we saw, tensions and dilemmas occurred while the network agents are trying to develop the CIN which involve increasing dynamics between multiple stakeholders and competing agendas, both internal and external. In particular what makes it more pronounced for the independent film productions as the case revealed, is their attempts, albeit fragmented and arbitrary, to strike a balance between ‘creative principles’ and ‘commercial considerations’ in measuring the almost boundary-less flexibility in terms of what network resources and scope they ‘needed’ or ‘aspired’ for carrying out their film, and in weighing up their willingness and capacity to carry the promises, possibilities, constraints and obligations brought by business partners of diverse nature and logics, and truly deliver what they want in the end.

However, such circumstance indicates that there are other mechanisms at work to ensure their network practices are above the ‘bottom-line’. As I will show in the next section, for a fragile independent production company such as INDIE-Taiwan, in order to deliver its very first feature film in a CIN way, there has been a transformation process taking place during the production. Importantly, despite the insignificant CIN outcome, in monetary terms, a positive inclination towards CIN filmmaking has started to consolidate with the case company.

5.6 On the Firm Level: the Mechanism and Building blocks for Emergent Properties

We have seen from the previous sections that Film-T demonstrates not only the crossing-level interrelatedness between the individual and the project level, but also a crossing-dimension flexibility from the internal to the external of the project organization, during the developing process of CIN. However, as Film-T is carried out in a company context, it also remains to be seen whether such network practices around the single production, over a period of time, has contributed to new properties taking shape at the firm-level of INDIE-Taiwan. In this regard, Holland's analysis of 'the laws of emergence' as discussed in Chapter 3 provides analytical tools, as it indicates that certain *mediating mechanisms* or *building blocks* are important source for the cross-level emergence to happen and for facilitating the organizational process of evolving, adapting and transforming to the changing environment. In the following section, I will show that the 1) self-driven entrepreneurship and 2) director-centred practices are the two recurring themes that emerge in the empirical data, and these constitute mechanisms for channeling the emergence of the network across the lower individual level upward to the project organization and beyond the firm, during the constructing process of the system.

According to Holland, mechanisms are facilitating the dynamic construct of emergence by mediating between the structural constraints and the formal rules of the system. Yet the above findings show that the structural constraints of the case firm lie not in an interlocking and hierarchical environment, instead it is the lack

of structures that confine its network development. However, its internal weakness (the lack of formal / functional specializations) paradoxically also becomes a source of the firm's networking strength. On the one hand, it is from the seeking of this external support for the project organization that the firm gains structure and agency; on the other, their rigorous seeking for external resources again encourages a more flexible and opportunistic approach of networking around the firm. As a result, as the case data also shows, the organizational limitation of the case firm has been altered by the individual agents' actions, to gain supporting resources from the outside. In other words, it can be said that it is their awareness of their personal and the firm's organizational weakness and self-driven entrepreneurship that guide the network agents through the structural constraints during the emergence of the CIN. This can be seen from the following extracts, from the interviews with the network agents, Producer, PR and Director.

In terms of funding difficulties, it's because I am not close to the investors, and also because I don't have the business language and market reputation in this respect so to speak, so I have been trying to find a way to reach them and let the investors know more about me and our project. (Interview V/ A14)

The Producer got me here because we were friends, and he needed someone to help with the marketing planning and media PR. Although I am new to film marketing, but we thought that together we could try something different and make something happen! (Interview X/ A1)

It's me who recommended the sale agency to fill up our operational gaps in dealing with international sales, and the Producer agreed with me that although she is new to the film business, but she has the passion just as we do, that's the most important, and we can fight together! (Interview IX/ A21)

In addition to self-driven entrepreneurship, the phrases of '*the Director's ideas*' or '*the Director and I thought...*' are also frequently raised by the interviewees while talking about how they encounter decision-making in relation to CIN. It was

found that any adjustments they made, whether or not it involved internal tensions between the Producer and the Director, or weighing the trade-offs around the ‘bottom-line’, required the interviewees to refer to the Director’s creative considerations, which in turn could be found to become not only a ‘rule’ governing their decision, but also a foundation for new properties to grow. This may be illustrated by the following extracts from the interviews with the Producer and the PR:

Of course, over more than a one year period of production, there were times that I didn’t agree with the Director (silence)...But it was just a constant modification and adaptation between both of us. However, it was all because we wanted to make the film we really want, to realize the Director’s original ideas which I like very much as well, so I try not to hurt our relationship, and our partnership has been getting better and better. (Interview VII/ A 12)

I think what’s good about this production is that the Director is very keen to give his ideas, because he is the one who has more experience than me and the Producer, and we can know what the Director wants, it’s very important. For example it’s me who chose the writer for the script novel, but the most important thing was that the writer clicked with the Director immediately when they first met, that made my job much easier! (Interview X/A 17)

As noted earlier, the typical status of this relatively young firm does have an impact on the director-centred practices. Especially as the Director is relatively more experienced in the business side of production compared to the Producer and the PR, the decision-making therefore tends to center on the Director’s views. In fact, by interviewing the related business partners of the Film-T, it is found that while the interviewees share a highly common view in terms of their elusive criteria in justifying and assessing the collaboration with the Film-T, their judgments tend to be made according to the Director’s credibility and their interactions. It can, therefore, be argued that the two mechanisms: self-driven

entrepreneurship and director-centred practices embedded with the project of Film-T have in fact formed a firm-level asset. They have not only become a key to supporting the network agents to take action during the process, but they also opened up the doors to its current CIN partnerships, which has contributed to an emergent strategy in terms of branding the case company and gaining future business opportunities. The following extract from the last interview with the Producer, which comments retrospectively on the relationship with their biggest business partner- the telecom company, illustrates this point.

According to what they said, they can close the project now, everything has gone well, we fulfilled what they asked for. Especially, although the box-office hasn't turned out as well as they expected, they are very pleased with our interactions. It's a proof to them that we are actually trustworthy and not take-and-run independents. Actually we are in talks about future production deals... (Interview VIII/ A6)⁵⁸

Section Summary on Firm-level Analysis

According to the above, while evidence allows me to claim that the functioning of the self-driven entrepreneurship and director-centered mechanisms play important roles in the emergence of the CIN of the Film-T in terms of a) facilitating the individual network agents to take action to fill the functional gaps in the existing structure by acquiring new contacts and so extending into a wider network; b) offering guiding principles which the network agents can refer to in their decision-making; and c) being developed as some intangible resources and values to materialize into effects as an emergent strategy for the future outlook of the

58 Five months later in a correspondence with the Producer, INDIE-Taiwan and the telecom company have signed the first co-production deal.

company.

Accordingly, the above analysis of the way in which those mechanisms enable the network to take shape requires me to reconsider Holland's theory of emergence. He argues that emergence is a dynamical construct from the lower level arising over time and not as a pre-given entity, and emphasizes that it involves recognizable features and patterns. However, his arguments might overlook an important aspect of the internal dynamics of the creative organization, namely its embedded, intangible nature with the agents. In particular while looking for the facilitating mechanism of the case firm from the project to the firm level, I was constantly reminded of the role of the individual agents. This indicates that for the independent company, emergence is all about the network agents' self-reflections and personal growth, because it is from the emergent process of the network that they learn their organizational weakness, how to deal with network problems, how to construct their sense of themselves as an independent producer, as we saw in the previous sections.

In particular, the agents themselves function as a source of emergence for the network organization at different levels. It is also clear that the ways the agents are involved in emergence is varied in terms of 1) the extent to which they are required to interact with other agents and 2) the formality with which their interacting and learning processes take place. Yet regardless of these differences, it remains the case that those properties that derive from the nature of the creative and entrepreneurial agents do function as mechanisms in the building of the CIN.

In short the case study of the developing context of INDIE-Taiwan illustrates that the emergent properties are largely embodied by, and grow with the agents, rather than the company. Such findings largely reflect the findings from the sector-level analysis in that they illustrate the highly individualized nature of the industry in general; the independent producers tend to base their decisions on personal values and preferences. In particular, while there is an instant exchange between the bottom-up generated dynamics and the top-down imposed practicalities, the case company has demonstrated its distinct order, as centred on the spontaneous transformation of the agents toward a CIN way of continued being.

5.7 Case Summary: the Emergence of Fragmented Disorder

Based on the analysis of the production-Film-T of the case company-INDIE-Taiwan, it is clear that it embodies a fragmented model of an independent production company operating within a CIN context, and that this is also characterized by ongoing transformations. To summarize, while the internal networking dynamics of the case company appears to be somewhat random and chaotic, the CAS framework helped me to recognise its own distinct complex order. The prominent networking characteristics can still be identified, which emerge alongside some noticeable management issues.

1. Networking Driven by Individuals

The entrepreneurial nature of individual agents encourages their self-driven

and self-adapting CIN actions which contribute to a disconnected network.

INDIE-Taiwan shows us that its networks are driven by entrepreneurial actions taken by individual agents within the system, which have influence and consequence of the system as a whole. The self-driven practices can be regarded as the most important source of its networking dynamics, in the sense that they guide the individual agent's enduring motivations and persistence throughout the limitations, dilemmas, and stress. These actions are embedded not only within the individual agents, but are also reproduced and strengthened in the upper levels of the organization.

Due to the individual-driven and fragmented networking, the picture of how far the micro-level interactions within the system start to fall into patterns and order starts to emerge from chaos becomes increasingly elusive. Nevertheless, the CAS theory has proved itself to be a useful way of understanding the networks of the AVS in Taiwan, as it captures the bottom-up dynamics of networks, and also illustrates that the micro-level actions have an impact on macro level development.

2. Networking Dependent on Social Relationship

The agents are embedded in, and rely upon a wider pool of social networks, which become a double-edged advantage in terms of exploring and maintaining network relationships. It seems clear that the CIN of the case production is embedded and supported by the social networks of the agents. In fact there is a high reliance of the network agents on their personal relationships because 'they make things easier and more creatively interesting'. It became

evident that social networks provide a basis not only for agents to experiment with the possibilities without much formality, but also for the development of competitive advantages. Such a social and informal relationship has proved to be a double-edged sword. The social networks allow for the greatest flexibility between like-minded people; thus, new ideas or new ways of doing business are becoming more feasible; however, it can also result in wrong choices and misplaced trust which also have happened in the Film-T. Without formal underpinning, these network businesses/individuals are only loosely connected to the network, lacking substantial involvement and interconnections in the project organization.

Such findings indicate that while the network logic at the macro-level is obviously driven primarily by market or technology developments, however the reality is that the ways that the network agents form the CIN tend to be irrational and arbitrary, to do with personal preference, interests and even personality. As it still lacks any formal regulatory mechanism within the content sector in terms of IPR issues, the logic of the cross-sector collaborations tends to flow with personal choice, instead of any sense of the formal laws of business, or what the production really needs.

3. Networking Around the Project-based Enterprise

The project-based, one-off nature of independent production which derives from the director-centred practices remains apparent in the CIN practice within the sector; as a result, the independent production as a firm has been neglected. As suggested, the identification of the emergent properties at the

firm-level has been a tricky task, because it is difficult to separate the firm from the project in this case due to its lack of defined infrastructures. Such elusiveness of the 'firm' in fact reveals management issues and problems concerning the prevalent one-off project-based production practices, and the empty shell of most independent production 'companies' in Taiwan.

Firstly, the CIN of the case production are partly based on the entrepreneurial actions of the network agents with the Producer acting as the gatekeeper to overall networks, but also on the reputation of the Director as the selling point or the stepping stone to the connections. As was discussed in the sector-level analysis, a shift has emerged from the director-centred filmmaking practices to the producer-driven CIN activities. However, the case project shows that although the Producer is required to act as a central point of authority for such a flexible and loose organization, and to be responsible for balancing the trade-offs and deploying responsibilities, the Director still remains the centre of the decision-making, as the CIN fundamentally involves trade-offs of their creative control. As a result, due to the fact that the Director is the property of the production, instead of the firm, networking remains a one-off project-based enterprise, centering around and contributing to the project, rather than the firm.

Secondly, the case company shows that as it lacks the required legal and commercial functions to support the continuing evolution of the CIN in the case production, the outsourcing of functions affects all levels of the system. This can be seen from the fact that the Producer has become dependent on those functions; yet integration of those functions has become difficult, because of the incapacity

and fragility across all levels of the company. This indicates that while flexibility benefits project organizations by promoting adaptation in changing environments, a CIN project has to be structured around indispensable functions. It can also be seen from the possible power shift within the production system which not only causes the Producer the challenge of balancing the tension between flexibility and control; paradoxically it also makes the Producer aware of the importance of creating institutions at the firm level, to govern the responsibilities of and interactions among network members, both internal and external.

In conclusion, the in-depth case study further demonstrates that CIN, in effect, emerges from the ‘bottom up’, and despite being fragmented, is capable of forming itself out of disorder. In particular, discussions concerning the individual-driven and cross-level interconnectedness of the network system arose from the work of Prigogine, Kauffman and Holland, as outlined in Chapter 3. I suggest that in the context of the AVS, this model of system transformation needs to encompass individual self-transformation. Personal challenges in terms of the self-transformation of the independent producers are the key to understanding networking and its effects in the Taiwanese context – thus the networks revolved around individual learning, not organizational learning, which is the most noticeable characteristic of the network phenomenon in Taiwan.

Summary and Continuation

In this chapter, the findings of the two-part empirical study conducted in Taiwan were presented. The first part, that of the general and sector-level of study show

that the CIN practices of independent producers are a result of the fragmenting structures of the film industry and a self-sustaining production sector. The findings are deepened by the second and major part of the study, a focused bottom-up study of an independent production company and its CIN practices during its first and only film production. With the CAS analytical framework, this chapter draws several conclusions about the way in which the independent producers in Taiwan move into a broader context of filmmaking in the AVS and its chaotic order.

Prigogine's theory of *dissipative structures* helps to draw out empirical evidence that CIN practices trigger a process of self-awareness of the Producer as an independent and creative producer. In addition, the network conditions towards a CIN system are clearly illustrated by the Producer's eager openness, expectation and entrepreneurial risk-taking actions. However, it is found that the network conditions set off by the Producer for the project enterprise are full of anxiety, tensions and dilemmas.

Secondly, by drawing on Kauffman's conceptual framework of *self-organization*, I moved on to analyze the way in which the network agents interact with each other during the network organizing process, and to examine how agents deal with the networking issues. However, it may be found that the fragile structure and agency of the project organization are being constructed through the evolution of the CIN, with the agents seeking for external resources to fill up the functional gaps. During the evolution, the networking practices of the agents were encouraged and driven outward by a diversity of personal resources and

embedded flexibility. As a result, the internal interaction and interconnections between agents, and the way they deal with the networking requirements, are found to be fragmented and disconnected. However, the agent-driven organization at the project-level can be regarded as the foundation for self-transformation.

Thirdly, at the firm-level, while all the lower-level conditions and properties contribute to an open, yet tense and fragmented organization around the case project, I looked at the mechanisms that facilitated the emergence of the CIN from the disorganization, and from this, I sought to discover whether there were any new organizational properties, i.e. management actions or organization designs emerging at the firm-level. The analysis reveals that self-driven entrepreneurship and director-centered practices are the facilitating mechanisms for the evolution of the CIN. As the network agents followed those principles with spontaneous self-reflections, in which they experienced the adaptation and evolution of the project as well as the firm, therefore, I argue that self-transformations with the network agents have taken place, and they serve as a source of emergence of the CIN network across all levels in the agent-driven system. While the CIN also opened up routes for the company's continued survival, I also highlighted the fact that an organizational transformation with the firm as an entity is not yet to happen due its disconnected flexibility, both internal and external.

Overall, it is clear that the evolution of the CIN of the case production within INDIE-Taiwan reflects the idea of the bottom-up organization. Its bottom-up network dynamics can be summarized into three network characteristics, which are: networking driven by individuals, networking dependent on social

relationships, and networking around the project-based enterprise. In particular, the dynamic interconnections between the levels is well-expressed by the agents' transformational experiences. It is in the process by which the agents learn how to conduct the CIN, as a result of which they are able to express their identity and grow. Having looked at the developing scenario in Taiwan and being constantly brought back to the individual level, I have highlighted the personal challenges involved in the CIN. In the next chapter with the developed scenario in the UK experience, I will show that as an independent production company grows, the network challenges at the corporate level also become evident.

Chapter 6

Cross-industry Network of the Independent TV Production in the UK

Q: So you think there is a happy medium between the creative and the management?

A: There is a healthy tension, it's a tension but it has to be healthy. We were once elected by the UK freelancers as the best independent production company to work with. The reason for that is the quality of programs we have and the range of programs we have. Because with us, you got the freedom and support to make programs for those different platforms. It's the freedom to take risks!

(Interview 38/HR Director)

Introduction

Following Chapter 5, in which I discussed the developing scenario in Taiwan, in this chapter, I will examine the mature model in the UK. The single and focused case study on a major, independent TV production company, namely INDIE-UK, is achieved through the pilot study, and subsequently, the cross-case analysis of four cross-department/genre productions. The purpose is to examine how the company's internal organizing dynamics facilitate the emergence of CIN from the bottom-up, during which the complex CIN order is revealed. The UK case represents a complement to that of Taiwan in achieving the research target, especially in terms of the analysis across the project-to-firm level in a multi-project, and relatively hierarchical corporate environment.

The first section is a scene-setting of the overall case study, including a discussion

of the recent development of the independent TV production sector in the UK, a general description of the case company, and the four case projects under study. In section 2, I present the initial findings of the pilot study with one of the company's production departments. The initial navigation is helpful, as the key themes of the pilot study emerged and facilitated the further cross-department examination.

Sections 3 to 5 form the main part of the case study: the cross-case analysis of the four case productions under the CAS framework. Section 3 starts the examination of how the Executive Producers' (EPs) individual responses to the CIN trigger the network configuration around the productions. Section 4 continues to examine how such internal specialized and coordinating dynamics are self-organizing around the projects. As a result, the individual-driven dynamics emerge into collective properties at the firm level, with the crossing-level and supporting mechanisms at work, and these are identified and analyzed in Section 5. Based on the above findings, I will then present the prominent networking patterns in Section 6.

Throughout the chapter, the four case projects are indicated, where appropriate, as Drama, Factual, Animation and Comedy. When direct quotations are cited, the quoted interviewee's title such as Executive Producer (EP), Managing Director, Business and Legal Manager, Head of Production, Commercial Director etc are indicated. The quoted interviews are also indicated with their series number, as listed in Appendix 7.

6.1 Scene-setting

6.1.1 From the Fragmented to the Consolidating: The Independent TV

Production Sector in the UK

As discussed in Chapter 2, the UK independent production sector has emerged over the last two decades as a result of the structural changes within the broadcasting industry, triggered by the UK government's regulatory transformations toward a liberalised market. The sector is now demonstrating a mature model, with its programme-making output accounting for just under half of the overall UK television production market.⁵⁹ Progress within the independent sector can be evaluated from three separate points of view: 1) its increasing strengths in the independent production-broadcaster commissioning relationship; 2) its retention of the rights of the content they made for commercial exploitation; and 3) it is becoming a dynamic and increasingly consolidated business sector. In the first section, by reviewing the recent developments behind its growth, I will highlight some external factors connected with the networking behaviour of independent producers, before looking into their internal dynamics in the later sections.

1) The Stepping Stone: the Compulsory Independent Production Quota

The UK independent producers' weak bargaining position in the programme supply market was indicated for the first time by the Peakcock Report (1986). The report highlighted that the UK broadcasters' vertical integration of

59 According to the 'The BBC and Production' *BBC Charter Review*
<http://www.bbccharterreview.org.uk/pdf_documents/the_bbc_and_production.pdf>
(07.May.2006)

programme-making and television broadcasting, and domination of the related business of programme production, have stifled the growth of the independents. A compulsory minimum quota was therefore recommended to be imposed on broadcasters, to enable them to source their programming from the independents. Subsequently, the 25 per cent Independent Production Quota was introduced in the 1990 Broadcasting Act. This measure is believed to have introduced competition in programme supply, thereby forcing UK broadcasters to restructure their operations by disaggregating programme making from broadcasting. The Quota is also believed to alter the fact that the programme commissioning practices of the UK broadcasters tend to discriminate against independent producers, in favour of their own in-house production capacity (Doyle and Hibberd 2003).

Since the year 2000, the UK government has been devoting itself to realizing the potential of independent producers, in order to satisfy the growing audiovisual economy. It therefore specified that UK broadcasters were responsible for supporting the vibrant creative and independent sector, in return for the privileges they maintained.⁶⁰ Some progress can be illustrated by the BBC's recent decisions, in 2004, to further open its doors to independent producers.⁶¹ The way in which changes in the commissioning structure will work to ensure that independent producers can compete on equal terms lies beyond the scope of this

60 Graham D. and Associates (2000) *Out of Box: A Report on the Programme Supply Market* <<http://www.culture.gov.uk/PDF/outofthebox.pdf>> (15.Jun.07)

61 BBC implemented the Window of Creative Competition (WOCC), a program reserving another 25per cent of BBC's programming above the 25 per cent independent production quota for which both external and in-house producers can compete.

thesis; however, it is clear that independent producers in the UK in general are gaining more recognition for their creative and economic contributions, and further engagement with the broadcasters.⁶²

2) The Facilitating Drive: New Terms of Trade brought by the 2003

Communication Act (the Act)

While the independent production sector has gained increased visibility, however, for long time the public service broadcasters in the UK, who have the greatest influence over independent producers, have yet to resolve on the issue of copyright ownership between producers and broadcasters.⁶³ As a result, the broadcasters have commissioned independent producers principally on a ‘cost-plus’ basis, meaning that independent producers are expected to render the majority of rights associated with their programmes, in return for the broadcasters covering all production costs and paying a small fee or ‘profit’ to the producers (Doyle 2002:53).

Eventually, the Act stipulated improved codes of practice between broadcasters and independent producers, and the New Codes were finally approved by Office of Communication (Ofcom) in January 2004.⁶⁴ Since then, UK broadcasters have no longer been entitled to hold on to intellectual property rights (IPR) to

62 There is an exodus of executives’ from the BBC to the INDIE-UK sector is also a sign of a shift in the relationship between big old broadcasters to the buoyant enterprises. ‘The rise of Independent TV power’ *BBC Entertainment News*. (21.Apr.2005). <http://news.bbc.co.uk/1/hi/entertainment/tv_and_radio/fourfour69four89.stm>

63 ‘Television - A better deal for New codes of practice give independent TV producers the chance to make more money from programmes.’ *Financial Times* (06.Jan.2005)

64 Codes of practice for public service broadcasters adopted on the basis of section 285 of the Communications Act. Specifically, under the new terms of trade, independents should be given the right to keep at least 85 per cent of their revenue from secondary rights in programmes commissioned by the broadcasters, compared with the previous 30 per cent.

programmes in return for any initial investment and commission. The new terms of trade, therefore, lead the broadcasters to move away from the traditional method of commissioning (completely controlling the assignment of rights) to a more limited license of primary broadcast rights within the UK, with producers retaining control of all other rights in their programmes for further commercial exploitation.

According to the latest Ofcom (2008) report of The Communications Market, the independent production sector has experienced strong growth during 2007/08, increasing by 9.4 per cent to £2.14bn. The majority of revenue came from the television production business, which grew from £1.75bn in 2007 to £1.89bn, while non-TV revenue has more than doubled over the last three years, to £242m, as shown in Figure 6.1 on next page. Such growth indicates that the retention of secondary rights has given the independent producers easier access to commercial markets, and therefore benefits the financial well-being of independent production companies. This directly helps to strengthen the bargaining power of independent producers (PACT 2008).⁶⁵

⁶⁵ PACT (2008) The Independent Production Census 2007/08. Based on financial data from the period January 2007–December 2007, it reports on a continuing growth, profitability and consolidation with the independent production sector.



Figure 6.1 Sector Revenue by TV and non-TV activities

Source: Pact Independent Production Census 2007/08. in *The Communications Market 2008* (Ofcom 2008).

3) The Mixed Promises: The Diluting Production Budget and the ‘360-degree commissions’

These new terms of trade come at a time when broadcasting channels in the UK are undergoing unprecedented proliferation, which in turn results in the dilution of their market share.⁶⁶ On the one hand, while the increasing channels suggest the strongest demand for content ever, the proliferating channels cause fragmenting audiences, hence decreasing the broadcasters’ profit margins; on the other, the new terms of trade have decreased broadcasters’ negotiation status in terms of the retention of rights, which has again worsened their financial forecast. As a result, UK broadcasters have been under economic pressure to increase cost-efficiency by lowering production costs.⁶⁷

⁶⁶ Mark Thompson, Director General BBC, Keynote speech on the EU Commission AV Conference Liverpool, 20th September 2005.

