Strategis **Information Technology and Telecommunications** | Help | What's New | Site Map | Feedback | About Us | Français

Search **Strategis**

GO TO ⇨ Main Menu
⇨ Business Information by Sector
⇨ Information Technologies and Telecommunications

New Media Consortium Model:
A guide for local-regional development of multimedia capabilities

Table of Contents

Comments/Suggestions/Questions about this document.

Help   What's New   Sitemap   Feedback   About Us   Français   Top of Page

Canada
http://strategis.ic.gc.ca

98-05410/

Author - Industry Canada / Industrie Canada

Publication Date - 01/04/96

1.0 Objectives

This report was commissioned by Industry Canada, Information Technologies Information Branch. It is intended to assist in the development or improvement of regionally- based new media consortium initiatives. The stated objectives are:

- To document the experience of New Media North, an Ottawa-based initiative, in creating a consortium to foster the development of the new media industry at the regional level;

- To build on the experience of New Media North by conducting a focus group of new media developers and by interviewing people representative of organizations dealing with new media across Canada;

- And from the above, to develop a basis for Industry Canada and other economic development organizations to provide guidance in the use of consortia to foster linkages amongst the players in the area of new media, thereby helping the growth and development of that sector.

1.1 Approach and Metho·lology

The general approach was to build on the experience of New Media North by documenting its development and highlighting success factors as well as the barriers encountered. The study team then undertook a series of consultations with new media stakeholders and stakeholder groups to determine how a general consortium model could be developed. Specific activities included:

- a focus group in March 1996 consisting of senior representation from the local media industry. The discussion centred on barriers to growth and how their companies are dealing with the need to develop business relationships. This was followed by the role of a consortium in the realization of business objectives.

- In addition to the focus group, the principals also conducted extensive telephone interviews across Canada with organizations that are attempting to support the development of the industry as well as individual new media companies. Discussion covered the following areas as relevant:

involvement in promoting the development of new media consortia at the regional level;

specific actions taken;

issues which are of concern to the new media comᵖanies in the region;

awareness of critical mass in new media and any actions taken to achieve/enhance it;

barriers to growth of the industry;

how a consortium might function in the region, who could take the lead and who should be part of it.

- synthesis of information acquired and development of suggested consortium approach and model

**Geographic Scope of Activity:
definitions for the present report**

Local
*Refers to activities at the municipal level within a small
radius, say, less than 50 km*

Regional
*Refers to activities at the broadest metropolitan level
such as at the level of regional government in Ottawa
to a radius of less than 100 km (or under one hour
travel time in each direction). In some cases, may be
province-wide*

Comments/Suggestions/Questions about this document.

Help   What's New   Sitemap   Feedback   About Us   Français   Top of Page

Canada

http://strategis.ic.gc.ca

2.0 Background and Introduction

2.1 Origins of This Report

The origins of this study can be found in an earlier project, completed in 1995 entitled, *A Market Assessment Study of New Media Learning Materials (Vol. 1 and Vol. 2)*. This project was the commissioned by Industry Canada and provided an in depth examination of the industry, its strengths, weaknesses, barriers to growth and potential economic benefits that could be achieved with a health industry. The study also provided a wide-ranging review of the potential market for the application of new media to learning and training. The report pointed to a large potential economic benefit from using new media in training in industrial sectors likely to experience the most rapid economic growth through the year 2005. The study also identified the need for businesses to develop new linkages between content (training) developers, technology firms and end-users.

Parallel to this initiative, in the summer of 1995, a group of organizations and individuals in the Ottawa-area, interested in a new media, met to discuss the merits of

a consortium approach to the development of the industry in the region. The result of this initiative was New Media North, a regional development consortium for the multimedia industry.

This report was commissioned by Industry Canada to document the establishment and growth of New Media North in order to assist other regions in similar initiatives.

2.2 New Media North - Genesis

Background

New Media North arose from the confluence of a number of trends, activities and influences which have been developing in the Ottawa-Carleton Region for a number of years. These have been embodied in the establishment and development of such organizations as the Ottawa Centre for Research and Innovation (OCRI) and the Ottawa-Hull Film and Television Association (OHFTA). These organizations were established to assist their respective memberships initiate and take advantage of emerging opportunities in new technologies and market trends. In addition, several other local organizations were stakeholders in the regional high tech environment.

The following section is a brief description of the organizations and other stakeholders who were brought together initially to form New Media North. Each stakeholder has a distinct role to play in the consortium and drives a specific sector of the partnership. The specific drivers and how they fit together is described in Section 4.2.

The Ottawa Centre for Research and Innovation - OCRI

OCRI is a not-for-profit corporation, funded by its members, formed in 1984 to act as a bridge between research activities in the regional post-secondary academic institutions and government laboratories and the local technology industries. Building on existing strengths, the activities of OCRI have tended to be in support of telecommunications, software and life sciences, although other areas are addressed as well. OCRI achieves its mandate through a broad range of networking, outreach and collaborative initiatives, including the development and management of a number of consortia and the organization of meetings, conferences and seminars. OCRI members include approximately 100 companies (including many of Canada's major

technology companies) and a similar number of individual members.

A major OCRI consortium is OCRInet which was Canada's first broadband ATM (asynchronous transfer mode) research network. OCRInet is connected to the CANARIE national test network and has played a leading role in the technical development and evolution of Canada's "information highway."

Ottawa-Hull Film and Television Association (OHFTA)

OHFTA was established in 1983 to represent the interests of the film and television production community in the region. It was formed primarily to help a young and inexperienced community to deal with the emerging video industry at a time when film was starting to decline in popularity. Over the years OHFTA has provided a forum for the local content production community for promotion of the region and for professional development.

Algonquin College

Much of the talent pool which feeds the local film and video industry has been provided through the long-standing media program at Algonquin College. The Algonquin College Media Studies Department began as an inherited one-year journalism program when the college was started in September 1967 as an amalgamation of the Eastern Ontario Institute of Technology and the Ontario Vocational Centre. An advertising program was immediately developed out of a limited offering in Advertising copy writing which had been part of the journalism program. The two programs combined had fewer than 50 students.

Over the years this program has grown to include Animation, Broadcasting, Dramatic Scriptwriting, and Graphic Design, among others, and today there are 10 two-year programs with enrollment of about 550 students. The most recent addition is Interactive Multimedia (1 year ago). The Media Studies Department is now developing a major new program targeted at corporate training in multimedia. All of the programs are interlinked with the common element being mass media and mass communications.

The Media Studies program has been moved ahead significantly in the past year with the opening of a new media centre with the most modern facilities and the latest in computer hardware and software tools.

Regional Municipality of Ottawa Carleton

Another significant player has been the Regional Municipality of Ottawa-Carleton (RMOC), which has active economic development programs in support of both the technology and content production communities and a grants program in support of the Arts.

The Canadian Screen Training Centre

The Canadian Screen Training Centre (CSTC) is a national organization based in Ottawa and was established three years ago to provide professional training opportunities for the film and television industry. For 13 years prior to that, it operated through Algonquin College as the Summer Institute of Film and Television. It is targeted at emerging talent in the industry but also attracts seasoned professionals.

Converging Trends and Need for Change

As technology has advanced into broadband communications and high-end graphics software, and world connectivity has developed out of the Internet, regional technology companies, many of whom are OCRI or OCRInet members, have increasingly found themselves in need of significant content in order to carry out test and development programs and, increasingly, the content provider community has become the customer base for many of the technology companies. In the Ottawa-Carleton Region, many of the