⁶⁷ For example the BBC has also announced a major 15 per cent budget cuts, which is also believed to affect the rates to independent producers. ‘Television - The big picture - coming to

In response to diversifying markets, the UK broadcasters are now aiming to engage audiences with various platforms. Consequently, independent producers are now being asked for ‘360-degree commissions’. This phrase originated in the BBC in 2006, when a ‘360 degree content creation’ started to become a key phrase in its Creative Future content strategy which implies working across multiple media.⁶⁸ While still looking for its definition, ‘360-degree commissions’ has become part of the contemporary TV lexicon with the production sector.⁶⁹ According to the analysis of the leading trade press *Broadcast*’s interview with major broadcasters, the general message to the independent producers is that ‘any commission pitch has to integrate the multiplatform availability and on-line interactivity of the show’; ‘think of the full life-cycle of the project beyond the launch pad of the TV transmission’, and ‘always deliver a pitch with the whole idea thought through from an audience and brand perspective.’⁷⁰

4) To INDIE or Not to INDIE - The Consolidation of the Independent

Production Sector

Despite it having been suggested that independents are now able to run really profitable enterprises,⁷¹ not all ‘indies’ will be on an equal footing in benefiting

your small screen.’ *Financial Times* (14.Dec.2004)

68 The term came together with an organizational restructuring of BBC, so as to deliver an ‘innovative’, ‘martini media’ and ‘audience-focused’ programme making strategy. ‘BBC reorganises for an on-demand Creative Future: Mark Thompson’s speech to BBC staff’ . (25.Apr.2006) <www.bbc.co.uk/pressoffice/pressreleases/stories/2006/07_july/19/future.shtml>

69 ‘Going round in circles? why is 360° commissioning the future of television?’ ‘A stakeholders’ conference held by the Royal Television Society
http://www.rts.org.uk/magazine_det.asp?id=352fourfour&sec_id=950 (24. May.2008)

70 ‘Focus: 360-degree commissioning’ *Broadcast*
<http://www.broadcastnow.co.uk/news/focus_360degree_commissioning.html>(13.Sep.2007)

from newly enacted terms of trade,⁷² as the chief executive of PACT- the UK independent producers' trade body, cautions that, 'full exploitation of intellectual property ownership or secondary sales requires robust business capability to negotiate complex deals.'⁷³ Similarly, the Ofcom (2007) report of The Communications Market also indicates, the evolution of the sector has tended to favour the growth of industry heavyweights, or 'super-indies', which are found to be typically diversified companies that work across multiple genres for almost all of the major broadcasters.⁷⁴ Despite the increasing consolidation of the sector, the majority of the sector still consider themselves as 'independent'.⁷⁵

These general views are borne out by other developments: firstly, with rights retention and investment transforming the independent sector, most independent players continue to be reluctant to be part of a bigger group.⁷⁶ Secondly, while the corporate finance activities in this sector have dramatically increased since the New Codes were adopted, and businesses start to recognize the potential profitability and financial viability of the independent sector, the trend for independent production in the UK to consolidate into a larger operation is expected to continue, and indeed, accelerate (EC 2005).

71 According to Elaine Bedell, the BBC's independent executive - the corporation's ambassador to the INDIE-UK sector in 'The rise of INDIE-UK TV power' BBC Entertainment News. (21 April 2005) <http://news.bbc.co.uk/1/hi/entertainment/tv_and_radio/fourfour69four89.stm>

72 What's in it for INDIE-UKs? *Financial Times* (30.Nov.2004)

73 'INDIE-UKs need more muscle: Small TV producers may be creative, but they don't have the strength in depth to deal with hungry broadcasters.' *Financial Times* (15.Jun.04)

74 Ofcom *The Communications Market 2007*

<http://www.ofcom.org.uk/research/cm/cm07/cm07_print/cm07_1.pdf>

75 According to the PACT's Independent Production Census 2007, it found that UK's independent TV production sector is growing strongly, with consolidation seeming set to continue, with 33 per cent of companies with revenues of £5-£10m stating their intention to merge, acquire or be acquired. However, the majority of the sector, 80 per cent, still considers their independent status to be stable.

76 'Television - Why risk is television's rarest four letter word'. *Financial Times*. (15 June 2004).

To summarize, it is clear that after two decades of growth, the independent production sector in the UK has reached its current, mature stage as a dynamic business sector. It is also evident, the growth pattern of the independent production sector in the UK demonstrates a consistent logic, which has been in favor of the sector since the 90s: that is the UK government's regulatory approach can be described as broadly in support of the programme production industry through interventions that aim to encourage the development of market-oriented and self-sufficient content producers. The signal for independent producers in the UK is therefore clear: new business models are needed, and such a model should require multiple operations, to ensure they do not rely on any one resource of production funding, and that they open up more platforms for rights/commercial exploitation.

6.1.2 About the Case Study: the Case Company and the Case Projects

Facts about the Case company- INDIE-UK

The INDIE-UK production company is an active independent content producer in the UK, representing a type of 'super-indie' in terms of its overall turnover, pre-tax profits, hours of programmes and full-time staff.⁷⁷ Situated in London, INDIE-UK was funded in the late 80s by its current chairperson, who has extensive production credits across the cultural sector in the UK. Since its establishment, INDIE-UK has undergone a process of restructuring, including a

⁷⁷ This criteria is recognized industry-wide, and is based on the Independent League Table produced yearly in The Annual Survey of the UK's Independent TV Producers published by the leading trade press-Broadcast. In order to maintain the anonymity of the case company, all exact numerical data are left out.

merger and branching out into subsidiaries, and has continued to seek partners in order to broaden the range of its production. In particular, INDIE-UK was recently acquired by a global media group, embodying the recent trend towards consolidation. According to the company, the acquisition represents part of its strategic growth plans. On the one hand, it enhances its position as one of the top international creative independent TV producers, with its proven multi-genre track record spanning all UK channels and overseas; on the other, it gives INDIE-UK new access to greater global presence, intellectual property within the group, and new technologies. As for the Group, the Chief Operating Officer also commented that the reason for acquiring INDIE-UK is not only that it has a spectacular track record in terms of producing popular hits, but it also has a high reputation for attracting creative talent, including Executive Producers (EPs) of the highest calibre.⁷⁸

Corporate Structure and Key Staff

INDIE-UK's corporate structure can be broken into two parts: production and corporate management. The production capacity comprises four departments: Factual, Drama, Comedy and Animation. Each department has its Head of Production and Head of Department, and is responsible for delivering the content. The latest addition to the production units is the New Media Department, a one-man (Executive Producer) department committed to developing multi-platform projects by working across production departments.

⁷⁸ According to INDIE-UK's corporate press release on the acquisition.

Corporate management comprises four major functions: Managing Director, Business/Legal Managers, Commercial Director, Financial Director and Human Resource Director. The corporate management's latest addition is the Head of Talent, who is responsible for assisting the Executive Producers in production staffing by setting up a talent database. The management is responsible for handling legal contracting, distribution, licensing, financial control and talent management.

Facts about the Case Projects

I shall briefly introduce the four selected projects, as below, whilst providing a common focus on the background of the Executive Producer, and how the commission is obtained.

Case 1: Factual

The Factual case was commissioned and solely funded by one of the major terrestrial channels, and is regarded as the department's biggest show of its kind. At the time of my study, the production of the series was nearly finished, and had been transmitted with good ratings. The EP of the project had been on INDIE-UK's staff for nearly three years, and had extensive production experience with major reality programmes. According to the interviewees, the original idea of the programme came from the EP, who had a close relationship with the commissioning editor, and this friendly relationship had hugely facilitated its commissioning and production process.

Case 2: Drama

The drama case was a multi-episode series commission by a major territorial channel. The case was regarded by almost all interviewees as one of THE most relevant cases for my study. The production of the series was nearly finished at the time of my study, and had become a prime time hit for the channel. And just as with the Factual case, the idea of the show also came from the EP, who had been working as a senior staff member with the major broadcaster before coming to INDIE-UK, and had been with the company for three years. According to the interviewees, the commissioning of the project was a quick and smooth process shared between the EP, the script writer, the commissioning editor and the channel's controller.

Case 3: Animation

The multi-media animation series was also the success of a major terrestrial broadcaster, and adapted from an award-winning book. At the time of my interview, the animation had won successful ratings and awards. It was a co-production between one of the UK broadcasters and two international channels. INDIE-UK was responsible for raising most of the total production budget, due to the particular nature of animation production, which requires higher financial and time costs. The EP of the programme had been with INDIE-UK for more than ten years, and had been producing animation for five years. As with the Drama and Factual cases, the idea of animation was born between the EP/Head of Department and the writer of the original book, and commissioning was a smooth process, since INDIE-UK got the quality property, i.e. they had already acquired the book and this helped them make a successful pitch to the broadcaster.

Case 4: Comedy

The Comedy case was regarded by most interviewees as being at the top of INDIE-UK's recent credits. Commissioned by a major terrestrial broadcaster, the programme was already in its third series at the time of my study, which proved its success. The EP of the show was also the Creative Director of the Department, who championed the original idea of the show through the commissioning broadcaster. Having worked as a creative producer of comedy, both with the major broadcasters, the EP was respected as a central figure in British comedy broadcasting. Yet the show was the EP's first project with INDIE-UK, who came on board for more than three years.

According to the above, most of its management staff, both at the corporate and production levels, were those so-called 'upper-hands' of the industry, senior practitioners who previously worked for major UK broadcasters or the major independent production companies, and who knew the broadcasters' command structures and systems, which facilitated their securing of commissions. The table on next page lists the key background of the four cases.

	Decision Makers	Commissioning/ Funding Channel	EP's seniority with INDIE-UK / the TV industry	Others
Case 1- Factual	-Executive Producer -Series Producer -Head of Production -Commercial Director	Major terrestrial/ 20 percent funding gap to overall budget	3yrs/10yrs	
Case 2- Drama	-Executive Producer -Head of Production -Commercial Director -Managing Director -Legal Manager	Co-funded by a major UK terrestrial and the broadcaster's US cable channel/ 20 percent funding gap to overall budget	3yrs/15yrs	Based on existing literature
Case 3- Animation	-Executive Producer(s) including the Managing Director -Head of Production -Commercial Director -Legal Manager	Major terrestrial/ 75 percent funding gap to overall budget	10yrs/15yrs	Based on existing book
Case 4- Comedy	-Executive Producer (Creative director of the Department) -Head of Production -Commercial Director -Legal Manager -Managing Director	Major terrestrial/ fully funded	5yrs/20yrs	

Table6.1 Key background of the four case projects

	Books	Magazines	DVD/ video	Audio	Merchandising	Format	Multi- media
Case 1- Factual		Y				Y	Y
Case 2- Drama	Y	Y	Y	Y	Y		Y
Case 3- Animation	Y	Y	Y	Y	Y		Y
Case 4- Comedy	Y	Y	Y	Y	Y		

Table 6.2 The categories/planning of CIN exploitation of the case projects at the time of study. Data provided by the Commercial Director.

6.2 Preliminary Findings: the Pilot Study

The preliminary findings of the research are drawn from two parts: first, the interviewees' self-interpretations of the key terms of my research title: i.e. 'Cross-industry Networks' and 'Independent Production', and second, the pilot study with the Factual department. I will present my initial findings in the two following sub-sections.

6.2.1 Defining the terms: 'Independent Production' and 'Cross-Industry Networks'

What is an 'Independent Production'?

Although some interviewees showed signs of doubt as to whether INDIE-UK still retained its independent status after being acquired by an international media group, I found that there was a high consensus among the interviewees as to what an 'independent production company' was. Their interpretations can be summarized as follows: *It is a production company not tied to any broadcaster and therefore has the freedom to develop their own ideas, focus on story-telling and is free to present their ideas to different channels and platforms.*

A further opinion among the interviewees was that there are in fact several independent production units running their own business under INDIE-UK's corporate umbrella. Some senior production staff members also commented that they are themselves independent, in the sense that within their own department,

they are operating with their own, flat reporting structure, which is based on the management style of the Head of Department and individual production requirements.

The above findings about the definition of independent production carry some implications. Firstly, gaining commissions and producing program for UK channels are naturally INDIE-UK's primary concern. Secondly, while senior members with INDIE-UK have close connections with the commissioning editors across major broadcasters, the findings suggest that INDIE-UK also has expanding relationships with other channels and platforms. Thirdly, the interview data suggests that INDIE-UK is negotiating from a position of strength, as its 'independence allows it to select who and how to interact with among broadcasters and other media, and individual staff members have a similar 'independent' relationship with their own company or department. This therefore suggests that operational autonomy and creative freedom are their fundamental values, and it also manifests a key difference from the 'independent production' in Taiwan, whose bargaining position with external collaborators is much weaker, and operates in hand-to-mouth circumstances.

What is 'Cross-industry Networks'?

As for what is '*cross-industry networks*' to INDIE-UK, I found that there are two versions of understanding: the operational and the strategic. At the production level, the interviewees were found ready to talk about the *cross-platform* content applications, as it not only concerns their ability to choose the right property and right medium to develop the original content, but also has direct cost implications

for their production budgeting, scheduling, design and the extent to which they engage members across functions. The Head of Production gave a good example, as follows:

The cross-industry network thing is more complicated than the actual budget negotiation, and you always start in a deficit situation. As an easy example, you need 100 pounds to make a programme, and the broadcaster will only give you 60 pounds, so where you are going to find the remaining 40? well, a DVD distributor is going to give you an advance of 50 pounds, and you think great, I got more than I need! But actually to make that DVD, it is going to cost you 20 pounds, and you are again in a 10 pounds deficit situation. And you want to have a book deal, but you need to pay for a writer because the presenter of the programme can't do that, and you then need to do the publicity for the book, and the publisher wants the presenter fronting it, and you need to give a portion advance away to the presenter, then you want to do a sale to US, you then need to do that US version as well, but it may cost you 8000 pounds alone for the music rights clearances only. There are lots of things that you can spin off from the programme, so it starts going in a very complicated, messy sum, but as a business, we want to make profit as well, so you are not going to turn it away... (Interview 1/A2Factual)

On the corporate management level, however, I found the interpretations predominantly concerned challenges as to how to manage and explore the *cross-sector* relationships with the broadcasters, distributors, talents and also the emerging content-related businesses upon which to exploit INDIE-UK's IPR. The Commercial Director gave an example as follows:

I tend to look at the cross-industry networks as the content-creators and then there is the distribution, we create something and someone gets it out there, that is the broadcaster or that's the DVD, book publisher, so we create an intellectual property and then somebody is moving it around. So, it's how to maximize profits and business by using those networks? How do you get the best talents to create best value from the networks? There is a network of people we are dealing with, and how we maximize that network. (Interview 34/A2)

It is therefore clear that within INDIE-UK, the focus of CIN shifts from managing the production operation to the management of the talent relationship, supply chain and income revenue. This not only underlines the fact that TV is a network business, but also suggests that these CIN may provide a competitive advantage in terms of maximising content value.

Putting the two terms together, one may see that on the one hand, at the production level, the independent producers' concern over being acquired by an international media group indicates the value of a bottom-up, autonomy driven production, which is a kind of individualistic and project-oriented way to the network. On the other hand, CIN relationships imply external and top-down demands, the 360 degree commissioning requirement and the corporate imperative to network for sustaining the business. The two distinctive sets of network approaches suggest that conflicting views and different perspectives exist simultaneously within INDIE-UK. The case of INDIE-UK therefore demonstrates its distinctiveness from the situation in Taiwan, in that the company was also embedded in a strategic direction to networking instead of being totally driven by its producers.

6.2.2 Findings with the Pilot Study

1) Seeing from the Corporate Level: Cross-functional Supporting Structures

With regard to the internal corporate network of INDIE-UK, by basing myself 9-6 daily during the study period, I found that it was operating in a rather flat, flexible network fashion. As the Commercial/ Business and Legal Coordinator

commented:

Lawyers' roles in this company are very interesting, they have to work alongside the production to make sure they are doing the right thing, and they also have to work with the commercial side to help to exploit it, and the production team need to report their progress and problems constantly, I actually genuinely think it makes my job more interesting (laugh) (Interview 13/A4)

Such natural interaction across levels can be seen from the fact that I could not find a corporate structure outlined in INDIE-UK's Company Handbook; instead, vivid personal staff photos are laid out side by side by departments, and function without indicating subordinating relation (see Figure 6.2 below as example). This immediately reflects INDIE-UK's corporate culture, which also echoes the nature of a creative business: it is all about its people and talent.



Figure 6.2. Example of the Corporate Structure of the Factual Department

As distinct from corporate 'pictures', with INDIE-UK's keen focus on production, a well-defined Production Structure (Figure 6.3 on next page)

delineating the direct reporting lines, control channels and communication lines between the key production members can be found in INDIE-UK's Production Manual, a 49 page document detailing the procedures, requirement, guidelines and codes involved in programme delivery. This suggests that INDIE-UK's corporate structure centers around the quality control system of its productions. More notably, within each production, there is sort of a management umbrella around the productions which is like running their own business.

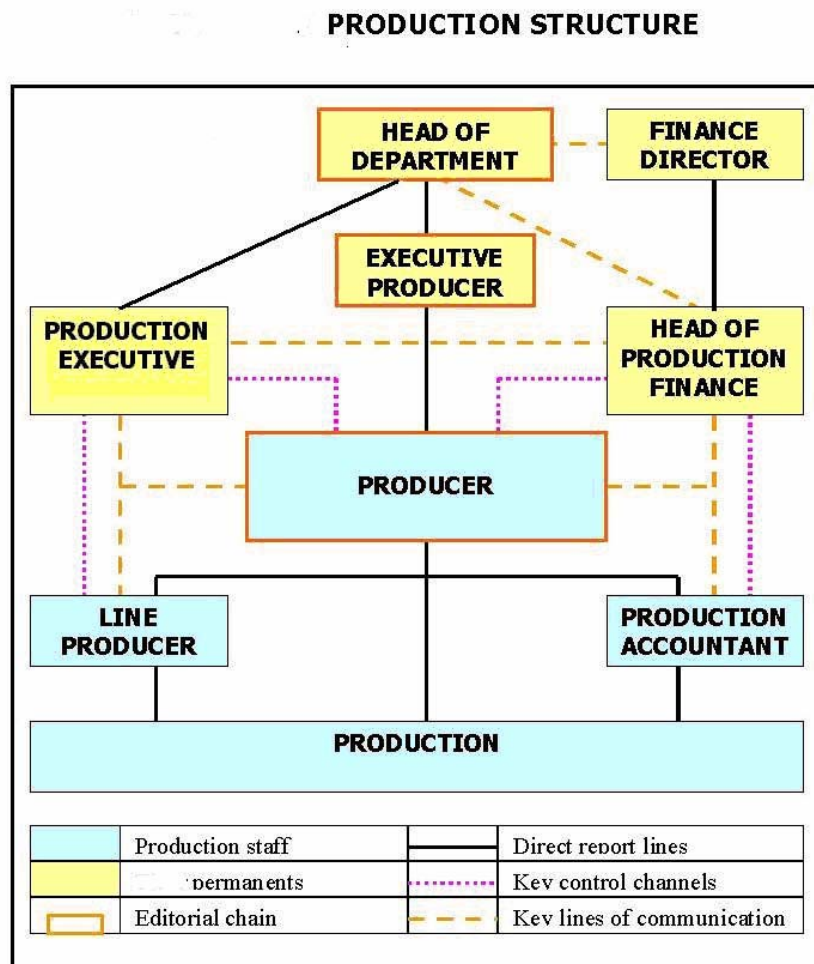


Figure 6.3 INDIE-UK's Production Structure

2) Seeing from the Production-level: Self-adaptation to Changing Practices

From Self-motivation to Self-adaptation

It would be silly if we don't follow the cross-industry network trends, which means I have to learn new things every day, as we are dealing with new media which we never dealt with before... (Interview 10/A1/senior production manager)

The manager expressed the above while opening up the weekly trade papers from her desk, and commenting on articles about new technology applications. Indeed I found that with the production teams, there was a high level of on-the-job self-driven learning and awareness of the continuing CIN developments, as the terms- *360 degree commissioning* and *multi-platforms programming* were brought up frequently in the interviews. At the junior level, those interviewed claimed that their positive inclination toward the cross-sector content-making was due mainly to the fact that new ideas of making productions were encouraged and guided by INDIE-UK's senior staff. At a senior level, the interviewees immediately responded with the shift they found with their own production practices. This can be illustrated by what the Head of Production recalled in the interview.

When I arrived the industry around 1998, I just think that it's great to have commission from BBC or Ch4, that's all I think about and I certainly see a shift from where I started to where I am now, where it's very rare where you got a production from only one financier or one broadcaster, now putting together the budget you are thinking you are making it for 3 or four different pay-masters at different platforms, it's definitely a shift. (Interview 1/A4)

From Development to Production- from Ideas to Products

Now you got to think it's not just for the Channel 4, 8 o' clock slot, but how could it be played on mobile, internet, DVD, book, we have to see the commission as a 360 degree product. (Interview 1/ A2/Head of Production)

Within the Factual Department , I found that ideas in multi-channel programming have weaved themselves into the production developing process which is geared toward generating original ideas, possible series programs and multi-platform products. However, the interviewees also emphasized the importance of a flexible communication structure in delivering a creative, as well as commercial CIN project. The Head of Production also emphasized as follows:

If many people in other countries want to see the programme we made, it's acquisition, if other people want to make the same programme, it's the format sale, and it could be a book, if you have got the rights together. But there is no point our business people promising something that our production team can't deliver, there is no point in our production thinking they can do something, and we actually don't have the rights for it, so it's all about communication. (Interview 1/A9)

The answer from the Commercial and Business/Legal coordinator also echoed this point:

As a Business and Legal dept, we must NOT (with emphasis) compromise, we just need to make the producers aware of these. It's not bad relationship. We know at the end of the day for example music, it's about the creative choice, and we can't force upon the kind of music or composer the producers want to use. The first priority is to make these productions, because if the ideas and productions are not good, you are not able to sell it anyway, but obviously, they have to be quite commercially savvy in the sense that the only way we can continue is to exploit this programme, it's a circle, it's a dependence on each other really.(Interview 3/A17)

Importantly, the coordinator continued to indicate that she personally found the business and commercial teams were working more closely with Factual Department due to the nature of its program outputs yet the intensity of such collaboration and communication may vary according to the needs and preferences of the productions and their producers, and different genres have different exploitation potential which will influence their CIN practices. As she explained:

For entertainment, it is more geared to British audience, what the British find funny may not be funny for people in other countries, so it's harder for entertainment to do pre-sell. What you can do with entertainment programmes to have universal element is to design the show with a format, and then the format can sell around the world. For comedy, in British terms, has a huge long shelf life. People seem to watch comedy and sit-com year on and year off. They don't watch drama in the same way, so comedy can be a very big revenue earner, its DVD sales is much better than drama and other genres...(ibid/A25)

Summary of Preliminary findings

The pilot study with the Factual department revealed several emerging points concerning the internal networks of INDIE-UK, in developing the CIN:

1. There are tensions and conflicts between the two sets of network forces and dynamics: the top-down imposed corporate/strategic/commercial networking priorities and the bottom-up creative and production-driven networking dynamics, and there seems a primacy of creative over commercial criteria.
2. There are complicated interactions and interdependences across levels and functions for developing the CIN. However, the decision-making of the CIN

may also be subject to the producers' preference, and genre specific practices with certain genres may enjoy a position of relative strength.

3. The networks contained certain CAS elements: involving a certain degree of complexity and, the interconnection, interdependency and spontaneous adaptation between individuals and functions.
4. Overall, it shows a proactive, confident style of network negotiation, compared with the more responsive approach in the Taiwanese case.

The above findings show that the CAS framework is helpful in understanding the overall system dynamics of INDIE-UK. In the following sections I will move on to the bottom-up and multi-level cross-case analysis to deepen and validate the above themes. Importantly, as I will show, the further cross-production examination clarifies and refines some of my preliminary findings.

6.3 On the Individual Level: Dissipative Structures Triggered by the Executive Producers

As indicated earlier, the Executive Producer (EP) is found to be the key decision-making and crossing-over agent responsible for championing the production, from inception to completion. At the individual-level, when I inquired into the EPs' response of encountering the CIN in their content-making, I found that they faced two directions of openness, namely the externally-imposed vs. internally generated network dynamics. As a result, a process of dissipating and

internalizing the CIN energy is taking place in the system.

6.3.1 Condition I: Open Systems to the Externally-Imposed and Internally-Generated

Openness to the externally-imposed

When asked about their views of CIN practices, it is interesting to note that all the EPs replied to the question by recollecting what they had experienced, personally and professionally, the changes with the TV industry, the independent production sector, and hence their production practices, or to some extent, even their own career path. One EP in the Drama Case who had been working in the TV sector for over fifteen years, for example, told a story about how it all happened naturally, and that dealing with these changes was just part of his job.

In the UK, every Saturday and Sunday we sit down with our family watching Dr. Who, on Sundays every boy is watching football. But now I can watch them on-line at anytime, that model and control are changing as we speak...there was a very famous classical sit-com 25 years ago, there was an Afro-Carabien guy in it which was very rare, and you go out with him now, and he is still recognised. That's astonishing! And the truth was there were only two channels, so millions of people were watching him. That level of fame just simply doesn't exist anymore. So the CIN is about how we create that kind of wave with every trick we can. (Interview 17/A3)

Apart from acknowledging the diluting market, the EPs also emphasised the audience-driven programming. By way of example, in regards to the Animation and Factual cases:

This animation project is huge, almost ticks every single box of the CIN. You definitely have to pass the power to the audience, because you know you want

the pencil case your friends got, you want the tin with the DVD. The absolute uniqueness of the programme is that it instantly speaks to the target audience and they instantly take it to their heart. (Interview 21 /A1/Animation)

I think it probably is very audience and commercial-driven, but I think it's absolutely fine. The reason why Big Brother was such a massive success in terms of money is because people want it more, if people are watching it and there will be people making it and buying it, it's commercial, and the broadcasters want a share of that revenue... (Interview 4/ A4/Factual)

Indeed, albeit reluctantly, I found that all the EPs had accepted the reality of the broadcasters' eagerness in commercial-driven programming and tightening up of their commissioning budget after the new terms of trade, which also make their CIN a necessary response. The comments made by the EP of the Animation Case were an example.

It is so true! Especially for animation, it's so under-funded, because the broadcasters know that if you have a successful animation, you will automatically have the kitty cat bags, stationery and T-shirts, so you do have to do all the bits of the audiovisual circle, you have no choice, otherwise you don't have the money for the production! (Interview 21/A6)

Openness to the internally generated

In contrast to the EPs who are relatively passive, absorbing the externally-imposed trends resulting from technology, market, and the commissioning conditions, their desire to achieve maximum exposure is more individualistic, internal and hence deliberate. The EPs showed a great deal of frankness, appreciation and enthusiasm to internal corporate 'fine-tuning' and involvement. It therefore seems that it is from here that the EPs start to act as agents bridging the externally-imposed requirements and the inward coordinating

communication. Below are some extracts from the EPs remarks:

In terms of developing programme, I was never particularly commercial-minded that this is gonna raise money....With the commercial director, the actual selling of DVD and merchandising will be hugely helpful by having some back-up money to help to develop the programme, that's great! (Interview 25/ A11Comedy)

As an EP I have enthusiasm in telling fantastic stories, I love the commercial director (name), he is great! He comes to sit with me and listen and understand me and goes away trying to find the right people to sell it to. I am just the lovely creative soul, and I go to say hi, trust me, and off I go. He will have to have six meetings with them, and I'll have one (big laugh)! (Interview 17/A17/Drama)

I sit with the Managing Director (name), the commercial director(name) and the lawyers, and I tell them that this is what is really important to me, and they would flag out all the rights issues...But those issues will be taken care by the big boys, I think they are doing something for me over there (with big smiles). (Interview 21/A20/Animation)

According to the above, the EPs' roles are significant, in that they serve functions as brokering and intermediary, within the bigger CIN around the productions. Externally, EPs are largely positive about the CIN trends, and are driven by commissioning processes, and naturally, what the technology and market offer. Internally, while EPs were embracing the internal involvement from the commercial and legal managers, they also triggered other agents brought into the production process. As a result, by bridging the dynamics from both sides, they connect the two in terms of what they can offer to the broadcasters creatively, and what they can tune with the firm commercially. Again, in contrast to the Taiwanese case, it became clear that it is the access to internal coordinating networks and resources that allow the EPs to absorb and respond to external opportunities.

6.3.2 Condition II: Symmetry-breaking for New Ways of Production

While the EPs are facing the organizing dynamics from both directions, they are also trying to secure room for their personal creative enterprises. In fact, when I was looking for the ‘symmetry-breaking’ points which push the production to move into CIN, I found that the point lies not in the fact that the EPs are trying out new CIN connections; rather it is manifested in the very origin of their thinking: their risk-taking in new ideas of production. It is their creative aspirations that stimulate and made possible the emergence of CIN. The following extracts illustrate this point when they replied to my questions in relation to how the projects were initiated:

It's all a very organic thing, I met the writer, and actually about another property of hers, but she asked me to consider this book, but I said it's not the area of my expertise in that age of audience. It's a big struggle, because the book is not a natural story and we need to turn it into animation. Then I decided to do it and the company gave me development money to really test out the techniques. But even though there were the three biggest broadcasters in our kind of market wanting to buy it, but those presales are only 25 per cent of my overall budget, those money boys have to have guts, it's a massive gamble, because you have to find the money and work on it for 5-6 years. (Interview 21/A2/EP/Animation)

I found there is something interesting with the actress and I would like to do a show that breaks some rules, so I had the meeting with her in the first week when I came to INDIE-UK, and she is very much interested and we developed it further. And she got a friend who never wrote anything to be the writer of the show. So we started with the more edgy channel. It's an opportunity to do something with more risks. (Interview 25/A1/EP/Comedy)

The above shows that the risk-taking of the EPs comes from the faith that the company has in their creative strengths which allow them to take a more proactive approach to their productions. Such ‘symmetry-breaking’ practices also strengthen

the fact that the EPs clearly work based on their own self-perception as ‘creative’ as I will show in the next section.

6.3.3 Condition III: Self-referencing Capacity to Express Identity

The above idea of risk-taking is related to the issue of ‘self-referencing’, the ‘why’ questions, and ‘intrinsic needs’, which become the ‘reference points’ of their behaviors. It was found when the EPs talked about their CIN project in retrospect, it was clear that they had experienced a process of consciousness of their roles as ‘independent’ and ‘creative’, and to some extent ‘cultural’ producers. For example, the EP of the Animation case made this point when asked what were the most important resources she gained from INDIE-UK to make the programme:

Creative freedom! That's to start, give you the space to go off and think it through before you have to present it. Money, so that we can work with the people you want to work with. Time, the time for me to really workshop on the script and the drawing... You have to fight for your country's voice to be heard, because genuinely what we do well is make British content and not trying to ape the Americans, or doing something that works for the Chinese market!
(Interview 21/A22)

It is found that such awareness, based on the reflections of the EPs’ role triggers a strengthening process of their self-perception as an independent producer, it prompts the EPs to be aware of what is important to them. This can be illustrated by the way they look back on the CIN for their projects.

I don't think, I mean I should think more about it. But creatively, I just want to make a great TV programme that people want to watch, and I am really proud of and I would sit down and watch myself, and then off the back of that I start thinking, oh well commercially there is all the other aspects that go with it.

(Interview 4/A9/EP/Factual)

I have more worries that there are not many ground-breaking comedies for the next generation! So I may be wrong not to think about the CIN, the exploitation, and I will probably think about it more now. For example when the commercial director (name) had a difficult time with the leading actress in doing the merchandising stuff, I said to him, we should think of the continuing production, and let her shout out why the fucking merchandising is so crap, I found I have separated myself, I split the production role completely. (Interview 25/A13/EP/Comedy)

I think it's very hard for me to think the other way around, to think commercially first and creatively the second, I get excited about ideas, and I don't get excited about making money. The most important thing initially was the idea, and if the programme wasn't right and the people don't watch it, you wouldn't make money out of it, so you need to get the programme right and the editorial right initially, and then you can start thinking creatively about how you make extra money from the back of it, but not until you got the programme right! (Interview 4/ A19/EP/ Drama)

The above comments illustrate the point that self-referencing is embodied within the EPs, as they become aware of subtle changes in their thinking and planning for production. In particular, these 'reference points' also help the EPs to set gate-keeping priorities and make decisions, while the CIN, due to emerge, places them at the 'bifurcation point' of the routes.

Section Summary on the Individual-level

'An EP can mean many different things depending on their individual involvement in the production' (Interview 27/A14) as noted by the Head of the Business and Legal Department. Yet from the above, we can see that the EPs who are central agents of the production network have all become involved in CIN practices. However, instead of judging such networking practices as right or wrong, their internal self-referencing capacity, which comprises their identity as independent, creative and content producers, is found to be embedded and

strengthened, while they are operating as intermediaries between externally-imposed and the internally generated networks. It is also clear that it is the creative aspiration of the EPs that create the new ‘forks on the road’ from the inception of the projects which determine the width of the funding gap and the efforts and directions needed to be taken to realize the production. As a result, their acting on both sides contributes to an internalizing and dissipating of the external energy into the project organization, by which it starts to stimulate the ‘order of chaos’, so as to construct the emergence of the CIN.

Most notably, and as distinct from the Taiwanese case, it is from the inward reliability that the EPs gain the strength to confront the top-down challenges under the circumstance of CIN, and their decisions are therefore found to be made naturally and confidently, aiming to fulfill their creative aspirations, rather than networking for the sake of exploitation and profit. It can therefore be said that the organizational transformation of INDIE-UK as a firm in a CIN sense starts with the EPs being equipped and safeguarded with their autonomy, creativity, and identity. It is the space for the fulfillment and realization of their individual aspiration that smoothes as well as fluctuates the internalization process of external forces and simultaneously encourages the internal coordinating dynamics toward delivering a both creative and commercial sustainable production.

To summarize, it is clear then that at an individual level, on the one hand, the empirical evidence confirms the theory of dissipative structure, while the producers at the bottom of the system translate the energy from outside into the system. At the same time, it allows the lives of the project organization to flow

and form in instability and complexity yet in accordance with their sense of themselves. On the other hand, however, while Prigogine's theory suggests a separation between positive and negative feedback when the fluctuation occurs, the empirical evidence shows that the line between them is increasingly blurred, due to the dynamic internalization and interaction process. Finally, as far as conditioned emergence goes, the individualistic, entrepreneurial and to some extent arbitrary motives have started to emerge into a collective outcome. As we shall see in the next section, this process evolves into a higher degree of complexity and diversity, involving a spontaneous organization.

6.4 On the Project Level- the Self-organizing Project Network

While we have found that the EPs are triggering inward cross-functional communication, it is not entirely sufficient by itself to say that the interaction between the structure and agency of the project networks contribute to the emergence of a new order. Yet the four case projects did show common characteristics of the network pattern among them which support Kauffman's self-organization theory. The interview materials show that the self-organizing properties, such as the diversity, flexibility and specialized yet collaborative processing, are found to play important roles in project network contexts.

As explained in Chapter 4, the project-level analysis is achieved by gathering views of the key decision-makers of each project as to their networking practices around the following main questions:

- How do you see the idea of the project evolution and progress so far?
- How do you see the development of the project's production network? Are there any unusual or unique elements?
- How do you think the CIN takes place in the project, and why?
- How do you see your work division and roles in the project? Any difficult or special events with your roles?
- Why and how do you interact with the EP and other decision-makers?
- What would you say are the costs and benefits of having the CIN on the productions?

6.4.1 Property I: Diversity and Randomness as the Evolution Catalysts

According to Kauffman, a system will go through an autocatalytic phase transition once it contains enough different kinds of object. However, while it is difficult to assess the sufficiency of the diversity which is opened up by the EPs, I found that the project organization is where there is a much greater inherent diversity energizing and driving the CIN of the project. When the interviewees talked about how the projects evolved, their comments immediately underline the diversity on three aspects: 1) partnership diversity, 2) functional and roles diversity and 3) procedure diversity. The following extracts from the cases' interview materials are illustrative of them:

Partnership Diversity

The interview materials show that the diversity in these cases grows naturally according to their production needs. Example like the relatively large scale

Animation and Drama cases, having three major broadcasters involved, or the smaller scale Factual case relying on various partnerships, the interviewees pointed out the ‘classic’ multiparty financing and collaborative model for their projects:

It’s the classic co-production issue! The animation case is not fully funded by only one source, so we end up finding sources anywhere else, give away the rights in order to build the budget to make the programme. (Interview 27 / A1/Business and Legal Manager/ Animation)

For the drama case, I told the EP that we need to talk to all the main distributors; because for that sort of production budget we need not only talk to TV, but also the DVD and merchandising, books, etc., we raised a couple of millions pounds within only four week. (Interview 35/ A4/Commercial Director/Drama)

For us to save costs on the factual programme , there is a big push with the research team for finding products for free. Sometimes we go to the PR agent and ask whether their clients want to give something in return for the web credits. Also the media partnership is very important too, it’s a big part for the reality show. (Interview 7/ A17/Production Manager/ Factual)

The multiparty diversity is even more evident on the creative side, involving talents, both on and off screen, whose participation and contribution fundamentally influence the creative and commercial turns of the projects, and sometimes even created tensions, with the emergence of CIN. The following extracts from the Comedy case’s interview materials are representative of this point:

Comedy like this show has a lot to do with characters, and because the whole show is built around one individual, and you are dealing with egos of actors and their agents, it can become very tricky, because for TV it is very established. (Interview 17/ A6/Business and Legal Manager/ Comedy)

The talent is a very much difficult artist to work with, because she wants to be seen as a serious actress, she wasn't interested in the commercial side at all, so it took me a lot of time to make sure everything goes smoothly. (Interview 26/ A4/ Head of Production/ Comedy)

The exploitation of the show is very talent-driven and time-consuming, so I have to get involved from day 1...I spend a lot of time managing the expectations of the distributors, because I would need to say to them that you can do the show's merchandising, but be aware that the actress may not want to do that much, to be seen on a sandwich box...(Interview 34/A13/Commercial Director)

All the four cases also involved various degrees of off-screen creative collaborations outside the company, with the personnel from the commissioning broadcaster, the Group or subcontracting creative companies to carry out the CIN-related designs, including multimedia websites (Animation, Factual), blogs, press agency (Factual), merchandising designers (Drama, Comedy). Such diverse partnerships fundamentally shape the emergence and final performance of CIN.

As the Series Producer of the Factual Case commented on the production:

Very seriously, it's a cross-platform project, so we need to explore the possibility when we are dreaming it up... For a website for example, if you want it to be any good, you need somebody to design and edit the programme properly, it has to be resourced properly... (Interview5/A22)

Functional and Roles Diversity

The above shows us that financing and creative diversity are in fact interrelated which in return make the 'hard functions' of the project agents, both on the management and production levels, differentiate into 'soft roles' centering on facilitating the creative output. For example, the Commercial Director and the Head of Business and Legal both embodied the shifts from functional diversity to

role diversification when asked what their job in the project network is:

My job is to work with best distributors out there; I can give both the distributors and the EPs the steers, that's sort of my thing to keep the EPs happy, if creative people are happy and focused, they will deliver the best products for me to sell... (Interview34/ A5/Commercial Director /Drama)

Whether it's the EP, the actor or the writer, I have to make sure they can make the best programme that they can for the money and still within the terms of agreements that they've been commissioned. It's not so much that a split between my legal role and commercial and the creative, my role is self-split, I am trying to protect everyone to allow the producers to take risks, to maximise the exec's chances. (Interview27/ A16/Head of Business and Legal)

At the production level, the role differentiation is also evident with the Head of Production branching out to connect not only the emotional needs of the talents, but also to the Business and Legal aspects of the production. The Factual and the Comedy Cases can illustrate this point.

Strictly speaking, in my job specs, I do budget and schedule and I make sure the production is going to deliver on time on budget, but I think we are not dealing with handles or cars, we are actually dealing with people, you are putting your heart and soul into making the programme, especially for such a turn-around show, it's very emotionally exposing, so I think my roles on this project is very much to be very supportive to the producers to really give them a shoulder to cry on, to be to saying that you are doing a good job , and effectively to manage them. (Interview 1/A8/Head of Production/Factual)

My role as the Head of Production on this case is that I do all the business issues with the broadcaster and internally with the commercial director and the legal manager; the EP does all the creative issues with it, that's sort of how we divided. The business negotiation is quite tough and bold, so EPs is kind of get a bit out of it, and he can keep the creative relationships going with it, and also to keep the broadcaster clear about our roles... (Interview 26/ A9/Head of Production / Comedy)

While diversity proliferates, although these EPs also indicated that all productions follow the same logic, ‘from preproduction, developing, getting the editorial specification right and executing it’, however, in order to accommodate the above-mentioned diversity in the CIN; I nonetheless found that the project routes also proceed with non-linearity and randomness in various ways. The interviewees’ experience in the process of the projects can illustrate this point.

Because the the negotiation process for the series was very tough, in retrospect, we even need to work with the Managing Director and the chairperson due to the nature and the scale of the programme, the preplanning was a bit wasted... (Interview 26/ A17/Head of Production / Comedy)

For this multi-platform show, the broadcaster wants this and that, then you have to say hang on!...so there are compromises and negotiation between what the broadcasters want and the producer needs to let them know what we can do. So I personally did more than 10 versions of budget! (Interview 5/ A15/Series Producer/ Factual)

It is clear that the agents of the project network embrace the multiplicity brought about by the project-based and creative-oriented nature of production. As the projects go on, they increasingly move toward a diverse environment with many ‘forks’ of solutions, choices, and exits becoming available, and indeed possible.

6.4.2 Property II: Flexible Structures to Facilitate Adaptive Learning

The above suggests that, while the network agents are aware of the diversification of their functions, and the different routes to accomplish their tasks, the way in which those agents connect to each other is the key to capitalizing on the diversity of the system. According to my interviewees, who shared with me their managing experiences during the production, and attributed them to the flexible structures, I

found that structural flexibility is, in fact, embedded, and grows organically 1) from within the production team for delivering the CIN content, 2) across the divide between creativity and commerce, and 3) across the broader management for structuring the CIN deals and products. The following extracts are examples where interviewees commented on the Production Structure of the Manual (Figure 6.2):

Ha (big laugh)! Where you got this from? You can't just stick to those structures; you have to work it how you need to work it! (Interview 2/A1)

The Head of Production on the Factual Case gave the above immediate response, which suggests that the Production Structure is not something to 'abide by', but is organized on an 'as required' basis. In this regard, with the focus on production, it is found that the individual-driven flexibility has been simultaneously incorporated, or absorbed, into the project, as well as the corporate structure, during the emergence of CIN. The following extracts of my interview with Head of Production of the Animation Case are representative of such an evolution. She elaborated with great enthusiasm in commenting on the Production Structure that:

Yes, there is a structure, but it's quite a flat structure, based on the personality of the Head of Department and the requirement of the production. For this case, I am not just the Head of Production, I do all the merchandising and branding as well, it's just natural. I kind of let the Exec concentrate on the production, and I am hurtling into other things. So based on the 3 minutes conversation I have with the Exec, I will go and tell the legal person that we need a contract for a composer, and if there is a problem we will go back to the Exec and let her know the business consequences. I am kind of the filter and translator from the creative person to the contingent person if you want, because it's two different languages sometimes. The Exec will never be interested in learning clause 3.5 in the contract, that's why she needs somebody like me. I really enjoy being cross-over the creative and the business side, and I really enjoy what I

am doing now, I really do! (Interview 22/A12)

In addition, evidence is abundant which strengthens the finding from my pilot study, namely that the line between and among the creative, commercial, legal and the management is increasingly blurred as a result of early involvement, mutual learning and adaptation, with flexibility growing from the production level and surface on the firm level. The following quotations illustrate this point.

The two disciplines are so very different! The legal side is kind of black and white and obviously the creative is constantly looking for something fabulous and new ways of doing things, so in order to make sure the contracts do what they are supposed to do, the best way to do that is to try to sit with them, and be as cross-functional as possible as it's developing at the beginning, it's a bit like second guessing what exactly the creatives want, and what they need. (Interview 12/A6/Business and Legal Manager/Factual)

They're very different skills. I start talking 'units' and the creative starts talking about the 'program', and for the business and legal people, they are the law, and I am the one to break it, they are black and white about the contracts, and I am the grey so that we can maximize our potential to the most, I am the one trying to get the commercial terms and they are trying to do the legal... we certainly have an open door policy to make sure everyone is on the same wave-length. (Interview 35/A9/Commercial Director)

However, the opinion of the Commercial Director with regard to 'adaptation' and 'flexible structure' in fact highlights the increasing 'structural tension' of the 'project organizations' in producing a CIN programme. It can be seen from the extracts from the legal managers of the Animation, Drama and Factual cases when they talked about their experience of production.

The relationship between the creative, the commercial and the legal is like one set of people who want to maximise their income but quite protective of their

rights, whereas there are people distributing products to consumers saying that we have to be flexible because the consumers are demanding. It's all about what rights are available and what's not, and we are trying to identify what can be done and what can't and trying to put a bit system (some supports) in place. (Interview 23 /A6/Animation)

This case is the very biggest for INDIE-UK so it goes to the level above. The distribution rights and merchandising agreements we are requiring from the actors in terms of the ability to set up the payment structure are more complicated. So I am reporting to the Head of Business and Legal, and the Head of Department. AS a lawyer I have premises obviously! Those legal standards will always be standards! But any variations I will discuss with him, because it will have financial impact, so sometime I also need to report to the Managing Director...What I mean is that everyone is very accessible, people are not afraid to make decisions. It's not really flat; we do have reporting structures that works... Sometimes for the Managing Director, he is not interested in something, or sometime you can't agree with the writers and their agents, or a huge deal has an impact across departments, you have to include people, but at the same time you can't give particular treatment to people. (Interview 19/A6/Drama)

For Business and Legal, it's always crossover, it's just one part of a big process you kind of do, and as lawyers, we work 'with' the Commercial Director but we don't work 'for' him, he reports to Managing Director (name) and we report to the Head of Business and Legal (name), but of course a lot of work he does require contracts from us to follow it up, but it's weird there is no direct reporting line between us. (Interview 12/A17/Factual)

Based on the experiences of those internal network agents, it is clear that firstly, the 'adaptive walks' of each agent has its feedback to be dealt with by others, and each of their adjustments is regarded as spontaneous. Such a modification embodies what Kauffman indicates, namely that CAS agents learn how to find 'good' dynamic behaviour in relation to others, to ensure a dynamic network stability. However, as we will see in the following, these emerging flexible dynamics require specialized and autonomous processing to keep the ever-changing structural tensions in a healthy condition, and to ensure the emergence of CIN.

6.4.3 Property III: Specialized Processing without Central Control

The above has showed that the self-organizing process of the CIN is shaped by its own local catalyzing- the differentiation and integration of functions and roles with various network agents working simultaneously. However, such a synergy is found to be deeply embedded in an autonomous processing of each project agent as the idea of ‘specialized’ is frequently mentioned by the interviewees while they are talking about their jobs in the case. In this section I will mainly take the Factual case as an example, and supplement this with other cases where appropriate, to put the pieces back together and to show how this content-minded emphasis and interconnected specialization is achieved, from getting the specialized team members to the specialized processing of the CIN:

The project was the first of its kind for our department, what I faced from the very beginning was about getting the right team members on board, it's absolutely crucial! The producers appointed for this project they all got great experience on shows like this... (Interview 2/ A4/Head of Production)

In terms of all those jobs, they are quite specialized; the legal manager does all the contracts. In terms of money, in terms of negotiating the contracts for the deals for the international sales, I've been involved as much as I know what the Commercial Director needs and I have to ensure he got what he needs to support, so I'm also constantly pushing the interactive stuff with the broadcaster and getting the Group's multi-media team involved, without that team and the dedicated people to look after the cross-platform thing, it won't happen. (Interview 4/ A11/EP)

Notably, by looking into how the management members talked about the idea of specialization, it became clear that on the management level, any feedback they receive, no matter whether it concerns legal or commercial issues of the CIN, in return keeps them focusing on the creative aspect of the production and the networks. Therefore it can be said that the logics of INDIE-UK's specialized

processing from the bottom-up and top-down intersect in a shared concern for what the creatives want to achieve in the content-making. In particular, while it is also found the interviewees tend to use the word 'creative' and 'creativity' loosely to mean the making of the programme; however, it is clear that a style of non-commercial-driven programme-making is preferred and appreciated. The following extracts from the four cases represent this point.

I think the work-break-down of this project is good, no one has to do everything, it's really specialised. It helps for the producers to know we are here, but we are not directly involved in everything they do everyday; it would be interference and would annoy them greatly (emphasis)! As the legal people, we are very much the service and supports for the productions. Once things get geared up in the preproduction, I will get involved and start to think about what contracts we need with broadcaster, contributors, locations, all those underlining type of agreements we need to do. Once the production gets running, it's really the day to day enquiries for me. And as the show is about to finish, the commercial director is now very much involved in the conversations with the presenter and her agent about the international sales, so I need to do the contracts for him. (Interview 12/ A14/B/L Manager/Factual)

Although I am the legal manager, but, my first priority is to make sure that the Exec has as much creative freedom as he can have to make the best programme, and they are not too tied down by business and legal issues. That can start from how to contract a writer to work for them? How the materials and characters can be collaborative and creative? how they are going to engage talents? you have to understand what's the vision for the programme before you start drafting the Business and Legal terms and agreements. (Interview 27/ A12/Head of B/L/ Comedy)

Well, the CIN is not driven by how we make money as quickly as possible, it's driven by thinking what other opportunities and when do we want to exploit them...But!(emphasis)making that as DVD, creatively, is as ambitious as the TV show, the content, the styling, the extras and the packaging of it. You need to have the brilliant content and creative heart with it! (Interview 30/ A9/Managing Director/ Animation)

Producers are project-driven and enthusiastic, but sometime there is a disconnection between what is 'creatively exciting' and what is 'commercially exciting'. Each program has a different way of exploitation, but to do all these there is a creative process to it. Producers would say that can be a DVD, a book,

so I got to say to them, great, there is a market, or great, there is a market, but is it worth our time and efforts? We are not one of those companies that you make the program because you fit in the various criteria, we are not one of those (emphasis)! (Interview 35/ A4/Commercial Director/ Drama)

The above shows some common characteristics of INDIE-UK's CIN projects. Firstly, decision-making is achieved through circles of complementary collaboration and communication. The coherence and order, therefore, results from specialist units doing their own thing, rather than the imposition of a deliberate solution. Secondly, such agents' personal-orientation to their work demonstrates their autonomy, which echoes the self-organization theory, in that their self-governing practices prompt the agents 'to achieve arbitrary complexity' through a dynamic and adaptive process. It further proves that the system is capable of acquiring and maintaining an inherent structure themselves without centralized or external control. Thirdly, however, it is found that instead of only demonstrating parallel-processing networks as a self-organizing system, the complexity of the CIN project organization lies in the fact that the project agents are organized into a coupled network, involving both serial and parallel processing. Finally, it is through the specialized processing that the project agents became part of and are responsible for the progressing of the CIN, and as the outcome of the emergent network is beyond any agent's calculation, such specialization in the emergence of CIN helps the agents focus on their current tasks. As a result, rather than dispersing them into separated connections as the Taiwanese case shows, it cultivates a sense of a collective, creative enterprise.

Section Summary on the Project-level

From the case projects, we saw that despite their difference in genre and funding status, while the EPs open up and set off the diversity and autonomy to be built and strengthened in their project organizations, those individual-driven enterprises have evolved into collective organizational consequences. This can be seen from three points of view:

Firstly, the EPs' creative aspirations are instilled into the production organization, which is immediately catalysed by its internal and spontaneous breaking-down of tasks with differentiating functions and roles to handle varying circumstance. As a result, the 'project structure' of the production has been pushed beyond the existing 'Production Structure' or 'Corporate Structure', or a combination of both, and a new set of indefinable structures, in a form of circles, has surfaced at the higher project-level to accommodate an increased interacting dynamics generated by the specialised decision-makers of the productions.

Secondly, we saw that entrepreneurial and creative-driven characteristics of independent production all play a part in shaping the emergence of CIN; they are neither dictated by commissioning, nor manipulated by commercial necessity. As a result, while the bottom-up networks emerge, they have transcended the largely one-off projects-vehicle of independent production; they benefit from, and contribute to the management functions who share the vision of the creative across the company. It is therefore clear that the CIN emergence is not simply something that just emerges, but concerns how managers facilitate the emergence, and structure and infrastructure have to be in place to allow it to happen.

Thirdly, as we saw that tensions also emerge while the project decision-makers spontaneously connect and communicate with each other in achieving their creative and commercial goals, it indicates that there are some other mechanisms at work during the evolutionary process of the CIN. As the following section will show, for a multi-project firm such as INDIE-UK, there are embedded mechanisms regenerating from the lower level to the firm level contributing to an overall organizational transformation of INDIE-UK in relation to the firm's CIN activity is also underway.

6.5 On the Firm Level- the Mechanism and Building Blocks for Emergent Properties

The examinations of the issues of bottom-up system transformation by Prigogine and Kauffman have helped us to see that there is a continual, inseparable planning and communication process involved in achieving a balance among creative choice, rights legality and commercial necessity from the inception of the productions. However, in a corporate context such as INDIE-UK, there are further questions that merit further examination, these being: Is there any firm-level strategy, management action or organizational design, and are the future paths of the independent company informed or driven by the CIN practices of its productions? And how is it arrived at in an increasingly rule-governed and hierarchical environment? By utilizing Holland's emergence theory, in this

section, I will show that the 1) branding from within, 2) individual growth, 3) cross-department synergy, and 4) people relationship orientation, are found to be functioning within INDIE-UK from the lower individual level upwards, as the connecting mechanisms and building blocks for the CIN emergence. As a result, a kind of synergy is formed at the firm-level as INDIE-UK's strategy and new corporate properties.

6.5.1 Branding from Within as the Integrating Mechanism

As an independent producer, INDIE-UK's works have largely relied on the major broadcasters' commissioning budget and co-production partners to create unique entertainment properties, yet with limited profit margins. Therefore by leveraging the experience of its production management and its intellectual properties, it is found that apart from its basic marketing tools such as on-line presence, which includes its website and direct-emails, INDIE-UK is also trying to strengthen its corporate branding. According to the interviewees at the corporate level, in order to achieve further development by way of organic growth, the recent strategic acquisition by an international media group provides a solid foundation, or 'buffer', upon which to build itself as a worldwide entertainment production company.

Based on the case productions, it is also found that the corporate branding attempt has been channeled into production, as a 'branding police' was specially appointed to take charge of the branding affairs of the Drama Case. The interviewee pointed out that INDIE-UK has been increasing its brand awareness through the merchandise sales of their major productions. She said:

For the Drama case, basically we've given all the ancillary rights, publishing and DVDs to the broadcaster, but as the producer, we have the final say regard to what and how to exploit with the programme. So what I been asked to do is more like a police of its branding. I have to work very closely with the EP and the writer, and they will give me all the latest information of production, and I need all that in order for the broadcaster to do their job to exploit it, to sell in at the international fairs and get the publishers interested in making the book and music soundtrack...I have to make sure those products go out at retail chain stores and related media outlets are branded with our company logo and with the right images of popular characters and personalities of the program. (Interview 20/A5/Branding Manager/Drama)

Putting together the ideas of 'branding the creative' and 'production branding' directly reveals that the 'branding from the creative individual' is important for INDIE-UK in terms of corporate branding in the broader industry context, and this can be demonstrated by the extract from the Managing Director:

INDIE-UK is a company where the broadcasters want to know what we are doing, so when we are hiring people, we try to hire people who the commissioners want to work with, someone who can really deliver, because it's both the brands of the EPs and the company that open the doors to the broadcasters, the talent and to those content-related business partners.(Interview 3/A11)

While talent-orientation is permeated throughout INDIE-UK, my interview materials further reveal that such practices plays an important role in smoothing the disagreement between the project goal and the corporate priority. The extracts from the Commercial Director and the Head of the B/L, for example, explain how it works:

We are two different disciplines. As the Commercial Director the way I approach it is I will have my mini categories and talk to the different distributors, and I would like to close the deal and move on, but the creative always like we are not quite sure, is it right? is it perfect? Can we spend a bit

more time on it? But at the end of the day, it depends on the Exec, if creative people are happy and focused, they will deliver. (Interview 35/A7)

It's such a very well-exploited property... I think it worked because we worked so closely with the writer of the adopted book and keep her happy. Keeping the talent in the happy place so that they can be more flexible and interested in what we are trying to do as well, because it's not a commercial decision to make the programme, it's the passionate decision to make the programme. (Interview 22/A9)

The 'branding the creative individual' practices therefore shows how the 'levels' of networking interrelated together – as INDIE-UK is hiring people with an inherent networking potential, who have their own credibility and relationships which they can put at the service of their productions and hence the firm. In this regard, it is similar to the Director in the Taiwanese case; the 'creative' is the selling points for network building. However, unlike the Taiwanese case where the creative is elusive and disconnected from its firm; for INDIE-UK, such a branding mechanism is found to be integral and alleviates the tension caused by CIN within INDIE-UK. In fact, I found that it is the idea of 'branding the creative individual through the CIN' that bridges the gaps between how INDIE-UK's management and the production members define the CIN in my initial findings. As the following extracts show, the CIN is perceived by both the management and production members as vehicles for strengthening their creative ambition on new territories, and not just tools for producing commodities and profits.

It's all become a lot more integrated. For drama programme, the books and all the merchandising is relatively not going to make a lot of money, so what they do is reinforce the brand in the viewing public's minds and keep the brand alive, making the programme more international appeal to compete with the American series. (Interview 19/ A2/Business and Legal Manager/ Drama)

For the Drama case for example, the EP and the writer get very much involved, for me that's brilliant, because you know you got a brand control mechanism on those products, that's very important, and they think the picture on the DVD should look in a particular way, it's because they have belief there should be the merchandise of their production, it's because they have passion for their project...(Interview 34/A6/Commercial Director/ Drama)

I don't have concerns of the 360 degree commissioning, because we are already doing it, it's just an integral part of our productions today. We love the way we did for the project, because we told the broadcaster what we want, and we showed them what has to be done. For example we have to do a website for the programme, it's kind of using the website to make money but most important it's a way for branding and marketing of our works. (Interview 21/A12/Head of Production/ Animation)

However, as the Head of the Comedy and the Managing Director reflected their experience with creative talent in terms of developing the CIN on the Comedy case as follows, there is seen to be an increasing challenge to the management:

It's a difficult balance as the productions are getting more complicated, we are constantly having to fight not to have too many meetings, its difficult, because most of our business is about the relationship with talents, these relationship takes a lot of time to cultivate and you have to keep involved in that, and you have to expand your exec producers in this, because there is so much work you can do for it. (Interview24/A6/ Head of Department/ Comedy)

The CIN of the Comedy Case wasn't done well as it should be. Mainly because the time pressure and the availability, naturally you want the creative talent to be much more involved at the earlier stage, but because the shooting of the show, there are questions about her and pressure on the agent,...so we never wanted to send the DVD cover straight to the artists, so we want to give it to the agent at the right time to make sure that when the artist looks at it and she is in a good mood for thinking about it. (Interview 30/A11/Managing Director)

It is therefore clear for INDIE-UK, the branding centring on the creative individuals has generated itself within the company as a faith capable of mediating between rules and structures and modifying interacting patterns

across-levels. As a result, the branding has contributed to a creative and commercial synergy, a firm-level strategy. As the Managing Director's comments on the Animation case can show:

The Animation Case is probably the textbook about how we can create a CIN programme, because we own it as a brand, and I think in the short term all the CIN and new media stuff will be brand extension, so we sat down to think about what we want to do with it, when we want it to be on DVD, what sort of web presence should we have, so we have the strategy with the web and the publishing of the DVD. We have to make sure that everything is done to our best ability, because it's not that it's the broadcaster's show, it is an INDIE-UK show (emphasis)! (Interview 31/A8)

The above shows us that CIN progress makes INDIE-UK become even more aware of the importance of the talent they bring to their productions. Although imbalance and tensions are emerging with the strengthening on capitalizing the individual creative credibility, it has proved itself as the focal point of INDIE-UK's organic evolution of CIN emergence, as it constantly moves between micro behavior and macro priorities, each influencing and recreating the other. Yet as we will see in the next sub-section, to achieve a system-wide transformation in a CIN way, this evolutionary process also involves some deliberate designs to make the most of the talent.

6.5.2 Individual Growth as the Harmonising Mechanism

Indeed, for the individual agents who have become involved in the CIN, the fact that they contribute to and grow with the emergence as they see their roles expand during the process directly relates to another deeply rooted crossing-level mechanism of INDIE-UK- namely individual growth. At the firm level, the

emphasis on the value of talent can be seen in the repeated statements from the HR Director, such value is built and originates from the corporate level. She said:

I have been with INDIE-UK since the very beginning, it's been built on a business that believes and enjoys what it does, so they want to build more to attract ideas which means attracting a diverse group of talents. The talent-based infrastructure, process and attitudes come directly from the Chairman and Managing Director. And I think people should take the acquisition rather positively because we got the financial buffer and also the money to invest in them, we got the investment and international opportunities. And there should be career opportunities as well as we now have the international offices, it should all add up. (Interview 38/A22)

Accordingly while the CIN threads are expanding outward, it is found that there is an inward concentration and filtering mechanism being developed around the individual talent. Indeed, the idea that the exploitation of the content value through CIN has to be based on the exploration of the talent was brought up in almost every interview. This can be seen in the way the newly appointed Head of Talent explained its roles in a specialization unit of talent management to build up a talent database:

All the CIN business development will only be good, and as we understand productions, so we are trying to work directly with Execs to bring the right talents for their productions. It's an interesting time, as all kinds of opportunities like the CIN thing become possible, so we are investing in pitch training and how to develop their ideas. It's about being able to recognise the talent and then actually being able to do something with it. (Interview 37/A4)

However, as the Head of Business and Legal commented in interview 'To make a good programme, you have to attract the writers, performers and all these talents, that could be the talents on screen and those talents who get them on screen' (Interview 27), while the individual are growing with the company in the CIN

context, a divide between the 'management talent' and the 'creative talent' seems to emerge, with a predominant emphasis on the 'creative talent'. As a result, the 'management talents' behind their CIN practices are relatively neglected. In this respect, the B/L Coordinator agreed with my observation, and revealed her experiences with a touch of frustration in our third interview, as follows:

I believe one thing that makes INDIE-UK a good indie is the focus on stories, and that's what INDIE-UK is always doing, concentrating on keeping the creative happy, and all of a sudden, we need business support, so let's get business support, whether it's consultant or full-time person. But it's sort of dominated by the jumbo feeling that programmes are the priority, so they will always try to get as many as the development people and creative in so as to get the productions running. So there is a lack of realization that when the productions are getting bigger and much more complicated, so is your support for staff and people going to handle the business side of it able to deal with it, even the account also needs to be bigger!...Generally, it's regarded as less important anyway, if you are an accountant and you go to an accountant firm, you are regarded as one of them, but if you are working in a TV production companies, you are the support, you don't really get the same level of respect if you like. So yes, it's a bit of an issue now...(Interview 15/A19)

Nevertheless, looking at the individual level, despite their work load getting bigger, the way that the company is growing into CIN is considered by most interviewees to be positive, as their individual growth is embedded with corporate growth. A vivid example is from the Media Liaison officer, who has been with INDIE-UK for nine years and sees his job tensions and career growth as a direct result of CIN development. As he elaborated:

We now need to look at each project with a much broader sense...We are trying to get this branding on more things to get more attention from the commercial sector,...I think the branding for INDIE-UK is always there, but it's just been emphasised more, now it's about building individual brands within the company, so each production has a recognised and stable brand that is built and absorbed into more and more levels...The frustration is, to be honest with you, lying in the fact that we are so much being pushed into different directions

to achieve goals that we set for ourselves, because it's about brand strength. I am here most of the weekends, because I got so much to do... What I started with INDIE-UK is the media liaison that's pure and simple, my role has changed substantially because I am now having wider opportunities to work with the Commercial Director and the New Media Exec, I would like to have my own career portfolio to be developed further and try those different areas over my years of employment with INDIE-UK! (Interview 28/A5)

Indeed, the CIN opens up the challenges to individuals as well as ways and demands for personal growth within the firm, in this regard, the cross-department interaction, as the following sub-section will show, also offers a way for absorbing such demand and achieving a synergy.

6.5.3 Cross-Department Synergy

As the Managing Director considered the Animation case as the 'textbook' in terms of making a CIN programme, it suggests that in the multi-department and multi-project context of INDIE-UK, there is a need to stimulate internal competition and learning between the production departments. This may be achieved through the Managing Director's indirect route:

Because the creative producers are naturally entrepreneurial, so when other producers in the company they see the Animation Case that I also executive produced got all the merchandising and they are my ideas, they got that internal exploitation competitiveness, which is great, because we need to have producers to embrace exploitation naturally, and they want it to happen with their own works, because it does require a bit of time to persuade the talents to do things. (Interview 30/A7)

While the subtle management practise of the Managing Director suggests his confidence in the mixed ecology of INDIE-UK capable of self-generating natural competition between individuals and departments, it implies that a

cross-department synergy has yet to be fully developed. Therefore, the new appointment of the New Media Executive is found to be a deliberate corporate move to bridge the gaps. It also suggest that a strategic synergy based on cross-level and cross-department collaboration, is becoming increasingly desirable for INDIE-UK's corporate development, and significantly, such a synergy is designed to be built in a CIN way. The following extract from the interview with the New Media Executive Producer, when he elaborated his role, illustrates this point:

It's a newly created position; they never had the job before. At the corporate level, I am the head of my own department, so I am reporting to the Finance Director and Heads of Production, and I have regular meetings with the Commercial Director about the way we should be negotiating our rights. However on the production level, I am also reporting to the EPs, I work closely with all the Heads of Departments and I go to all the creative meetings, the idea is that I am involved right from the earliest inception of ideas to actually integrate into the editorial level, the story and the programme on new media aspect.... The first brainstorm I got together, 1-2 development people from each departments, it amazed me that 7 people of that meeting had never met before, so very little contact between the departments at the moment, so with me coming on board hopefully to help bridging that gap...(Interview 32/A10)

In addition, while potential tensions have been brought up by some of the interviewees as INDIE-UK is now acquired by the Group, the New Media Executive is also found to bridge the gap at the top-level.

And I found that being as a bridge between INDIE-UK and the Group, there are sometimes conflicting priorities in the two companies because they are specialized in different things, and as the Group got the multi-media resources, they are there to support, but they are not always perceived as being the best people for the jobs, they don't have the credibility doing certain programmes, so we looked outside for another company to pitch with us, and that caused a lots of critical eruptions, because the Group wants to keep everything in the family. So I am here hopefully to bridge the gap between creative-talent based

INDIE-UK and the Group and the different platforms, so internally, I do seem to have more meetings than anybody else (laugh). (Interview 33/A7)

Importantly, it is clear that most of New Media Executive's roles and positions are sharpened and defined by the cross-department and cross-level structures and constraints. Such a finding can be interpreted from two aspects by which INDIE-UK has been undergoing an evolutionary process toward a joint strategy on the firm-level to go beyond the TV and the primary broadcasters.

Firstly, while there is a recognition and appreciation of INDIE-UK's mix ecology, an increasing awareness is that such an advantage has to be further exploited, so as to develop cross-genre and cross-platform ideas and to avoid compartmentalization. As the B& L Coordinator also stated:

There is a realisation that just because you are working on the creative side, it doesn't mean that those who don't have not got good ideas and ways to approach it, so they got to tap into that, so they started to gather a small group of people from creative, from finance, from legal to brainstorm ideas. (Interview 15/A8)

Secondly, despite careful and slow progress, INDIE-UK is on its way to expanding and transforming itself, as the Managing Director explained:

We are still very much TV -driven country, but because we don't know who will be the winner in the end, so we don't try to rely ourselves on anyone particular. So we try to move from a small-client based TV production company to a cross-media screen content provider. It will go very slowly, so what we are trying to do is to get our stuff out there and start to gain experience and get the right support in. We have to build those CIN relationships, either proactively or reactively, as a content provider... (Interview 30/A14)

The above analysis shows that while INDIE-UK is being shaped and adapted in a cross-platform way, the natural competition and the collaboration among them are becoming the building blocks toward that aim, both organically and instrumentally. The overall response of the departments is therefore an awareness of CIN progress and a turning outwards to allow new ideas to happen. As a result, while INDIE-UK is embedded in a relationship business, this suggests that its transformation also involves a reshaping and reconstruction of a web of relationships; the following section will show how ‘people-relationship’ also functions as an essential mechanism in the transformation.

6.5.4 People Relationship Strengthen the Coordinating Mechanism

The phrase ‘it’s a people business’ is mentioned by the interviewees of all levels while talking about how they encounter CIN. Any adaptation that they have experienced requires them to address the subtlety and informality of the creative business, which in turn is found to become the foundation for new order to emerge. As in the case of the values of brands and the talent, the importance of people-relationship for the CIN emergence is further strengthened in the broadening CIN context. At the management level, this can be illustrated by the following extract, the HR Director talked about her role as follows:

There is the management responsibility to get the best of people, or leave the people to get the best out of people. The Managing Director is running 4-5 different business units and we always call it the ‘distributor business’, because we have the management team that looks from the top, and we distribute responsibilities, and distribute goals....Being prominent, visible and sensible and open-door policy means everywhere to everyone in the production, and we spend a lot of time for the producers to maintain the relationship with the commissioners, so the relationships base is absolutely important. It’s a people business. (Interview 38/A20)

The emphasis on personal relationships at the production level is also prevalent, and is found to centre on the relationships with talent and the commissioning editors, which is a key to the success of a CIN program. This can be seen from the following extracts:

INDIE-UK is still at the start of the learning curve to profit from the multi channels, and the market is evolving so quickly...that is also why I executive produced some productions especially those that tend to have more difficult and complicated external relationships.(Interview 30/ A7/Managing Director)

The EP of the Factual case has a very good relationship with the commissioning editor, so the idea development was just between them, the good relationship between them is important because these are the people who can get you out of jail if you like if you need extra time. And she also has very good rapport with the presenter, which is absolutely crucial for such turn-around programme too, the presenter's involvement is very important.(Interview 2/A5/Head of Production/ Factual)

Indeed in building the CIN, the significance of such relationship-orientation is directly highlighted by interviewees across all levels, and regarded as decisive and strategic at the corporate level. The following extracts from the Managing Director, Commercial Director, HR Director and the New Media EP when talking about the way to move forward into the CIN, can illustrate this point.

Because we are big enough and we have the relationship to touch on everyone in the broadcasters, by having that relationship, we can try to persuade them to like our idea. You can't survive as an independent producer without it, that's where the commissions come from. But one little thing is to let the people enjoy what they are doing, go out and meet new businesses, it takes some proactive ways, you give away drinks; there are reactive ways, you turn up for dinners and speeches; it's part of us going out and part of us picking up calls and having new ideas, because only new businesses can bring you the new ideas and come to talk to you. It's about knowing what's going on and to know who we should be talking to! (Interview 30/ A11/Managing Director)

We are very well positioned. The chairperson is very well-connected at a very senior level across industry, with the general chairman of the BBC, that sort of level, and the Managing Director is very well-connected at the director of programming level. As a company we couldn't have any better connections and how you manage those relationships to maximize the amount of creation of our business we make, so I personally think we are very strong in that cross-media and CIN thing.(Interview 36/A3/Commercial Director)

Understand what you have to deliver, build the relationship with who you are delivering into and buying from you. This relationship-based process in moving into the more complicated field is extremely important! (Interview 38/A22/HR Director)

It's difficult to become a player in that multi-platform zone, it's a very grey area...I am doing a presentation next week to thirty advertising chief operation officers, they are the people who pay indirectly to our work, anything goes through the commercial channels, that's where our new media money coming from. We need to build up the relationships with them, offering to create content directly for them. The relationship with sub-field and emerging businesses will determine my success, and INDIE-UK does open lots doors for a start, they will come to me with good ideas too. (Interview 32/ A17/New Media EP)

While it is found that the performance of the managers are defined by the self-motivated relationships they cultivate and maintain, however, this also draws out a different orientation within the corporate management and an interesting internal clashing dynamics emerges while they work side by side. This finding can be illustrated by how the Business and Legal Coordinator's comments on the difference between the Commercial and Business/Legal Managers:

Legal works side by side with the business and commercial, it's very important they do, and it's so interesting that because a lot of the commercial role is relationships and his contact-base which build up over years and years, whereas the legal are the contracts and details, and those standards are always more rigid, and they are not so much into relationships, they don't go out and sell ideas or products... (Interview 13/A4)

To bridge the gap, it is found that the Heads of Production function as an internal intermediary to facilitate the collaboration and smooth the contingent tensions between the production teams and the Business and Legal management. The significance of the Head of Production was raised by every Business and Legal Manager, and can be represented by the way the Legal manager of the Factual case commented on its importance,

For the producers, we kind of sit here and being asked to do something. But it's a bit second guessing what exactly they want and what do they need, so we have the Head of Production (names), it does make a difference...if you get them in the middle who can see both sides, having that intermediary there, it really does take the guess work out from me. (Interview 12/A5)

The above examples illustrate that while these decision-makers are aware of the subtle difference and tensions in their daily practices, and they are being facilitated and bridged by the relationship-orientation. It in effect functions as a mechanism flowing throughout the system, and keeps the agents motivated and understood. The relationship mechanism has therefore emerged as a strategic function at the corporate level, as a gradual and connected surfacing from individual/operational views to a collective/ strategic goal. Yet again, with new properties emerge on the corporate level come surfacing tensions at the top. As the Managing Director concluded with a touch of frustration, in our second interview:

As the world gets more complicated and everything gets bigger, it is always harder to manage all these relationship, I always love to stay with quite close with the shows, but now, with six productions a year and spread in five studios in a week,... I didn't go to a wrap party last night, because I got so much to oversee! (Interview 31/A16)

Section Summary on the Firm-Level

It is clear that the emergence of CIN within INDIE-UK involves several supporting mechanisms including the collaborative management of branding, the individual growth, cross-department exchange and the people-relationship. These mechanisms share common features in so far as a) they orchestrate the existing and new structural and functional conflicts and decision-making dilemmas, from which the coordinating mechanism starts to operate spontaneously and the roles are being defined and sharpened, b) they move across levels, merging the creative, commercial, legal and corporate agents system-wide and as a result, c) the system evolves and strategizes itself and response to its internal environment as well as the external marketplace while accumulating strategic effects and outcomes at the corporate-level.

In particular, it can be said that those mechanisms are, in fact, interconnected to each other and help to shelter INDIE-UK in a changing market. Such synergy is achieved with their shared focus on the embedded relationship and people-oriented 'ethos' and the creative ambitions of the individuals which drive INDIE-UK moving forward. Therefore, my evidence also allows me to claim that those management practices, strategic synergy and organizational designs can still be regarded as new and emergent properties at the corporate level, in the sense that they are providing collective yet intuitive guidelines to move INDIE-UK beyond TV and into the CIN content-making, which in turn explains the whole is more than the sum of its parts and that INDIE-UK is undergoing a system-wide transformation in a CIN sense.

Overall, the cross-case study has deepened and broadened my impressions. We saw that the recent developments with the independent production sector in the UK are encouraging CIN, and the pilot study also suggests that the bottom-up producer-driven dynamics are almost in opposition to the top-down industry trends and corporate priority. However, by emergence, the case study has shown us that with some mechanisms in place, a dynamic exchange can occur between the two types of networking, and these individual-originated networks are therefore crossing-over and contributing to the corporate strategic networks, the bottom-up activities have led into coherent order. Importantly, instead of saying that emergence is generated from the lower level, it is more accurate to say that the new properties of INDIE-UK are the results generated through the spontaneous interaction and feedback between the top-down imposed and the bottom-up evolutionary dynamics: the creative vs. commercial and strategic vs. operational forms of networking within the firm have in effect created a shared pressure to generate new connections and to build networks, both internally and externally.

6.6 Case Summary: the Emergence of Coherent Order

The purpose of the case study of INDIE-UK is to analyze how the CIN emerges within a relatively mature and corporate context of independent production. I started the exploration with a pilot study. It produced preliminary findings that the development of CIN within INDIE-UK might be subject to: collaborations across departments in well-defined production structures, genre-specific practices,

attitudes of the EPs towards the ongoing trend, and most importantly, tension between the top-down imposed and the bottom-up generated networks. A subsequent cross-department examination was conducted through four different production departments/genres, which formed the major part of the case study. The multi-level CAS framework was applied to the cross-case analysis, to look into how and why the CIN evolve from the individual producers to the project organization and emerge on the firm level, and how a system transformation might be achieved. The further analysis proved to broaden, as well deepen, my initial findings.

Based on the analysis, I found that INDIE-UK acknowledges that it is different from small independent producers who use networking as a means for survival, and realizes that it is now able to pursue a strategic / corporate approach to networking. To summarize, there are three discernible coherent orders found with the evolution process of CIN within INDIE-UK; however some tensions in managing these developments also came to the surface.

1. Networking from the Individual:

Autonomy and diversity are allowed to the individual network agents and the overall network pool, which catalyze the self-organizing project connections and the evolution of a collective CIN strategy based on the appreciation of individual network resources and the relationship between the individuals.

INDIE-UK shows us that the CIN network formation cannot be explained by any one factor, but is a result of an elusive interplay of several different factors including commissioning requirements, creative aspiration, funding gaps, talent

availability, rights legality, and market demographics of the program. Yet it is such an interrelatedness that places everyone into the same boat, and the individualistic and self-driven networking is therefore evident. On the one hand, through the open-door policy, each network agent moves through a flexible structure to channel their needs and aspirations; on the other, the autonomy given to the individuals further encourages a self-driven practice to embrace the CIN naturally. As a result, such multi-party and multi-directional networking practice is accepted across INDIE-UK as being common and constructive in terms of content-making. This can be seen from the fact that individual agents strongly recognize the input diversity and complementary resources as essential elements and natural outcome of CIN, and such expanding networks also provide outlets for creative and entrepreneurial risk-taking, individual growth and corporate development.

While the cases also show that the process between the input and output, from developing the big ideas to delivering the TV programs and by-products are getting increasingly complicated, the individuals across all levels are therefore found to be embedded in a prolonged trajectory, stretching structures in the context of CIN. As a result, however, the words ‘personal feelings’ and even ‘job frustration’ were also brought up among interviewees from both the production and the management sides, when talking about their self-adaptation in the process. It suggests that the personal and emotional needs induced by the increasingly complicated production networking tasks tend to be overlooked during the self-driven problem-solving process, because the self-organizing and coordinating system seems to work. Such importance in attending to the human factors reinforces three points: a) the significance of the roles played by the EPs whose

dual role shapes the extent to which the priorities, pressures and resources can be absorbed and allocated , b) the importance of individual ‘roles’ instead of ‘functions’ in the specialized yet stretching environment, and c) the fact that the CIN evolves as a result of personal self-awareness and emotional reactions, it suggests that ‘self-organizing’ is in fact becoming inevitably more stressful and challenging than being ‘organized’ or manipulated in a traditional structure.

2. Networking from the Inception of the Project:

Initiating a continual and inseparable planning process from the beginning of the production to achieve a dynamic balance between creative, legal and commercial with the focus on making the most of the creative talent. As we saw, the creative producers with INDIE-UK are embedded and safeguarded in a highly specialized supporting system. In particular, instead of seeing these management functions as interference, there is a high appreciation and recognition from the production side of the early involvement of the commercial and legal departments, because ‘they help me focus on being creative’. By talking to all sides, it is also found that they share common emphasis on the early cross-departmental collaboration, because to make a ‘360 degree production’ requires holistic thinking from the inception so as to structure the project properly.

While the project agents are spontaneously connecting themselves through flexible structures and contributing their specialized processing in achieving a collective project goal; however, the project structure is evidently talent-centered, as the fulfilling of the creative talent is found to be the priority. This indicates that developing the creative talent has become a commercial strategy for INDIE-UK to

maximize the content's value. As a result, the creative side seems more organic and dynamic, whereas the management side remains less dynamic, playing more of a supporting role rather than taking the lead, and consequently being undervalued.

3. Networking from Within:

Self-adaptation to the changes and requirement brought by the CIN across all levels, and an integrated branding strategy is formed leveraging core-competences of production and corporate strategic growth. As the initial finding suggests, there might be a genre-specific difference in terms of the nature and extent of the EPs' CIN practices. However, it is found that no significant genre difference exists in terms of their attitude, and the why and how of CIN content-making, as it follows the same principle- 'to develop the best story and make the best programme first and then make the best use of different platforms for delivery'. In particular, while such a principle is especially emphasised by and internalised with the producers, there is also an increasing awareness, at the corporate level, that to further encourage the CIN to happen, an internal synergy has to be achieved. This can be seen from several aspects:

Firstly, INDIE-UK allows for managed risk-taking and disorganization, from the individual level trying new ways of production to the corporate level seeking to move into the new media domain basing on its core competence as a TV content provider. Secondly, an indirect approach is shared among corporate management to facilitate a self-driven competition between individuals and departments, both vertically/cross-level and horizontally/cross-department, as based on the trust,

empowerment and spontaneous learning. Thirdly, it acknowledges the values of the mixed ecology within and across departments, so as to avoid people being locked into their own productions or becoming compartmentalized. It therefore became clear that the emergent branding and cross-media strategy within INDIE-UK is energized and built out of the personal networks at the firm level. Such crossing-over endeavor is also believed to be beneficial to the cross-genre and cross-platform idea development, as INDIE-UK's strength also lies with its broad range of productions. Finally, a relationship-oriented and social approach to create a sense of a distributed planning process inwardly, so as to build outwardly the CIN business partnerships, is regarded as a fundamental and collective strategy of the company.

However, concerns were also revealed among interviewees about INDIE-UK now being part of a bigger Group. This implies that the disorganization, subtlety, mixed ecology and informal approach which characterise INDIE-UK's distributed networking might be under challenge. Noticeably, while INDIE-UK's system transformation has been brought about by the bottom-up networking flexibilities around its productions which grow organically to join and absorb the top-down network necessities. On the other hand, an increasing structural tension has started to build at the top-level.

In conclusion, at a macro level, the recent industrial changes within the UK TV industry explain much about the structural changes of the industry and hence the independent production within it. On a micro-level, however, the case study illustrates why and how CIN emerge from the 'bottom up' and form itself as a

result of a distinct set of network dynamics. For network management, while INDIE-UK shows that the advantage of becoming bigger is that one can get easier access to the matching resources and the key decisions-makers in the network-dependent businesses, it reveals that while its organizational structures centering on production are self-organizing and flexible, at the top-level of the firm, the issues of how to bridge the gap from the top and to hold onto the creative yet managed chaos will remain an ongoing task for its management.

Summary and Continuation

This chapter is a qualitative account of my case study, which examines the internal network dynamics of a mature independent TV production-INDIE-UK. From the pilot study, I developed initial issues and assumptions concerning the decision-making process, and differences and tensions involved in INDIE-UK's CIN practices. Subsequently, by cross-analyzing four case productions and by examining and connecting the different dimensions in the emergence of their CIN from the bottom-up, I demonstrated a systematic order of behavior and internal logic of INDIE-UK's CIN complexity.

Firstly, Prigogine's theory of dissipative structures has helped me to pinpoint the fact that it requires some conditions to set off the CIN evolution from the individual level, and the EPs' openness, entrepreneurial risk-taking and focus on being 'independent' and content-making play key roles in channeling and mediating the externally imposed network forces into the internal project systems. This in turn triggers emergent CIN configurations.

Secondly, with the framework of the self-organization theory, I showed that a collective organizational consequence happens as a result of individual and creative-driven aspirations: the ‘project structure’ for a CIN programme embodies a spontaneous and flexible network in the form of circles to accommodate increasing diversity. Its interrelated and interdependent structures transcend the existing ‘Production Structure’ or ‘Corporate Structure’ functions and an alternative set of network dynamics has emerged as a result. Meanwhile as the case projects share common organizational properties by which the emergence of the CIN is facilitated, it also reveals that some other underlying and crossing-level mechanisms are also at work in easing the structural and agency tensions.

Thirdly, while all the lower-level conditions and properties contribute to an interwoven and dynamic web of project networks, the case study on INDIE-UK further demonstrates that the divide between the top-down strategic imperatives and the bottom-up emergent is in fact becoming increasingly blurred. There is a dynamic exchange and interrelatedness between the two types of network, due to some mechanisms being in place including: the underlying principles of branding, talent management, cross-department collaboration and relationship-orientation. By means of interacting with all small units in the system, the mechanisms bring out the emergent properties at the corporate-level, the crossing-level emergence and emergent strategy have taken place and the interplay between them contributes to the accumulated and system-wide transformation of INDIE-UK, from a TV producer to a holistic content-provider.

Although the emergence of the CIN within INDIE-UK is seemingly fragmented by the level-specific analysis, my findings proved that they are actually interconnected as stages in an evolutionary process can be summarized into three network orders of INDIE-UK as follows: networking from the individual, networking from inception and networking from within. Accordingly, I argued that the CIN of independent production is equally important and more appropriately understood in terms of their internal logic driven by a mixed ecology of creative aspirations, choices, motives, practicality and tensions. It is another set of almost self-sufficient internal dynamics, which emerge in a complex web of parallels, capable of catalyzing itself from the bottom-up to impact on the macro-level of the firm, and vice versa. It is especially evident in the relatively mature corporate context of INDIE-UK, in that while it is undergoing a system-wide transformation in a CIN sense, some challenges and dilemmas for its management are also revealed.

Overall, the two case studies of chaotic/Taiwan/Film and ordered/UK/TV scenarios show the different conditions of independent production in the film and TV industries. While for film productions outside the major Hollywood studios still lacks an established financial base, yet they requires higher levels of capital investment and risk, therefore there is greater pressure for independent producers to achieve ad hoc partnerships and deals to finance each project as INDIE-Taiwan shows. Whereas TV, especially in the UK, tends to function in a more established and commercial market, consequently the INDIE-UK shows that with less commercial pressures, it is able to take a strategic approach toward networking.

In conclusion, however, the discussion of the two case studies in Chapter 5 and 6, together with the discussion in Chapter 1 and 4 about the analytical and empirical approaches taken in this research, point to my overall argument that different networking practices exist which can be taken as reflections of the different industrial and organizational maturity. This is because the ad hoc networking as observed in the Taiwanese case are representative of the problems confronting an immature/developing industry which still does not have an established industrial base. Whereas the UK case embodies a more developed, well-ordered market as a result of its historical development as a protected and supported industry. It is clear that both the developing and the developed contexts should be included in the understanding of the network phenomenon, and should be regarded as distinct systems instead of being taken as simply parts of the generic 'nature of creative and media productions' within the AVS.

Part III

Discussion and Conclusion

Chapter 7

Discussions and Implications

In search of the 'dynamic middle ground' or the 'edge of chaos' of the system.

Introduction

In this chapter, I will discuss the main findings of this research. Based upon these, I will present the managerial and policy implications of this study. The chapter is divided into two parts and considers the two distinctive cases in this research: the Taiwanese case, which demonstrates a relatively developing and chaotic context where the networks are disconnected, and the UK case, which represents a more orderly and mature network system. Firstly, by drawing together the networking experiences from the extremes of chaos and order, I will discuss how the organization of an independent production absorbs the individual-driven, opportunistic connections, and turns them into structural and productive network relationships. I will also examine how they enable the network order to emerge more effectively from chaos, and contribute to the development of the firm. In so doing, section 2 draws out the managerial implications for creative and media firms to operate more effectively in an increasingly complex context. In addition, based on an understanding of how network order can emerge within a firm, I will show the policy implications by addressing certain conditions and initiatives through which better-supported, sector-wide networking may be achieved, within the AVS.

7.1 Discussion and Analysis

7.1.1 On the Individual Level

The empirical evidence of this study confirms that network-dependence defines, to a large extent, the independent producers under study, who rely on and are embedded within a complex web of social and business connections. It is also clear that independent film/TV producers share the same ultimate purpose for CIN: that is, to fulfill their creative aspirations for content-making. They perceive CIN as a helpful way of carrying out and enriching their productions, and ideally achieving the viable development of the firm.

1) The Stressed Intermediary between the Internal and External Dynamics

While the empirical findings in both Taiwan and UK show us that the role of the producer is essential in the development of the CIN, given that their aspirations, attitudes and connections influence the ways and directions in which the production is structured and progressed. However, while it is found that the producers were at first reluctant to express their concerns, it suggests that the producers' concerns toward such well-accepted networking practices tend to be neglected in the context of their daily, hectic problem-solving tasks and their expected role as a forward-looking entrepreneur. Indeed the increasing needs and possibilities for networking result from industry restructuring, and in fact bring with them discernible pressures, which demand the constant and immediate adaptation of the producers, who function between the two directions of network dynamics- the internal urges to fulfil their creative aspiration through project-managing their production, and the externally-imposed necessity to meet

their commercial and legal obligations.

Internally, the Taiwanese producers showed a higher level of randomness and anxiety toward the emerging networks. There are two major reasons behind this: first is their higher degree of dependence and expectation in terms of CIN resources, and the second is their lack of an organizational 'buffer' to accommodate the emerging network complexity. The Taiwanese producers' dependence on the networks can be seen from the fact that they expect production funding, marketing resources and even functional support from the external networks. The Taiwanese Producer, therefore, extends himself desperately, and arbitrarily, to acquire network resources for the survival of the production. However, although the Taiwanese case shows that such self-driven, opportunistic and individualistic network-making are regarded as natural and beneficial to creative producers, nevertheless without appropriate internal planning and coordination, their decision-making is much less deliberated, while internal decision-makers become vulnerable network agents who are busy responding to various network requirements. Consequently, the CIN formed around the case production are fragmented and arbitrary.

On the other hand, despite not being without concerns, the INDIE-UK's producers show a more focused, targeted, and pragmatic approach toward the networks and they tend not to have high expectation of the network resources. Consequently, they are less stressed and anxious about the outcome. Their attitudes come from the fact that their uncertainty and the expectations of the network are absorbed and reassessed through a well-resourced and interconnected mechanism, under the

corporate shelter, where the CIN has emerged as shared practices and corporate strategy. Such internal safe-guarding is regarded as beneficial to the risk-taking, entrepreneurial producers, as the level of risks, returns and impacts of their aspirations are being calculated or reassured, and they can focus on their content-making, which is believed to be the fundamental value of the independent production.

However, in order to gain appropriate and sufficient support for their productions, it also became clear that while the Taiwanese Producer enjoyed an almost total sense of freedom and self-determination owing to the lack of internal supporting structure and agency; the INDIE-UK producers were more restrained within the internal decision-making and coordinating system. Producers regard internal coordination as necessary, because they lack sufficient resources to pursue their content-making aspirations without taking into account the commercial and legal aspects which are crucial in determining the delivery of the production- and in maximizing the creative and commercial values of the content they make. On the other hand, the possibility and priorities of exploring and exploiting the networks, and the perception of their influence on the core content differ between the key decision-makers. As the producers' creative aspirations demand functional integration, they also incur collaborative tensions; as a result, the producers have found themselves involved in increased communications, interactions and unavoidable meetings. This is helpful in that the producers are feeling they are part of a supportive group, yet the negative effects of having to attend these corporate considerations have started to emerge as concerns for the producers as was observed in Chapter 6, Section 5.

Such collaborative tensions also continue outwardly into the producers' developing relationships. While the producers move towards the CIN to fulfill their commercial needs, this involves balancing conflicts and trade-offs with the network partners. Examples are the varying business logics and priorities between the independent producers and the book publisher, telecom company or the DVD distributor, as shown in earlier chapters. In this regard, however, all the production cases under study share a prominent characteristic: the communications and connections between the producers and their key network partners are mediated by friendship and familiarities at the personal level, which can be seen from the fact that the communications between them tend to be loose, informal, and sometimes personal. While it is beyond this study to measure the different degree of strength or weakness of these connections, it is clear that fluid communication and business opportunities are facilitated and made possible by the producers' personal and social connections. These informal associations are highly regarded, and appreciated by the producers, as the like-mindedness and mutual understanding between them provide competitive advantages in terms of providing the producers with a sense of security and mutual trust in their risk-taking and gaining creative and operational supports for their productions.

2) Self-driven Transformation

From my observations, at the individual level, producers in both contexts operating in the CIN underwent an intense opening, adapting, growing and to a certain extent, transforming process as a result of dealing with the two directions of dynamics. On the one hand, at the personal level, while the producers' views of

themselves as creative, autonomous and independent play an important part in their attitudes toward the wider network and remains the central principle underlying their network practices. These ideals lead them towards certain directions in their networking as they are encouraged to build up partnerships with other businesses. On the other hand, they face another type of externally-driven pressure: to fulfil the commercial and legal needs, which require them to simultaneously go through a self-motivated learning process, as they deal with the collaborative tensions and different businesses logics in their interactions with both the internal and the external network partners. As a result, the producers underwent an increased and indeed constant awareness of and reflection upon their changing roles, adjusting from solely the creative and independent to new roles resulting from business logics, pressure, network demands and complexity. It can be said that the self-transformation progression with the producers is driven internally by their own willingness to adapt, and is achieved externally, through their self-motivated interaction with other members of the networks.

Another significant finding that emerges from my research is the importance of the independent producer's autonomy and their sense of themselves, their self-perception, self-understanding and the ideals of themselves that lie behind the self-transformation, which is more profound, and transcends what we found in Chapter 2, namely that historically the 'independent producers' are defined largely by their opposition and relations to the majors. The significance of such self-perception is manifested by the fact that they are, in fact, aware of and in tensions with all sorts of external forces imposing on their creative aspirations. It has not only to do with the fact that they need to feel that they are independent

and autonomous but also they need to perceive themselves as certain types of persons and businesses which reinforce each other and motivate their behaviour as a business.

The above-mentioned dilemma highlights the fact that despite the different stress-levels among producers, their experiences of self-transformation are important when they deal with CIN. Although emotional stress can also be identified in the network-dependent ecology of the independent and creative producers, it is not regarded as the most important characteristic. However, the empirical data shows that self-transformation has become an important characteristic for producers in the AVS, directly coupled with their networking practices. In other words, the producers' experiences of adaptation or transformation in CIN consist of four fundamental elements: the reflection of their identity, evolution of their attitudes, spontaneous adaptation to wider roles, and a sense of positive action.

Overall, at the individual level, the empirical findings reinforce and relate back to the point 'from the top-down to the bottom-up' that I made in Chapter 2, in which I indicated that the consequences of these top-down restructuring, and especially the impact of the increased organizational complexity on practitioners has yet to be looked at closely. The fact is that while producers are operating at the bottom of the restructuring and expanding industry, where networking becomes a norm, they are in fact operating in a web of mixed promises and problems which make the networking beyond simply collaborative and harmonized transactions which can be achieved through their social and informal connections. As a result, with

the more formal ways and efforts needed to materialize the various network relationships, their personal adaptations are manifested in various dimensions and directions in their network behaviors.

7.1.2 On the Project level:

At the project level, the major project management challenge identified in the field was related to a refocus on the roles of the firm. This is because the literature tends to overlook the roles of the firm behind the creative projects, and in terms of the management of a CIN project, it also became evident that project activities flesh out the ongoing and sustainable roles of the firms. This can be seen from three major findings: 1) the demands for an internal and more sustainable capacity to fulfill the requirements and tasks of the project network, 2) the nature of content production, moving from an inwardly-focused creative enterprise to an outwardly-directed and commercial venture, and 3) the networks are equally important for content production as for distribution. The three interrelated findings reinforce the need and significance of filtering and supporting infrastructures within the firm. I will discuss them as follows.

1) Demands for Sustainable Coordination

Firstly, it is found that the producers' personal connections and social resources play a role in shaping the prospect of the CIN project organization. However, while their aspirations instigate collective consequences and the networks become more complex, producers, of all levels of experience, show difficulties in weighing the trade-offs involved in the network. As a result, in terms of the

Taiwanese Producer's arbitrary exploitation of their personal contacts and the Director's impact on decision-making, which largely resulted in unsatisfactory outcomes, it may be seen that while the role of social exchange has contributed to the organizational dynamics of a CIN project, the importance of a counter-balancing mechanism was overlooked. In this regard, the UK case illustrates that while taking advantage of the EPs' personal relationships, the firm's specialized and coordinated decision-making process is helpful in that it not only functions as a filtering mechanism, avoiding over-emphasis and over-reliance on certain personal judgments and relationships, but it also provides the necessary infrastructure in turning those informal and elusive ties into formal business relationships, to be formed as the solid foundation for emerging networks.

Secondly, my empirical data also indicate that there is a need for an internal capacity and infrastructure, capable of allocating specific roles within a firm, so as to process the project tasks and to allow the project-based networks to take place more effectively. The Taiwanese case shows that the network agents were snowed under with multitasking, while the INDIE-UK producers are more focused on their creative roles within an organized and specialised system. The UK case, in this regard, demonstrates a developed scenario, which is different from most independent production companies at the start-up and developing stage. Significantly, it illustrates that the network order starts to emerge at the project level, at the point of specialization: the network order becomes clearer when the firm is able to establish specialised functions in a more formal organization, structuring and allocating roles and responsibilities, as opposed to multitasking and ad hoc practices.

However, owing to the specialized functions required in processing the network tasks, the UK case reveals a need for another form of coordination within the project: the intermediary roles played by the Head of the Production between the specialized functions. At the project level, such an intermediary role is the most critical, as it not only concerns idea and information sharing, rights legality, and resources mobilization to fulfill the commissioning and editorial requirements, but also whether an independent production company can maximize the commercial value of the content they produce for future exploitation. At the corporate level, such intermediaries are also important in building closer relationships among the key decision-makers and channeling the requirement of the production team to corporate management, and vice versa.

Thirdly, while the lack of a corporate buffer is only one factor among others that have contributed to the fragmented CIN found in Taiwan, it is common among the interviewed producers to emphasize the importance of the required legal and commercial underpinnings of the network deals. It can therefore be argued that instead of outsourcing these essential functions, as with the Taiwanese case, what is more appreciated by the producers is the operational interconnections within the firm, through which the producers gain a sense of security and confidence in themselves in relation to the external networks, and in return, concentrate on their creative pursuits, as is the case in the UK. However, in order to seize and identify the diverse commercial opportunities and revenue streams, a constant flow of information and limitations has to be immediately channeled and communicated. This therefore needs flexible connections and intermediaries to achieve an

efficient, well-informed system of decision-making, and collaboration.

Additionally, my empirical findings show that many external network partners are involved in CIN projects on a one-off, short-term basis, and it is exactly such flexibility and fluidity that makes it difficult to accumulate core competencies with the project form of organization. As indicated frequently in the project management literature, the greatest organizational learning challenge in project organization is that of learning between projects as the experience and knowledge can easily be lost to future projects. In view of the UK case, the stability of the internal management network proved to be helpful in retaining organizational learning in the project-based enterprises, as the key production staff and decision-makers are in fact the important infrastructures accumulating, sharing and building on their personal and professional competence in conducting CIN. Such a distribution of learning within the UK firm is achieved by the management's subtle approach to CIN content-making, encouraging bottom-up, self-driven mutual-learning across projects and departments. This not only contributes to an organic learning across its organization hierarchy; importantly, it minimizes potential conflicts between the project and corporate priorities, which is a common problem for a growing creative business.

2) Moving from Inwardly-focused to Outwardly-directed Relationships

Another major finding at the project level is that the nature of the network relationship involved in content production moves from an inwardly-focused, creative enterprise to outwardly-directed commercial ventures of equal importance. This can be seen from the fact that three main relationship types,

namely *commercial transactions, technological connections, and creative partnerships* can be identified with CIN in both developing/Taiwan and the developed/UK contexts. According to my research findings, independent producers needed all three types of relationship to be able to operate in the AVS. However, as noted in Chapter 2, policymakers have argued for integration within the sector, and clear scenarios as to how those modes of collaborating behavior could be further developed have yet to emerge. Based on the evidence from the Taiwanese and UK cases, certain fundamental characteristics of these relationships are identified.

Type1: Commercial Transactions

Commercial transactions refer to the fact that while opportunities increase as the audiovisual landscape opens up, gaining funding through sale of content remains the main concern for both independent film and TV producers. This can be seen from the fact that many of their networking actions are triggered by funding gaps, and they perceive other non-sales relationships as helpful in generating an awareness of their products and potential sales. However, the Taiwanese and UK cases reveal different scenarios in terms of their proactive or reactive position, the social approaches taken, and the IPR management utilized in this type of relationship.

The Taiwanese producers took eager action to open up the CIN. However, due to their personal liability as the independent producer, and therefore lack of bargaining power, they have to take a reactive role in transactional relationships, and the process of negotiating with their sales targets tends to be a largely

unpleasant experience. Consequently, they tend to rely on their personal and individual contacts, in the hope of achieving sales; yet the outcomes mostly proved unstable and unsatisfactory. On the contrary, being embedded in a consolidated independent production company which serves as a business asset and underwrites their reputation as an established company, INDIE-UK demonstrates a proactive role and strong bargaining position. However, even though it is found that key network agents are well-positioned in a business network in the TV industry, they show a more subtle, strategic and collective approach towards the networked and people business. Even though they recognize the need to pursue the best deal in their commercial transactions, in their personal networks they also recognize the value of deeper relationships in gaining competitive advantage.

Two interrelated issues are also revealed in the commercial transaction relationships: funding needs, and IPR management. For independent producers, the lack of production funding is a prevalent problem, as indicated in my empirical findings. However, it can be argued that for INDIE-UK, the reason they could occupy a more dominant position in commercial transactions is that a certain amount of commission-budget has been in place, and they are operating in a better capitalized company. On the other hand, in regards to the case in Taiwan, where the required funding is critical to the survival of the production, and even for the firm, this inevitably places independent producers in a weaker position in the transactional relationship.

IPR matters further compound the commercial transaction relationships. It is

evident that content licensing is the most complicated issue for independent producers in the cases examined, owing to their needs for copy-righted materials, and to exploit their own content as far as possible, which can easily result in licensing conflicts and problems. In particular, from the producers' viewpoint, this became a serious challenge in that the actual and overall costs involved in acquiring and exploiting the content are difficult to specify at the inception of the project, and the consequences of any utilization of content are difficult to measure and control. As a result, since independent producers normally share their IPR in return for cash injections and investment, there arises the question of how the rights should be divided in deals with other network partners. Uncertainties on the IPR ownership lead to constraints in terms of the directions and extent of the expansion of other network relationships. In particular, as the division and the management of IPR concerns the overall financial well-being not only of the project, but also the firm, the resolution of these issues requires clear legal procedures, careful calculations and savvy negotiations.

In this regard, in the Taiwanese scenario, IPR policies are not well structured in terms of how the rights of the independent production can be better reserved or protected. As a result, because the independent producers are normally not equipped with the requisite legal knowledge and support, their commercial transactions are subject to individual negotiations, which remain the major sources of stress for the producers. Consequently, it is found that the Taiwanese producers either deal with IPR issues by basing their transactions on mutual trust or goodwill, or by seeking legal services which could merely deal with the technical side of the contracting, and not the negotiation for favourable risks and

returns. Such negotiations are even more crucial to the independent producer and are central to the creative risk-taking of the producers with INDIE-UK. In particular, the new regulation on the retention of rights for independent productions in the UK not only provides a foundation for the financial well-being of independent production, it also equips independent producers with a clearer sense of the sales potential, directions and opportunities to exploit their content once the legal and commercial services are in place.

Indeed the IPR issues can be seen as one of the major problems that stand in the way of CIN and collaboration in the AVS, in both the UK and Taiwanese contexts. In particular, it became evident that rights retention and the ownership of content remain the central concerns of the producers in decision-making. This is directly related to their capacity to deal with IPR issues. Because the exploitation of the commercial value of the content requires a certain period of time for revenues to accrue through various sales windows, therefore an internal and sustainable capacity for achieving those tasks is needed.

Type II: Technological Connections

Regarding the *technological connections*, it is found that technologies facilitate convergence and networking in the AVS in both the developing and the developed contexts. Businesses like telecoms, mobile and new media have taken on a new prominence in their production networks. Yet the difference in terms of the depth of such connections is evident. As far as the Taiwanese case is concerned, as clear regulatory guidance and incentives are yet to be clear, those technology-driven businesses tend to regard the independent productions merely as an alternative

platform for experimenting with content production and new markets; therefore their investment and involvement in such collaborations has yet to be significant and substantial. For the independent producers, due to the lack of capacity for business planning and most importantly, the concerns about being manipulated over the content they want to make, their relationship with those corporate players can be said to be more of an exploration than an exploitation, as both sides tend to try out their relationships and hence the collaboration tends to be shallow. On the other hand, with the UK case, with the infrastructure support, new forms of content and new delivery platforms have started being internalized into the development and creative process. As a result, they provide not only sales windows, but more importantly, new ways of content-making, and the producers can now begin to form deeper relationships with those businesses.

Type III: Creative Partnerships

While technology-driven businesses provide a way forward, it is found that some 'old' content-related businesses, for example book and music publishing, still play a central role in the content-creating activities. In particular, in spite of the volatile return from the by-product sales, this type of relationship is still perceived by the producers in both contexts as being an important *creative partnership* for their productions. This is because the network resources gained from those businesses concern the creative sources, choices and output of the audio and visual elements of the original content. Interestingly, it is found that the independent producers tend to have developed more informal relationships with these 'older' network partners.

However, when putting the two cases together, it is obvious that differences exist in terms of how and whether the independent producers can better materialize or strategize these rather elusive relationships. In the Taiwanese case, due to the relatively disorganized practices, these creative relationships are found to be limited. As a result, such relationships become disconnected in the overall project networks. In the UK case however, a more strategic, holistic approach towards the creative partnerships was evident. This can be seen from the fact that producers were able to ensure that these rather elusive creative sources are materialised into substantial productions, and indeed, legally-binding relationships, contributing not only to the idea development of the productions, but also to the commercial prospect of the exploitation of the content they produce.

The above discussion highlights some important facts at the project -level:

- 1) The role of the project is important, as it is the unit that pulls together creative, technological and business-oriented elements in the system, all of which are needed for independent producers to enable a full utilization of the internal and external network resources.
- 2) Three distinct types of relationships characterize these networks. However overlaps between these relationships also emerge, for example a commercial transaction influences the creative and technological elements of the production. Therefore, these relationships have to be managed in order to minimise the potential conflicts and impacts on the creative process which remains essential to the producers.

3) As the independent producers explore ways to exploit their CIN, it is clear that although distribution and sales arrangements remain crucial, while the producers extend the network relationships outwardly, instead of regarding their network behavior as distribution-driven, it is more appropriate to say that they are production and content driven, as it is believed that a successful integration of CIN resources at the inception of the project fundamentally determines the commercial, and more importantly, the creative potential of the content.

4) However, while the nature of content production in the AVS involves creative aspects, it also involves a significant amount of business and commercial work when it comes to the value-adding and exploitation of content. It therefore highlights the required roles and conditions not just within the project organization but at the corporate level.

Overall, at the project level, the empirical findings support my arguments, made in Chapter 2, that research on the network phenomenon in the creative and media sector have overlooked the alternative and emerging network dynamics ‘from the inwardly to the outwardly oriented relationships’ and ‘from the distribution-led to the production-driven’. In particular, it is clear that in a CIN project, it is with the infrastructures in place that the development of network relationship becomes more effective; it is through the shared understanding of the creative and commercial vision of the project that the coordinated flexibility and specialization become more meaningful; and it is through the underlying security provided by the firm that network order emerges from individual and opportunistic

connections.

7.1.3 At the Firm-level:

In the findings at the firm-level, I will show that the creative credibility of individuals and individual development can become a source of networking and corporate capacity for the firm. This can be seen by two prominent themes found when comparing between the Taiwanese and the UK case firms. They concern 1) how the firms exploit individuals' creative reputations as corporate branding assets, and 2) how the individual developments correlate and emerge into corporate value and collective development of the firms. The two themes help us not only to understand the significance of CIN for developing small and medium firms, but shed light on the relationships between creative and commerce and individuals and corporations in the context of increasingly complex networks.

1) CIN as a Means to Exploit Individuals' Creative Credibility as Corporate Branding Assets

Firstly, the empirical data shows that regardless of their development stages, 'branding' is crucial to an independent production company at all levels. This can be seen from the fact that creative producers perceive CIN as helpful in building their own personal portfolio and interesting and useful connections across the sector. They also value CIN in generating an awareness of their productions which might contribute to the status of their firms. In particular, in looking at how they exploit individuals' creative reputations as corporate branding assets in the two cases, it is evident that while the development of CIN projects are interconnected with the strategic objectives of the firm, such branding ideas are

also inseparable from the credibility of the creative individuals within the firm.

The Taiwanese case has shown that a director-centred networking underlines not only their creative-centred principles, but also highlights the fact that the Director represents the 'brand' of the production. This becomes the crucial factor for potential network partners to assess whether and to what extent they should collaborate with them. Based on interviews with these network partners in Taiwan, this emphasis on the value of the Director was so dominant that it rendered the status and credits of the firm behind the projects almost secondary, or indeed irrelevant, in terms of obtaining network relationships. In the case study, the firm recognised the Director as a selling point, and attempted to maximize his networking value in all aspects. However, due to a lack of infrastructure, this intangible asset of the Director was found to be fluid, and disconnected from the firm. As a result, it can be said that the creative credibility of the Director remains only a random bullet in making random networking moves for the project. Eventually these random connections could not feed back into the CIN and become integrated as part of the assets of the firm for its future growth.

With INDIE-UK, it is evident that the case firm recognized the value of the credibility of creative individuals in expanding its networking at all levels. This can be seen from the fact that at the corporate level, the company made a strategic decision to join a bigger media group in order to promote the brand of the company as a creative and growing TV producer. The emphasis on creative credibility has in fact made INDIE-UK develop a strategic/corporate approach, not only to recruit well-known executive producers, as they are reliable 'creative

brands' to open up business opportunities, but also to invest in corporate infrastructures (e.g. the Head of Talent) to specifically cultivate a talent pool for its business. In other words, in order to capitalize on creative individuals' reputations as corporate assets, the firm demonstrates its belief in the value of its accumulated creative credibility. Meanwhile at the production level, the interviewed EPs all emphasized the significance of the creative talents that they brought to the production. The UK case therefore illustrates that the strategic/corporate approach of strengthening and capitalising on the creative credibility of individuals is being organically absorbed and turn out to be the operational priority for the productions and which in turn contributes to the emergence of a branding strategy centred on creative individuals.

However, while creative figures are treasured and safeguarded in the value-generating system, the stress experienced by the management team behind the value output is increasingly visible, as concerns and complaints arise. Nevertheless, it is clear that the relationship between the creativity and commerce in the context of the CIN can be demonstrated by the fact that the credibility of creative individuals becomes a very powerful tool of making commercial connections. In addition, as part of the strategic direction of the firm, the elusive creative brands can also be absorbed, developed and can become a source of collective networking capacity of the firms with which to strengthen the growth of the firm.

2) CIN as a Means to Push the Merging of Individual Development with Corporate Growth

The accepted CIN practices of independent production companies highlight the relationship between individual development and the corporate/collective growth of the firm. In this regard, the difference between the Taiwanese and the UK cases is evident in that as an established and growing independent production company, the UK case acknowledges that it is different from smaller or developing independent producers who use networking as a means of resource acquisition for survival, and realizes that it is now able to demonstrate its pursuit of a proactive/strategic approach to networking, for corporate growth. However, it also shows that as a result of continual corporate growth and multiple modes of production, self-driven individuals within the firm are constantly confronting personal and professional challenges.

With the UK case, the CIN practices have helped to create communication and learning dynamics between the creative and the management functions, and within and across departments, allowing the company to exploit a broad range of productions and related products, and, at the corporate level, to use these synergies as a basis for growth. These connections are regarded as helpful in avoiding people being locked into their own productions and becoming compartmentalized, and in avoiding the ‘over-familiarization’ and ‘over-specialization’ which could stifle the emergence and sharing of new ideas and organizational learning for creative individuals and firms (Bilton 2007:33-34). It is recognized that while CIN open up opportunities for internal learning dynamics for the firm, they have also provided wider learning or career prospects

for individuals. In other words, individual career development can continue alongside the growth of the firm while it is moving into the CIN. The relationship between individuals and the corporate value of individuals can be strengthened and manifested by their CIN practices.

In the Taiwanese case, although the individual network agents demonstrated a large amount of self-driven learning and desire for personal growth, and the networks and connections they built have helped to ensure the firm's continued survival, owing to a lack of strategic direction, the firm shows a rather unstable and insecure approach to exploiting the opportunities for corporate growth offered by the broader context of content-making. So whilst individuals are able to achieve personal growth within the firm, as a result of networking experience and opportunities, the firm's approach to operating in the AVS remains random and its corporate growth seems to remain opportunistic. As a result, a disconnection exists between the individual development and corporate growth of the firm.

At the firm level, it became clear that the CIN structures of case firms are created through the various personal ties and trading relationships generated for their productions, by which resources are gained and exchanged; however, the extent to which those networks can contribute to the growth of a firm or a firm can grow as a result of bottom-up networking depends on the firm's internal capacity to deal with these opportunities and to make use of them to develop the individuals within the firms. In particular, while a firm is growing, there will be a need to develop a more structured approach to building strategic relationships for corporate growth. Such challenges, on the one hand, highlight the fact that while

independent production companies are operating within the wider network in the AVS, they are, in fact, embedded within an interrelated and interdependent industrial system. The depth and width of the network connections they build for their productions and firms are thus defined by market conditions and market structure. On the other hand, the network organizations that the independent production companies are aspiring to build are also largely affected by, and subject to the credibility of the individual creative talents they contain, and these individual creative talents are essential for them to build creative, as well as commercial connections across the AVS.

7.2 Managerial and Policy Implications

7.2.1 Individual Level Implications

The implication for management at the individual level are that firstly, while the divide between the creative and the commercial is becoming increasingly blurred, and the possibilities increase for '360 degree multi-platform' production, the tedious and demoralizing process involved in developing and realizing the 'bigger idea', and hence the business relationships required, has yet to be fully addressed. For creative productions, the importance of attending to the intangibles in the organization reinforces the significance of the roles played by the producers. The empirical findings of this research suggest that in order to manage a CIN project of a higher level of complexity, producers not only have to be externally dynamic in making contacts and seizing the opportunities that the changing technology and markets represent for transforming the ways they structure their productions; at

the same time, internally, they also need to be able to channel their personal aspirations and resources, and to facilitate the needed planning and coordination.

Accordingly, as the relations between the diverse participants in a CIN production are based upon fixed contracts, and are largely short-term, this poses challenges for the producer to act as an intermediary and to integrate human capital, as well as material resources, beyond the fixed-contracts and the less dynamic management. This is essential for a rapid fluid project network organization, so as to make the 'most of the best'. In addition, as the words 'concerns', 'awareness' and 'personal feelings' were brought up rather frequently across the interviewed producers, regardless of their seniority and experiences, this suggests that a softer, more subtle approach is needed to attend to the human, emotional factors of their work. This is vital in order to ease the potential frustrations and tensions that may emerge in the production stages, and especially, to facilitate creativity from the inception of the project, seen as the essential ingredient in content-making.

7.2.2 Project Level Implications

It has been suggested that the project form of organization enables managers to better mobilize resources, as it provides a more decentralized and flexible form of organization that contributes to a more efficient decision-making process. However, while a CIN project consists of a great level of complexity, involving the intangible and tangible resources, the challenge for the manager/producers of a CIN project lies not only in acquiring and mobilizing these resources, but on finding the right balance between the flexible and the rigid, specialization and integration, the random and the planned, the creative and the commercial,

opportunities and constraints within and beyond the project organization. Several management issues become important when making network decisions.

Firstly, in order to deal with the emerging complexity, the specialized functions, including the legal, commercial and logistical roles have to be in place to underpin those relationships, so as to ensure that the networks can be built from the chaotic state and developed more collectively and effectively. This implies that the project organization requires certain conditions for generating a spontaneous coordination among specialized personnel so as to channel their feedback, both positive and negative, to the creative process of the project.

Secondly, while producers/managers are vigorously extending outwards, it is important that they recognize the fact that there might be various types of relationships that co-exist with one single project, and some of these relationships might have direct impact on the organization of the projects, or on the content-making; in particular, there might be operational, creative, commercial and legal conflicts between these relationships. The task for the management is therefore to look at the holistic character of the project networks. In particular, while my empirical data also shows that most CIN contracts and relationships are one-off, short-term and may only exist for certain project needs and are not leading into sustainable and long-term relationships. However, the producers also attempt to build up long-term collaborations with some related businesses who wish to expand into content-production. It is therefore also helpful for both sides to look at the potential of each relationship for future collaborative possibilities.

Such a holistic view is important in that the interconnected nature of the network means that changes in one network actor's behaviors might reverberate in a chain reaction to influence other relationships that make up the network. In addition, while the line between the project and the firm is drawing closer, there is a need for the producer/managers of the project to ensure that the relationships generated by, and radiated from the project are not in conflict with the well-being of the firm, but create added value. Additionally, based on my empirical findings, each of these evolving relationships has its own managerial challenges. There are roles for the management in materializing, stabilizing, improving or even transforming those relationships, and in orchestrating them so as to achieve a possible synergy between them. However, such a synergy is only possible when the different logics and motivations of each of the networking businesses are understood.

Finally, as the CIN project involves different types, scopes and degree of network relationships, it can be said that the management challenges lies more in the network management instead of project management. However, as the case studies show, the project network formation cannot be explained by any one factor, but is a result of a combination of several different factors of creative aspiration, talent availability, rights legality, funding requirements and market demands. Consequently certain principles of project management are still relevant. As has been observed, there is a certain lack of sophistication in project management techniques utilized in creative projects (Hartman et al, 1998). Effective planning, stakeholder involvement, market research, communication skills, team building and training of key personnel are found to be major project management aspects that are not effectively used in managing creative projects.

However, these attributes of traditional project management need to be applied more effectively if the CIN projects are to be more viable and competitive.

7.2.3 Firm level Implications

The management implication is that while CIN open up wide-ranging opportunities, in order to take the best advantages of such networks for the firm as a whole, there is a need for an organized and interconnected system, capable of building on and growing from their networking experiences. Such growth will need not only to unlock internal flexibilities and opportunities within the firm for individual development; it will also need to generate and form strategic directions, to guide the firm as a collective whole through an increasingly complicated content-making world.

Yet with the company's growth, the deliberate approach of strategic planning becomes inevitable, and indeed desirable; however for a creative and media firm that depends primarily on one-off, entrepreneurial projects, strategic planning is a challenging task, and the increasingly complicated means of CIN production pose even more challenges to a growing creative business. Firstly, the creative firm must prevent strategic planning from becoming a daunting, risk-averse or financial-calculating task for the producers, and use a bottom-up approach to involve others in the planning process and use the value of individual reputation, relationships and credibility as the basis for future development.

Secondly, as small creative and media businesses grow in a crossing-sector context, an important question for them is how to select and decide with whom to

co-operate, among the various related businesses and individuals. In particular, while their corporate growth normally requires external corporate investors who may not understand the disorganized and spontaneous nature of content-making enterprises or come from different positions in the content sector, the ongoing task for the management of creative businesses involves integrating and moving into the new domain without losing sight of their own core competence. This is especially challenging for a growing creative business.

7.2.4 Sector-level: Policy Implications

According to the empirical findings independent production companies are operating in adaptive ways to absorb the dynamics of interconnections and interdependence involved in a bigger network system. As a result, they are self-generating, and influence external networking, which in turn contributes to various networks being formed beyond the firms, and the TV/film industries on the sector-level of the audiovisual industry.

In particular, while looking at the Taiwanese and UK models, it is clear that, there is no prescriptive management framework for conducting the CIN, as the nature of the market, the level of competition and the market's growth rate with which the small creative firms cooperate and compete vary. On the other hand, based on contingent factors that allow the network order to emerge within the firm, it is also evident that such emergence will require management effort, and with certain infrastructures in place, the small media firms are capable of demonstrating a self-organized and structured approach to CIN which directly contributes to the

converging and collaborative dynamics of the AVS. In other words, the independent producers can act as ‘destabilizing’ agents or catalysts for change in the wider network, with their innovative projects or partnerships being imitated or reinforced through the spontaneous feedback dynamics in the wider network. What seems to be a risk-taking and fragile entrepreneur today may become an established and influential business tomorrow.

Yet in order to build such bottom-up momentum into wider sector-level networking, there are roles for policy makers in facilitating the growth of independent production companies into cross-industry interactions. Based on the findings of this research, the implication is therefore that the most effective way for those small creative and media organizations to prosper and to contribute to the integration of the wider AVS, is to encourage their own internal self-driven networking, to allow the independent producers to make dynamic and random connections across the sector, to let them have space and scope to adapt to and to learn from those various relationships and logics, to allow what looks chaotic to gradually mature and emerge into order.

Instead of taking on the daunting task of managing the networks of the sector, the counter-intuitive suggestion is that policy makers need to minimize their interventions, leaving the sector as if it is an organism which is able to build on its own evolutionary dynamics. Accordingly, instead of identifying concrete initiatives for policymaking, based on the findings of this research, I suggest some policy implications which are applicable to all circumstances.

- *Implication I : Understand the Nature and Strength of Networks in the Sector*

Given the findings of this research, it is evident that the self-driven networking of content producers and related businesses constitute the engine that drives the integration of the CIN and hence the sector. This indicates that instead of simply relying on value-chain analysis or taking digital technology as the panacea for integrating the sector (according to the mindset of the Taiwanese authorities) or mapping the economic value of the sector based on size and programme output (as in the UK government reports), the initial key task for authorities should be an understanding of the network nature of sector. This includes an understanding of how the networks take place, what kinds of networks are being formed in the sector, where the network relationships lie, the density of those connections, and how many cross-sector deals are being made within the sector. As the findings of this research show, CIN emerge as a result of the independent producers' aspirations for survival and growth. The networks spontaneously arise rather than being deliberately sought. In other words, the policy-makers should understand the strength and weakness of the sector from the involved networking motivations and activities. Such an understanding should also be part of the overall assessment of the layered structure of the AVS, recognizing the contribution of other related industries to audiovisual content-creation. Some networks may not exhibit high intensity, or their industrial and institutional connections might not be direct or strong, but they might form some basic building blocks for further development.

- ***Implication II: Develop a Production-driven Regulatory Framework and Investment Environment***

Apart from policy-makers, the private sector and the investors also need to gain a clear picture of the trade-offs involved in collaborating within small creative firms. In particular, as this research has found, there is in fact a high level of interest and needs on the part of the various content-related businesses in networking with independent producers and content-making; therefore another significant implication involves assisting investors in identifying and understanding the risks, potential and sustainability of these small media organizations. However, the implication is also that those fledgling firms have to be equipped with the capacity to self-generate and make external creative, technological and commercial transactions and connections, so as to open up more business opportunities.

Given the developed/UK experience, it is also clear that to nurture and facilitate the smaller producers to grow into a better position in the network context involves a range of policy actions so as to create an IPR policy environment to enable such progression to occur, by providing a context to better protect the rights of independent production, thereby recognizing the benefits from the more valuable roles that can be played by independent producers. This allows them to get the best possible return for their needed foundation for growth, expanding their networks and attracting investors. Therefore instead of taking a proactive role, the policy's role is to empower those small and creative firms, and to trust, support and allow them to gradually learn from experience, and be more effective in developing networks, so as to contribute to networking within the sector. The

focus of the investment is therefore on the production companies and individual producers, rather than on infrastructure. This counter-intuitive approach is the best way to build the infrastructure for the growth of the sector.

A new set of institutions are therefore needed. There needs to be clear guidance in order to increase the incentives for private investment, and to provide investor protection by giving them a transparent regime to operate cross-industry and content investment. Such investment should in the short-term aim to create and maintain a critical mass of cross-sector collaborations, opening up new forms and dynamics of networks and opportunities, and in the long-term, improve and establish certain kinds of sustainable network patterns or models.

- ***Implication III: Investment in the Sustained Interaction Platforms***

Based on the findings of this research, the AVS is characterized by individual-driven, short-term and opportunistic networks; in addition, it is clear that social networks can provide the initial step in opening up collaborative opportunities, and in cultivating a sense of security and familiarity in the network which is central to the independent producers. Therefore to fill up the fragments and gaps in the networks, there could be more sustained platforms to provide opportunities for interaction, and those interfaces can be built up through education programmes or conferences. Such an investment in individual-driven networking is also important because it is imperative to re-orientate producers and managers towards higher levels of understanding of the business side and the

complexity involved in operating within a converging, cross-sector environment, so as to enhance their adaptability to various circumstances and forms of collaborative content-making. In other words, it is also important for the authorities to understand that efforts in education are not just about providing technical training; they are more about providing opportunities for interactions and soft business skills.

In sum, what emerges from my research for policy-making is that in order to develop the AVS, which is fundamentally driven by bottom-up networking, authorities should make limited interventions so as to bring about big consequences. The lesson is that the best way to build a sustainable infrastructure within the AVS is to invest in the individuals and individual companies. As both the developing and the developed cases in this research show, while the company continues to grow in a CIN way, the perspective for the individuals within it to grow is also broadened, and despite this growth remaining elusive, it is clear that by allowing and facilitating individual producers to develop and mature, they will be able to build their own infrastructure and sustain and grow with it through networking. However the government needs to find ways to support the aspirations of small production companies, and to trust them to develop their own cross-sector networks over time, through experience and maturity, and thereby becoming more attractive to investors.

Summary and Continuation

This chapter has discussed the main findings of this research, by looking at the characteristics of the network phenomenon in Taiwan and the UK. Firstly, I discussed the key findings, which are derived from the bottom-up and level-specific analysis of the empirical study – the individual, project and firm levels. The two cases demonstrated different scenarios as to how CIN take place within an independent production company. The Taiwanese firm shows a largely undirected approach to networking. Their CIN are thus characterised by individualistic and fragmented connections; on the other hand, the UK firm illustrates a strong sense of the emerging network order of a collective synergy. It was, therefore, argued that it required a more organized internal capacity to absorb and process opportunistic and individualistic randomness and complexity into structural and meaningful relationships, through which the order of the network can emerge, and the firm can develop and grow. In particular, all the level-specific issues are, in fact, interwoven in a dynamic web of interrelatedness, to achieve such an emergence, which strengthens the roles played not only by the producers but increasingly by the firms.

Secondly, given the strengths, limitation, and stress points revealed by the two cases, I showed that management challenges lie in finding the right balance between allowing sufficient freedom and flexibility for randomness to occur, and having an adequate system to accommodate and build upon these dynamics. In addition, although the present scenarios and directions of the future development of the CIN are different, the two cases show that for a structured way of CIN to

emerge involves factors not only in management, but also in the industrial conditions. I therefore suggest the roles of policy-makers to strengthen and facilitate a wider network dynamic within the AVS.

In sum, the discussions and findings in this chapter relate back to the arguments made in Chapter 2, namely that attention and measures should be given to capturing the shifts and emergence of networking dynamics, which are:

- From Top-Down Industry Disintegration to Bottom-up Production Reconfiguration.
- From Managing the Creative Projects to Managing the Creative and Commercial Ventures
- From Distribution-led Value System to Production-led Microcosm
- From Network Adaptation to Complex Adaptive System

Chapter 8

Conclusions and Prospects

Nietzsche said that those who have a Why can endure any How, but it is the Why that is difficult... We all need a 'telos', a dream of what might be, to give us energy for the journey.

Handy, C. (1998:108)

This thesis is a qualitative, bottom-up account of the CIN phenomenon within the AVS. It has examined the increasingly complicated industrial contexts in which independent film/TV producers operate in Taiwan and the UK. I have endeavored to discover *why* and *how* independent producers develop the CIN during their content-making process. This concluding chapter provides a summary of the main issues discussed in the previous chapters, and answers to my research questions. In the second half of the chapter, the contributions to knowledge of this research, and the limitations of the study will be presented, as well as prospects for further research. The three main aims of my study were as follows:

1. To examine in detail the CIN practices of independent productions operating within the AVS, with particular focus on the views of the producers.
2. To explore issues in managing CIN, by drawing out lessons from the developing/Taiwanese and the developed/UK contexts of the independent

production sector.

3. To develop a bottom-up management approach to networks in the converging and expanding AVS and to address the policy implications of such an approach.

8.1 Summary of Research Findings

The purpose of these three main aims of the study was to fill in important gaps in the existing literature relating to the network phenomenon in the creative and media sector, as outlined in Chapter 2, by empirically examining the CIN phenomena within the AVS from the granular level – that of independent producers. My study, in both contexts, has been a gradual, bottom-up understanding of how independent producers develop such networks for their production. I have explored the research issues by analyzing the relevant literature and through semi-structured interviews and inductive case studies with active independent film/TV producers in Taiwan and the UK. The purpose of this has been to consider both the meaning of the network phenomenon and its impact on the independent producers within their local company settings. This thesis has, thus, not only presented rich evidence for reflecting on the common values and priorities of the independent producers in terms of their networking decisions, but has also revealed the concerns, dilemmas, and challenges they are confronted with in networks. Accordingly, I have integrated the micro-level organizational complexity of the independent production into a theoretical consideration of the

AVS; and have placed the intangible values, concerns and real practice of creative producers at the centre of the network study.

As the network ecology of the creative and media sector has been the subject for research recently, a review of related literature was the first task of the thesis. In Chapter 2, therefore, I firstly clarified the characteristics and the cause of the ambiguity or debates attached to the term ‘audiovisual sector’ among policy makers by identifying three approaches that have been taken toward achieving its definition. I termed these as the ‘International Trading Approach’, the ‘Industrial Development Approach’, and the ‘Creative Industry Approach’. I argued that those definitions are not sufficiently grounded in an understanding of industry practice, and the phenomenon of ‘cross-industry networks’ and the sector of ‘independent screen production’. I also gave an overview of the analytical approaches applied to the network phenomenon in the creative and media sector, by grouping the existing approaches under four headings, so as to highlight the missing picture of the network. The purpose of the overview given in Chapter 2 was simply to examine the place of ‘cross-industry networks’ and the ‘independent production sector’ in understanding the AVS. I concluded that a production-led, bottom-up approach, which looked at the cross-sector reconfigurations during the production process to understand the complexity involved in an organization of higher degree non-linearity and diversity was lacking. I therefore proposed that the model of the complex adaptive systems provides a promising framework for analysing the network phenomenon, so as to achieve a bottom-up, multilevel analysis namely from the individual to the project, and then to the firm level. The sector-level and policy-implications of this are

considered in Chapter 7.

In Chapter 3, I presented my analytical framework for the multi-level analysis of the network phenomenon. I employed three sets of CAS theories, including *dissipative structures*, drawn from the physicist Ilya Prigogine; *self-organization*, by the biologist Stuart Kauffman; and *emergence*, by the complexity scientist John Holland, in order to guide my empirical data analysis. My first research questions were based on Prigogine's ideas of 'initial conditions' of an emerging system. Through this, I aimed to examine how the perceptions of the independent producers toward CIN trigger a dynamic, crossing-sector approach to content-making. The second set of theoretical ideas was Kauffman's theory of 'self-organization', through which I analyzed how the CIN are formed around the projects by looking into issues of the 'internal properties' of diversity, flexible structures, and specialization. My aim in applying the self-organization theory was to examine to what extent their project organizations demonstrate an adaptive process, in which the agents modify their behavior spontaneously to achieve a collective goal, and 'evolve from a random state toward order'. In so doing, the properties needed among the independent productions for this inherent network order to spontaneously emerge were revealed. The third level of my empirical examination concerned the issues of the project-firm relationship. I found Holland's theory of emergence useful in this respect, since it explains how the macro-level patterns and collective properties arise from the dynamic interaction of agents at the lower level. I therefore aimed to reveal any organization properties, including structures, agency, management action and strategy, that have emerged, changed or been designed due to networking practices around the

projects.

From Chapters 4 to 6 I presented my empirical research process and research findings. In Chapter 4, I outlined the research procedures involved in the empirical data collection, analysis and presentation. In Chapter 5, I presented the relatively chaotic scenario of Taiwan. I gave an overview of the recent development of the Taiwanese film industry, introducing the structural backgrounds of the independent production sector in Taiwan which largely echoed the characteristics and the top-down factors, as identified in Chapter 2. Based on secondary data, I then argued that the Taiwanese authorities have taken cross-sector collaboration, and especially, technology-driven integration of the AVS, for granted, and that this has prevented public and private sectors and researchers from looking at how these CIN are achieved in real practice. To fill the gap, I used a broader, sector-level analysis, and a focused and bottom-up case study.

Firstly, the sector-level picture revealed that issues of fragmentation, undercapitalization, a limited local film market, one-off projects and lack of business-driven practices among independent producers have constituted a vicious circle, and in effect, have got in the way of both sides achieving more substantial, long-term collaborations. On the other hand, it reveals that entrepreneurial and relationship-driven practices have become significant in generating networks at the micro-level across the AVS in Taiwan.

Secondly, the chosen case Film-T, with INDIE-Taiwan, represents a typical

scenario of independent film production in Taiwan; it is undercapitalized, director-centred and operates in a one-off project-based enterprise, within a fragile firm. Based on Prigogine's idea of 'initial conditions', the case data reveals that at the individual-level, the Producer was open to various network relationships, and had high expectations, reliance and consciousness towards the external network resources and the involved trade-offs. Yet discernible tensions and pressures emerged, not only with the Producer, but also with key network agents. While the interviewees acknowledged the significance of the CIN resources to the production, they were not equipped with sufficient internal capacity to process the network complexity. As a result, the project organization is characterized by a set of opportunistic, individual-driven connections. In fact, its individual-driven networking practices were the cause of disconnection; the flexibility was random, and concentrated on the Producer and Director, while the specialization was inadequate, both internally and externally, and its bottom-up pattern tended to be stretched outwards in a disconnected way, in a desperate search for resources. Consequently, at the firm-level, according to Holland's theory of emergence, the case study illustrates that personal relationship-orientation, self-driven entrepreneurship and director-centered principles are important mechanisms in facilitating the emergence of the CIN within the relatively shallow, disorganized, agent-driven structures of the company. Such networking, however, remains largely embodied at the level of individual transformation, rather than at the corporate level.

Based on my analysis of the network phenomenon within the AVS in Taiwan in Chapter 5, the issues of personal feelings and challenges within the network

phenomenon became obvious and acute; the distinctive features of the network phenomenon in Taiwan are therefore seen to be its reliance on individual entrepreneurial actions and motivations, its un-directed approach to the network and its transformational impact on creative producers, and the consequent personal stresses this causes.

In Chapter 6, I presented the developed scenario of the independent TV production sector in the UK. I firstly highlighted the regulatory and structural factors that contribute to its recent consolidation, whereby independent producers are increasingly visible in business terms. I focused on one of the UK's larger, more established TV production companies. My interview data confirmed that at the individual-level, it is the creative aspirations of the executive producers (EPs) that determine the efforts and network directions that needed to be taken and it is their awareness of their 'independent' and 'creative' identity which allows them to act as catalysts and intermediaries between the externally-imposed and the inwardly-generated networks. Secondly, while the EPs' creative aspirations were encouraged, and diversity was introduced, the legal, commercial, and corporate management structure provided a buffer which absorbed network complexity. Such internal coordination balanced tensions, and as a result, was a foundation for the network order to emerge from randomness at the lower level: that is, for the project organization to take shape in a CIN way. Thirdly, various supporting and merging mechanisms including the integrated management of branding, talent development, cross-department exchange and people-relationship-oriented management practices allowed these network effects to emerge at the corporate level, providing a strategic framework for INDIE-UK's development of

cross-media content-making.

The UK case showed that with a supportive infrastructure in place, the independent production company was capable of demonstrating its own alternative set of organizational dynamics toward CIN: generating and absorbing the spontaneous interactions between the top-down imposed and the bottom-up evolutionary dynamics, and transforming the individual-driven connections and opportunities into collective, legally-binding and strategic networks.

After presenting the empirical evidence in Chapter 5 and 6, Chapter 7 discussed the main findings of this research. This chapter drew out the network characteristics, limitations and strengths of the two cases from the individual to the project and to the firm level; from this, I also developed the implications of CIN emergence for management and for policy at the sector-level.

My first finding was that the individual adaptation and transformation expended in networking in the AVS resulted in significant personal stress. Networking depends upon the self-identity, choices and actions of individual creative producers and their networking efforts in turn have a transformational effect on them. They learn how to adapt their roles as creative producers in the process of the network development, as a result of which they are able to identify, express and modify their awareness, emotions and actions. From this, it could be seen that close attention and positive meanings should be given to the management personnel and the creative producers, so as to facilitate and incorporate the people-oriented networking during the creative process.

The second finding of my research is that in order to carry out a CIN project, the internal supporting capacity of the firm is important. This enables CIN to be developed more effectively and collectively in fulfilling both creative and commercial goals. In this regard, I indicated in Chapter 2 that issues remain to be examined in terms of the project-firm relationship and the management of creative projects of higher complexity, such as the internal dynamics within single firms and their projects, and the outward/business relationships, rather than inward/creative ones. My discussion reveals that the CIN complexity is embodied in the need to provide creative freedom and an open environment for network connections at all levels, while at the same time, an internal capacity consisting of specialization, integration, flexibility and stability towards a closer relationship between projects and firms, reflecting the importance of internal self-organizing properties as emphasized by Kauffman. Such needs not only prompt us to refocus on the roles of firms within the increasingly complex networks, they also show that the trade-offs involved in the organization of a CIN projects are beyond tasks of social-economic calculation. The management challenge lies in how to achieve the right balance between allowing individualistic randomness and chaos while at the same time providing a sufficient system to build on the emergence of networks in more effective and constructive ways.

The final finding was that the development of CIN can shape the corporate growth of small creative and media firms, allowing them to operate more dynamically and effectively in the interrelated network system of the AVS. I indicated in Chapter 2 that previous research has tended to focus on the balance between

organization and environment, or to coordinate between network design and managerial practices. However, in the light of Holland's theory of emergence, my findings pointed to the importance of individual agents driving the unpredictable dynamics of the system. The implication for the small creative and media firms is that there is a need to create an environment where the personal networking experience and individual value can be developed and guided with a strategic direction in an increasingly complicated, content-making world.

The discussion on the individual, project and firm-level findings, and their implications, have proved that independent productions, regardless of their different levels of organized capacity, are able to construct their own ways of adaptive transformation, in that they show an evolutionary process from chaos toward a disorganized or a coherent order which could be applied to their own circumstances. I therefore argued that there are prospects for the AVS to develop as an organism, and the CIN phenomenon within the sector cannot be regarded as purely technology or market-driven. Rather, it is to be properly understood as a natural outcome resulting from another set of almost self-sustaining internal dynamics, which emerge in a complex web of parallels capable of catalyzing themselves from the bottom-up, to impact on the macro-level of the firm, and vice versa. Such bottom-up dynamics, within the small creative and media firms, also pointed to a need to draw out the roles of policy in opening up opportunities to facilitate the growth of the independent production companies and the bottom-up network dynamics of the TV/film sectors, in order to achieve a wider impact beyond the firms.

Based on my findings, CIN practices are recognized as a way forward to create a new format of content and added-values; it helps the creative individuals and firms and the related businesses to learn not only the linear, but also the non-linear sides of the content-driven business, such as commercial and legal aspects, conflicts and tensions, possibilities and constraints; it emphasizes the value of talent and situates individuals at the centre of the network business.

8.2 Contributions to Knowledge, Limitations and Prospect for Future Research

As has been indicated above, I believe that this thesis has enhanced our understanding of the CIN phenomenon of the AVS in general, and in UK and Taiwan in particular. It has made significant contributions to the conceptual, theoretical and empirical levels of analysis. In terms of network management, by conceptualizing the network phenomenon as a complex adaptive system, I have discussed the managerial and policy implications in Chapter 7. In regards to the development of theory and knowledge, my contributions can be considered more appropriately by looking back at: the four theoretical re-orientations that I outlined in Chapter 2. Although during the network research process, many choices and limitations in terms of research scope had to be made, so as to make the research manageable, these limitations have opened up many interesting and significant areas for further research. In this section, under the four headings, I will firstly discuss the contribution of the study. I will then share my view of the possible prospects for future research in regards to the complex networks of the

creative and media sector.

1. From Top-Down Industry Disintegration to Bottom-up Production

Reconfiguration.

Under this heading, I have indicated that the theoretical debates centered primarily on ‘flexible specialization’ in the media, and the managers and policy makers needed to pay closer attention to the consequences of these top-down structural changes and cross-sector dynamics at the micro level. In this regard, my study has gone some way towards addressing the lack of empirical and micro-view studies, by focusing on the context of independent production. By utilizing Prigogine’s scientific model of dissipative structures, I have sought to increase our understanding of the self-perceptions of the independent and creative producers as the ‘network conditions’ of independent producers and their subsequent significance for generating organizational change and transformations collectively; however, I have also indicated that the CAS theory still falls short of accounting for these human/emotional factors of the organization. My findings relating to personal stress and challenge, as discussed in Chapter 5, 6 and 7, reveal the consequences of industrial disintegration and reconfiguration, and an extension of the ideas of ‘system transformation’ in CAS theory, directly related with the self-adaptation of the network agents. I have therefore empirically clarified the way in that the ‘self-perception and actions’ and ‘individual conditions and system transformation’ connect to, or remain in tension with each other, within CIN.

As the network phenomenon in both Taiwan and UK is still emerging, it is worth

observing its development in a broader context. For example, how do the independent producers of various sizes and organizational capacities develop their networks? What are the different forms of practices? And where do their network relationships lie in the AVS, what is the connectivity between those relationships, what density of networks occurs within the sector, and how many CIN deals are happening within the sector? It would therefore be instructive to study what the situation might be were such networks to be initiated by other network actors in addition to the independent producers. It is also critical for future research to explore the role of intermediaries in the emergence of networks, both at the firm and sector level, as my study indicated but could not address in depth. Overall, in order to understand the reconfiguration of the production sector, it is necessary to map not simply the size or the content output of those organizations, but the nature of the network relationships within and between them.

2. From Managing the Creative Project to Managing the Creative and Commercial Ventures

By focusing primarily on the creative and media sector, I have argued that there remains a tendency and a risk of overlooking the network dynamics of creative projects ‘from within’, involving the roles of the creative individuals, managers, projects and firms. By applying Kauffman’s self-organization theory, I have highlighted the importance of internal specialization, integration and the interconnections between projects and firms for the study of ‘creative’ projects and the trade-offs between commercial and creative priorities. These internal dynamics radiate outwards. The case studies in Taiwan and UK have thus demonstrated that the direction of network dynamics in the project network of

creative and media production is not entirely top-down/linear/serial, but more accurately, bottom-up/ non-linear/parallel.

This point concerning the non-linear dynamics is closely related to the need for a broader consideration in network research of how networks evolve over time. However, the purpose of this study is not to make predictions relating to the future of networks in the AVS; instead, it is about gaining an in-depth understanding of the network phenomena under study. My investigation was therefore effectively a ‘snapshot’ of network phenomena at a particular time and space in their development. Ideally, revisiting the fields over a certain period of time would test my generalizations; however, such a strategy lies beyond the limits of the current doctoral research. Yet as my thesis shows, interviewees from all sides of the network were interested in gaining greater presence in the content-making businesses. Thus one suggested direction for future research concerns the ‘co-evolutionary’ relationship between independent producers and other content-related businesses in the AVS, and also between creative and commercial dynamics. In this regard, co-evolution theorists have identified several requirements, as in the following dimensions, for considering such an approach (Lewin et al.1999; Lewin and Volberda 1999 in Lewin 2001):

- Studying organization adaptations over a long period of time by using longitudinal time series of microstate adaptation events and measures of rate of change or pace of change;
- Using data consisting of rates of change in the variables and measures of interest, to reflect adaptation outcomes that are independent of the firm’s

micro-contextual details

- Considering multidirectional causalities between micro-and macro-coevolution, as well as between and across other system elements.
- Incorporating changes occurring at the level of different institutional systems, within which firms and industries are embedded.
- Considering historical path dependence, which enables and restricts adaptation at the firm level and at the population level, thereby driving both retention and variation at different rates;
- Accommodating economic, social, and political macro-variables that may change over time, and which may influence the deep structure within which micro-and macro-evolution operate.

As the networks develop over time, another interesting direction for future research concerns the core value of the network system. Based on the interviews conducted for this research, the quality and value of original and core content is highly emphasized. How does this original content relate to the derivative audiovisual products? Where is value created, and what new core competences are required? For example, it would be interesting to track and identify the life cycles of the audiovisual content across different media and platforms, so as to map the value networks and the facilitating forces which make this evolution possible.

3. From Distribution-led Value System to Production-led Microcosm

By drawing out this heading, I have indicated here that researchers tend to understand creative production by focusing on the central influence of distribution

in driving networks. As a result, the complexity of cross-sector networking seems to happen outside the production process, and the collaborative processes behind the content production were neglected. With Holland's theoretical ideas of emergence, and by narrowing down to a granular level and focusing on the development of CIN during the content-making process, I focused on the production dynamics of content creation. This has allowed me to describe the multi-directional complexity and structural tensions inherent in the value-creating system. These network relationships function as the most fundamental source of economic return for creative producers.

The existing literature on the creative sector concerning industrial networks and value creation has tended to focus on the central influence of distribution, not production. Conversely this study has made a special contribution by summarizing the different types of relationships that are fundamental to the building of networks prior to and during the production process. There are different perspectives, motivations and trade-offs based on the nature of the relationship; these subjective values and behaviors which lie outside the production process nevertheless have a significant impact upon it.

This research examines the organizational relationships that occur in the production process, not in distribution. Such a perspective was chosen partly in acknowledgement that the independent production sector in the AVS is culturally and economically important, and partly to maintain a coherent, holistic analysis of the network phenomenon, which is the emphasis of the CAS approach. However, this focus is not intended to deny the importance of distribution within the

network phenomenon, as distribution deals are needed up front to provide the investment for production; as a result, it is rather difficult to separate out production-led and distribution-led networks, especially in film and TV industries. Instead, I suggest that the dynamic, changing relationships of production and distribution in the age of content deserve continued observation, and that related issues should be explored in any future study of the AVS.

In addition, it is clear from the empirical data in this research that issues of IPR management and content ownership are important to independent producers, just as they are crucial in the development of production networks. While this research has not been able to include many details of these issues, the Taiwan and the UK cases indicate that such concerns are becoming increasingly important, particularly as the independent production companies evolve from a relatively chaotic, random state to a more mature, or indeed strategic business practice. Issues of the ownership and management of the various intellectual property rights in an increasingly complex value-creating network require more detailed analysis than has been possible in this thesis, and seem to represent an essential field for future research.

4. From Network Adaptation to Complex Adaptive System

By utilizing a multi-level analytical framework, based on CAS theories, this study has attempted to pursue a holistic approach, showing how adaptations and networking activities of creative producers radiate outwards to affect all levels of the network, resulting in unexpected directions and collaborations. It can be argued that instead of being resolved, the elements of adaptation and tensions of

the involved network actors have an important impact on the emergence and organization of the network.

Additionally, this study contributes to the limiting, and somewhat limited literature concerning the AVS, given that the study examines the network phenomenon which has become noticeable and crucial in the sector. As I indicated in Chapter 2, the ‘audiovisual sector’ as a research domain sits among various disciplines; however, the literatures in those related fields have not yet provided a detailed account of how the technological, commercial, social, legal and more importantly, the personal and creative aspects interact when it comes to the convergence in the AVS. The significance of understanding the CIN in the AVS thus arises from the fact that such networks encapsulate the multiple dimensions of the sector, which have been examined in detail in this thesis.

Accordingly, this research also gives a holistic picture of the nature of the relationships involved in the sector: production of screen content depends upon a variety of short-term transactional, technological and creative relationships. All of these relationships need to be included in the analysis, in order to understand how the network dynamics of the sector are generated. These relationships, and the processes and complexity involved, have been addressed in my discussion of managerial and policy implications in the previous chapter.

Based on a better understanding of the CIN of the AVS, which has proved to be deeply embedded in the network system of the sector, the final suggested direction for future research concerns the relationship between the CIN and other

forms of networks that have been identified in the creative and media sector, such as the regional networks which have a popular focus for policy-makers. In this study, the CIN are found to be regarded by the independent producers as an organic way of production and an alternative way forward for policy makers, rather than following a traditional ‘interventionist approach’ taken by the policy-makers to promote networking in this sector. Thus, it is interesting to explore to what extent, and in what ways the CIN can be incorporated or integrated with other forms of networks and the dynamics and tensions involved. For example, it would be interesting to study whether such cross-sector networks have layered network systems in a certain region that contribute to the various elements of the input and output of the content-making. This is because it has been observed that small creative firms, especially start-ups, tend to rely on social and spatial proximity for their production efficiency and growth. Such an interesting characteristic of networks in the creative and media sector would be a challenging area for further study.

Appendix 1: The Value-chain analysis of the TV/Film Productions

Development Stage

Audiovisual productions start with the creation / content origination phase, which normally involves a series of creative decisions in developing the script that are used to secure initial production finance. Once a certain amount of finance is secured, the process of planning the film begins (pre-production). The planning refers to the various processes by which creative material and intellectual assets are originated and developed, and it is at this inbound logistics stage that the producer acquires the rights of an original screenplay, searches out artistic teams and financial partners, and estimates the budget and financial plans.

Fundamentally, a film/TV is a bundle of intellectual property rights. When a production is financed independently, the producer is able to exert control over the project, yet may also have to confront pressures to sell off the rights separately to various content-related businesses. The various media rights that can be sold include recording, theatrical, broadcast, home-video, multimedia, games and new media. However, financing is the most problematic issue at this stage. Taking filmmaking as an example, for independent producers without stable finance from major studios, their financing inevitably relies on various sources, including public support from national or regional authorities, funding from TV broadcasters, pre-sales of rights to TV channels and video/DVD distributors, minimum guarantee payments from domestic or international distributors, cash investment from private individuals and companies. All of these funds and costs must be sunk at the development stage, and represent the major proportion of the overall budget. The development stage is therefore crucial in making decisions as to the following issues:

- The feasibility of the production;
- The exploitable commercial potential of the product;
- The cost and likely return on investment;

Production Stage

After the development stage, the primary production stage takes place. This is the manufacture stage, or the operation stage, at which all the activities required are transformed from inputs to outputs. The stage covers the period during which the producer will have to make sure that the entire necessary human (production crew, casting), technical (shooting schedules, locations selections) and financial resources (budget) necessary for the production are available. It is, therefore, the most labor and capital-intensive phase, in which the management and production crew are mobilized in administration, directing, acting, cinematography, and numerous interrelated functions. After the primary shooting, the post-production phase covers the photographic processing, film editing, the introduction of the soundtrack, special effects, etc.

Significantly, the production stage involves all the processes concerning resource collection and allocation, both intangible and tangible. Moreover, the human

capital and networking resources collected at, or prior to this the stage will fundamentally determine the potential of the finished product to be further exploited into other markets and its commercial appeal, which determine the overall performance of the 'product'.

Distribution Stage

Distribution and mass production refer to those activities which promote and introduce the creative products into various end-user markets. This is the marketing and sales stage of the value chain, and includes the activities which will inform and facilitate consumers' awareness of the products and their actions to purchase. These activities are associated with mass reproduction and distribution of the finished creative product, and its delivery on all channels, including promotion and exploitation in theatrical exhibition, home video, television and other ancillary formats in both local and overseas markets. Unlike major studios which have access to global distribution capabilities and stable source of earnings to offset variations in the financial performance of their productions, independent producers often have limited or precarious funding resources, and so tend to rely on various external resources and partnerships to achieve their promotion and distribution goals.

Exhibition/ Broadcasting stage

The exhibition/broadcasting stage is the Exchange phase, and refers to the exhibition activities in various venues. Traditionally, the film or TV programmes are shown in cinema and broadcast on TV screens. Yet with the development of various screen formats or release windows (i.e., cinema, video/DVD, pay-TV, free TV etc), the distributors now may license their exhibition rights to a number of exhibitors and time each release in order to maximize the commercial potential of the product. For independent producers, this means that there might be new opportunities to raise production finance from other intermediaries along the value chain.

Appendix 2: Letter of Research Interview Invitation (Taiwan)

研究訪談邀請

Research Interview Invitation

您好，我是仲曉玲，英國華威大學博士研究生。在此與您聯繫是希望您能針對我個人博士研究計畫“影音產業之跨產業網絡管理～英國與台灣獨立影視製片之參照”，分享獨立製片的管理經驗，並接受我的研究訪談。這項為期四年的跨國研究計畫亦受到教育部：專案菁英培育公費留學贊助。(Hi! This is Hsiao-Ling, Chung, I am a PhD student with the University of Warwick, UK. I am writing here to invite you to share your film production experience on my research project, a cross-national research titled ‘Managing the Cross-Industry Networks of the Audiovisual Sector: Seeing from the Independent Screen Production in the UK and Taiwan’. This 4yrs doctoral research is partly funded by our Ministry of Education under the Public Grants for Overseas Research- Special Scheme for Elite Education.)

我會十分感激與妳的訪談機會，讓我瞭解台灣獨立製片的現實狀況，並與你分享我在英國的相關學習與觀察。以下我列出三項主要訪談主題，供您參考，希望他們能引起您的共鳴。(I will be grateful to have an interview with you, and let’s take it as an opportunity for me to learn about the practical reality in Taiwan in terms of managing independent film productions and to share what I have observed with the independent production in the UK. I outline below some key themes for our interview or brainstorm if you like, and hope you find them touch on some issues which you also are concerned about.)

- 您個人對於目前政府推動影視產業發展的策略有什麼想法與建議？(Personal views on the recent government measures in developing the film industry, and the audiovisual sector in Taiwan)
- 回顧製片經驗，您是否與其它產業合作過，與其他們合作的機會、成本與挑戰為何？(Look back at your recent productions, what are the industries that your productions have been collaborating with? How are the benefits/costs/challenges of those relationships on your production management?)
- 你是否觀察到，近來電影製片涉及的跨產業合作關係有些變化？(Do you find the collaborating relationships with other industries involved in film productions have changed in any aspect?)

在此也特別註明請您放心，您在訪談中所提供的一切訊息，純粹供學術研究使用。非常期待您的參與並與您見面暢談！(Please be assured that all the information in our interview will be used for academic purposes only. I look forward to meeting you and having your participation in this project.)

仲曉玲 Hsiao-Ling, Chung

英國華威大學文化政策研究中心博士候選人/PhD Candidate in Cultural Policy Studies,
University of Warwick, UK/ Email: H-L.Chung@warwick.ac.uk/ Mobile: 0922-873-809

Appendix 3: List of Interviewees- Sector-level interviews-Taiwan
(all face-to-face interviews)

No.	Company names	Interviewee Name/Title	Experience	Date/Duration
1	Ocean Deep Films	Executive producer/ Yeh Ju-feng	10yrs	11.Apr.2006/2.3hrs
2	Three Dots Entertainment	Producer/Managing Director/ Michelle Yeh	4yrs	13.Apr.2006/2.2hrs
3	Rice Films	Producer/Director/ Hsiao-Di Wang	20yrs	12. Apr.2006/1.2hrs
4	Flash Forward Entertainment	Executive producer/ Managing Director/ Patrick Huang	15yrs	24. Apr.2006/2.5hrs
5	Zeng-Ping Productions	Executive Producer/ Managing Director/ Yen-Ping Zhu	30yrs	25. Apr.2006/1.0hr
6	Lee Productions	Producer/ Lin-Fen Chien	20yrs	04.May.2006/3.0hrs
7	Yi Tiao Long Hu Bao Studio	Producer/ Managing Director/ Roger Huang	12yrs	28. Apr.2006/2.1hrs
8	Green light Film Ltd.	Producer/ Director/ Wen-Tang Cheng	20yrs	03. Apr.2006/1.6hrs
9	Comics Production	Executive Producer/ Chia-rui Feng	20yrs	22. May.2006/1.5hrs
10	Drama production Co., Ltd.	Producer/ general Manager/ Debra Chen	15yrs	23. May.2006/2.2hrs
11	Digital Production Co., Ltd.	Producer/ Vice President/ Ren-Chong Zhan	10yrs	26.May.2006/1.0hr
12	Green Apple Film Productions	Executive Producer/ General Manager/ Jin-sheng Yeh	20yrs	02.Jun.2006/2.1hrs
13	Universal Film productions	Executive producer/ Ken-Yu Wang	10yrs	24. May.2006/4.1hrs
14	Domani productions	Producer/ Maggie Ko	6yrs	23.Aug.2006/1.5hrs
15	Public Television Service (PTS)	Director of Program Department / Yae-Wei Wang	15yrs	25. Apr.2006/4.0 hrs
16	Sky Films	Producer/ General Manager/ Eric Liang	6yrs	28.JUe.2006/2.1hrs
17	Unit 9 Pictures	Producer/ Director/ Manager/ Chao Pin, Su	8yrs	04.Jul.2006/1.5hrs
18	Wu's Production Co.	Producer/ Director/ General Manager/ Nian-Chen Wu	30yrs	27.Jul.2006/1.0hr
19	Bow Wow Productions	Producer/ Director/ Managing Director /Song Lu	15yrs	02.Aug.2006/1.5hrs
20	Tsao Fils	Producer/ Director/ Managing Director/ Alex Tsao	15yrs	14.Jul.2006/1.5hrs
21	Tung's Films	Producer/ Director /Alex yang	6yrs	27.Jun.2006/2.1hrs
22	Fox Movies, Taiwan	General manager/ Producer/ Ming Tu	8yrs	07.Jul.2006/1.1hr
23	Sino Movies	Producer/ Managing Director / Wen-Ying Huang	15yrs	01.Aug.2006/2.0hrs
24	Three Johns Productions	Producer/ Director / Feng- Hong Jiang	10yrs	19. May.2006/2.0hrs
25	Taiwan Documentary Association	Cahirman/ Producer/ Director/ Li-Chou Yang	12yrs	29.Jul.2006/2.0 hrs
26	Serenity Entertainment International	Marketing Manager/ Jimmy Yang	5yrs	30.Jun.2006/1.5hrs
27	HOTO Productions	Producer/ Director / Doze Niu	30yrs	28.Jul.2006/0.6hrs
28	Archlights Films	Producer/ Chu-ching Li	6 yrs	17.Jul.2006/3.0hrs
29	Zeus Productions	Producer/ Director/ Khan Lee	10yrs	11.Aug.2006/1.3hrs

30	Chunghwa Telecom Co., Ltd.	MD/ Digital Content Development Dept./Tom Chen	20yrs	18.Jul.2006/2.0hrs
31	U-Tech Media Corporation	Chairman/ CEO/ Steven Chang	20yrs	14. Apr.2006/2.5hrs
32	Chunghwa Telecom Co., Ltd.	Senior Managing Director/ Marketing Dept. / Pan-Ho Liu	25yrs	19.Jul.2006/1.5hrs
33	Public Television Service (PTS)	Director of Program Department / Yae-Wei Wang	15yrs	13. Apr.2006/4.0 hrs
34	Chinese Television Services	General Manager/ Hsiao-Yeh	30yrs	01.Aug.2006/1.3hrs
35	GALA Television Corporation	Manager / Planning Dept. / Ivy Chen	15yrs	01.Aug.2006/2.5hrs
36	VIBO Telecom Inc	Manager/ Content Services Division / Esther Chang	6yrs	02.Aug.2006/3.0hrs
37	Wretch Media	Deputy Manager/ Christine Liang	6yrs	03.Aug.2006/2.0hrs
38	Kaicool Media	Marketing Director/ Chung-yuan Ren	20yrs	21.Aug.2006/2.2hrs
39	Rock Mobile Corporation	Senior Planner/ Marketing Dept. / Ting Tang	5yrs	24.Aug.2006/1.1hrs
40	Taiwan Television CultureCopr.	Vice President/ Chi-Hwa Chen	25yrs	20.Aug.2006/1.5hrs
41	Locus Publishing Company	Managing Editor / May Han	20yrs	10.Aug.2006/2.4hrs
42	Hong Fen Publishing	Senior Editor/ Yen-Ping Yeh	15yrs	08.Aug.2006/2.1hrs
43	Spring International Publishers Co., Ltd	Chief Planning Editor/ Yi-Yun Chuang	7yrs	17.Aug.2006/3.0hrs
44	HIM International Music Inc.	Director/ New Business Development Dept. Derek Shin	15yrs	11.Aug.2006/1.5hrs
45	Will Lin Music Studio	Producer/ Managng Director/ Will Lin	20yrs	08.Aug.2006/1.6hrs

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Appendix 4: Empirical study on Taiwan- The Sector-level interview questions.

Certain interview questions were chosen and tailored to form the interview themes, depending on the experience, seniority and background of the interviewees.

1) Interview questions for the independent producers

- Personal views on the recent government measures in developing the audiovisual sector, the film industry, the content sector in Taiwan
- Personal interpretation of ‘independent producer’ and ‘cross-industry network’
- How did you start your production company? What resources did you have to start with?
- How do you see the background factors (credits, size etc) of your company influencing the formation and expansion of your networking? What are the advantages/disadvantages of having these ‘assets’?
- Over the past years, do you find the networking relationships involved in film productions have expanded or changed in any aspect?
- What major changes do you see in the industrial restructuring (e.g. the reverse integration from DVD manufacturers, the rise of multimedia, digital publishing etc)? What are their impacts on your business?
- Give an example of how a film production network starts. What are the human / non-human, formal/informal factors driving the formation and maintenance of the network relationships?
- Within these relationships, what are long-term or short-term (fixed or one-off) connections? What factors influence the sustaining of a relationship? What are the pros and cons of such consistency/inconsistency?
- As an indie producer how do you go about choosing your networking partners? To what extent, is it by your own initiatives? What’s the influential factor in choosing/deciding the networking partners?
- For film productions, do you see opportunities to network with other related audiovisual industries (e.g. TV, Music, Publishing) as having increased? What are the driving/impeding factors?
- Overall, what are the industries that your productions have been networking with? For those different industries, what are the different levels of intensity / connectivity / benefits of those relationships?
- What are the driving forces / purposes behind the building of those networking relationships with different industrial partners? (e.g. capital, creativity, outsourcing, distribution, marketing etc)
- What is the interdependent/collaborative/competitive relationship with the networking partners? What balance and imbalance do you see in the networks?
- Which factors prompt your interactions (negotiations/communication) between these diverse networking partners? Any tensions/conflicts involved? How is an agreement achieved?
- In terms of production management, what problems, if any, are due to such networking and work breakdown structure?
- How do you see the position of indies in such a networking web? What bargaining power do you have? What adjustment/compromises have you made

- to change or enhance your position? What are the costs and effects?
- In considering your networking partners, if possible, do you have any preference for working with indies or mainstream associates?
 - Overall, with the increasing diversity of networking partnership and trade-offs, what are their impacts on the productions and the development of your business?
 - In general, what are the key elements that make such networking succeed or fail?
 - Overall, has the portfolio of your audiovisual productions been expanding or changing? (i.e. from film production to TV, Music, AD, Multimedia etc.)
 - What are the incentives/disincentives for your business to move / expand into multiple productions?
 - In the near future, how do you see the opportunities and potential of your company in expanding into a wider scope of cross-industrial networking? What will be the key drives?
 - What do you see the strengths of film productions in the overall audiovisual sector?
 - In the coming 3-5 years, what do you see as the future development, opportunities and threats for independent production in the audiovisual sector?
 - Looking at the 'audiovisual industry' as a 'sector', what dynamics between industries do you see, and what you would like to see?

2) Interview themes for the content-related managers

- Personal views on the recent government measures in developing the audiovisual sector, the film industry and the content sector in Taiwan.
- Personal views and interpretation of 'independent producer' and 'cross-industry network'
- Personal views on the characteristics of the independent producer.
- Personal views on how the CIN with the independent producer started and evolved.
- Personal interpretation of the collaboration process with the indie producers
- Personal observations of the decision-making process of the networks.
- Personal views on what are the encouraging/discouraging factors in building the CIN with independent producers.
- Personal views on the benefits/impacts of having CIN relationship with the independent producers on your daily practices and your company.
- Personal views on what are the benefits/impacts of the cross-industry networking on independent productions.
- Personal views on problems, potential and promises in collaborating with independent producers

Appendix 5 : INDIE-Taiwan: Film-T: List of Case Interviews

Case Follow-up Progress/ Interview Progress/ Interviewee: The Producer

No.	Interview Date	Duration	Form	Case Stage
Interview I	27 th , April, 2006	2.3 hrs	face-to-face	Pre-production
Interview II	26 th , June, 2006	2.2 hrs	face-to-face	Primary Production
Interview III	22 nd , August, 2006	2.4hrs	face-to-face	Post Production
	22 nd , August, 2006	1.1 hrs (with PR agent)	face-to-face	Post Production
Interview IV	21 st , November, 2006	2.41 hrs	on-line skype interview	Post Production
Interview V	21 st , January, 2007	1.47hrs	on-line skype interview	Promotion
Interview VI	7 th , March, 2007	2.25 hrs	on-line skype interview	Promotion
Interview VII	01, May, 2007	2.30 hrs	face-to-face	Promotion
Interview VIII	15, June, 2007	4.27 hrs (with director and PR)	face-to-face	Screening
On-line follow-up June, 2007 onwards~				Post-screening
Average Interview Duration : 2.45 hrs				

Other Interviewees: The managers/directors of the case-related businesses

Related Businesses	Interviewee	Date	Duration	Form	Stage
Tele-communication	Director / Marketing Dept	18 th , July, 06	1.7 hrs	face-to-face	Primary Production
	Director/ Digital Content Dept	19 th , July, 06	2.0 hrs	face-to-face	Primary Production
Music	Producer	9 th , Aug, 06	1.7 hrs	face-to-face	Primary Production
Publish	Chief-Editor	10 th , Aug, 06	1.8hrs	face-to-face	Post Production
Multi-Media	Marketing Director	21 st , Aug, 06	1.3hrs	face-to-face	Post Production
Audio /download	Senior Content and Marketing Planner	24 th , Aug, 06	1.6hrs	face-to-face	Post Production

Appendix 6: INDIE-UK Case Study Brief



Case Study on INDIE-UK

Proposed by: Hsiao-Ling, Chung/ PhD candidate/ CCPS / Warwick University

Project Title

Managing the Cross-industry Networks (CIN) of the Audiovisual Industry-
The Views from the UK Independent Producers

Project Background

- Demands to understand the changing weights/practices of indies in the audiovisual sector.
- Increasing CIN complexities and opportunities involved in indie productions: 'cross-industry networks' refers to the business relationships radiating from the core of TV/film productions with other related yet separate industry sectors e.g. music recording, book publishing, DVD distribution, new media, and telecommunications.'

Project Aims

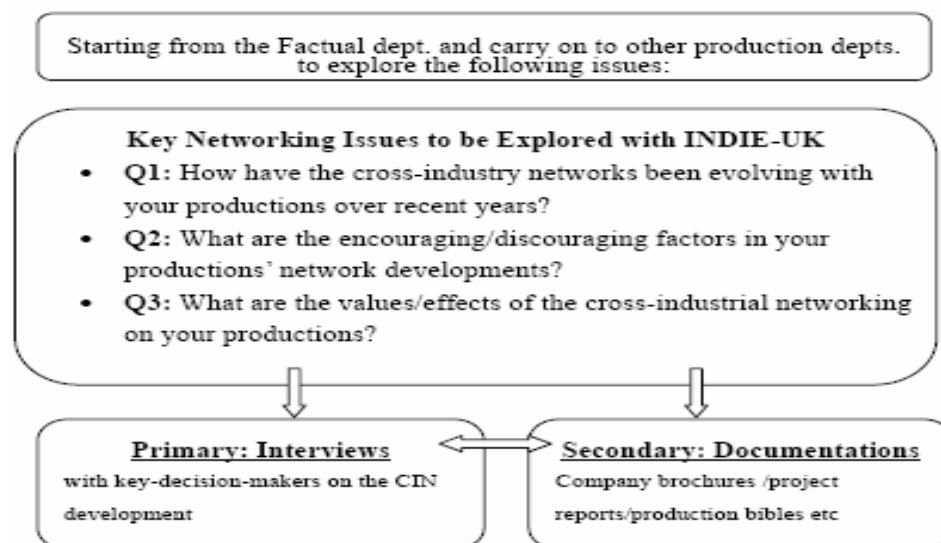
- Analyze the development process of the CIN of INDIE-UK's production.
- Build up the CIN patterns, both internal and external, of INDIE-UK's productions.
- Clarify the costs and benefits of the CIN on INDIE-UK's productions.

Project Contributions

A project report covering the network analysis of INDIE-UK's productions will be provided in due course. All names of interviewees/projects will remain anonymous in the project reports.

Estimated Project Timeframe: from Oct- 2006 ~ March. 2007.

Project Procedure



Appendix 7: Key themes and interview questions- Pilot-study INDIE-UK

The interviews conducted for the pilot study included the following themes:

- Personal roles and responsibility with the department/productions
- Personal observation of the recent developments within the TV sector in the UK
- Personal interpretation of ‘independent producer’ and ‘cross-industry network’
- Personal interpretation of the production/corporate structure within INDIE-UK
- Personal interpretation of the planning and execution process of a INDIE-UK production
- Personal observations of the work-breakdown-structure within INDIE-UK
- Personal observations of INDIE-UK’s internal production networks
- Personal views on INDIE-UK’s characteristics as a company
- Personal observations of how do the cross-industry production networks evolve with INDIE-UK’s productions.
- Personal observations of the decision-making process of the networks.
- Personal views on what are the encouraging/discouraging factors in building the cross-industry production networks.
- Personal views on the benefits/impacts of cross-industry networking on individual daily working practices
- Personal views what are the benefits/impacts of the cross-industry networking on INDIE-UK’s productions.

Appendix 8: List of Interviewees for the pilot study with INDIE-UK

- Interviewee 1: Head of Production (23/10/06)
- Interviewee 2: Production Executive (23/10/06)
- Interviewee 3: Assistant to Business and Legal Affairs and Commercial depts. (23/10/06)
- Interviewee 4: Assistant Development Producer (23/10/06)
- Interviewee 5: Production Manager I (18/10/06)
- Interviewee 6: Production Manager II (24/10/06)
- Interviewee 7 :Production Secretary (18/10/06)
- Interviewee 8: Department Runner (17/10/06)

Appendix 9: List of total interviewees- INDIE-UK

No.	Interviewees	Job Title	Interview Date/ Duration
Production case I: Factual			
1	Anonymous	Head of Production	23 rd , Oct,06, I / 45 mins
2	Anonymous	Head of Production	18 th , Dec,06, II/ 1.1 hrs
3	Anonymous	Production Exec	23 rd , Oct,06 / 40 mins
4	Anonymous	Exec Producer	8 th , Jan, 07/ 1.2 hrs
5	Anonymous	Series Producer	8 th , Dec,06/ 1.3 hrs
6	Anonymous	Line Producer	7 th , Dec,06/ 50 mins
7	Anonymous	Producer	6 th , Dec,06/ 54 mins
8	Anonymous	Production Manager	11 th , Dec,06 / 48 mins
9	Anonymous	Production Manager	20 th , Oct,06 / 56 mins
10	Anonymous	Production Manager	26 th , Oct,06/ 50 mins
11	Anonymous	Development Producer	23 rd , Oct,06/ 1.2 hrs
12	Anonymous	B&LA Manager	29 th , Jan,07/ 1.3 hrs
13	Anonymous	Commercial/ B&LA Coordinator	23 rd , Oct, 06, I/ 50 mins
14	Anonymous	Commercial/ B&LA Coordinator	9 th , Jan, 07, II/ 1.1 hrs
15	Anonymous	Commercial/ B&LA Coordinator	2 nd , March, 07, III/ 1.3 hrs
16	Anonymous	Production Secretary	24 th , Oct, 2006/ 47 mins
Production case II: Drama			
17	Anonymous	Exec Producer	13 th , Dec,06/1.4 hrs
18	Anonymous	Head of Production	8 th , Feb,07/1.2 hrs
19	Anonymous	B&LA Manager	8 th , Dec, 07/1.5 hrs
20	Anonymous	Branding Manager	2 nd , March, 07/2.8 hrs
Production case III: Animation and Children's			
21	Anonymous	Exec Producer/Head of Animation	19 th , Dec,06/1.3 hrs
22	Anonymous	Head of Production	31 st , Jan,07/1.6 hrs
23	Anonymous	B&LA Manager	7 th , Feb, 07/1.2 hrs
Production case IV: Comedy			
24	Anonymous	Exec Producer/ Head of Comedy	9 th , Jan, 07/1.8 hrs
25	Anonymous	Exec Producer	29 th , Jan,07/1.6 hrs
26	Anonymous	Head of Production	6 th , Feb,07/1.4 hrs
27	Anonymous	Head of B&LA dept	7 th , Feb, 07/ 1.1 hrs
Other INDIE-UK members			
28	Anonymous	Press/ Media Liaison	28 th , Nov, 06, I/50 mins
29	Anonymous	Press/ Media Liaison	6 th , March, 07, II/1.3 hrs
30	Anonymous	Managing Director	20 th , Feb,07, I/ 48 mins
31	Anonymous	Managing Director	2 nd , March, 07, II/1.2 hrs
32	Anonymous	New Media Exec Producer	15 th , Feb,07, I/56 mins
33	Anonymous	New Media Exec Producer	26 th , Feb, 07, II/1.6 hrs
34	Anonymous	Commercial Director	5 th , Feb, 07, I/45 mins
35	Anonymous	Commercial Director	8 th , Feb, 07, II/30 mins
36	Anonymous	Commercial Director	5 th , March, 07, III/1.4 hrs
37	Anonymous	Head of Talent	23 rd , Feb, 07/1.5 hrs
38	Anonymous	HR& Operation Director	5 th , March, 07/1.8 hrs

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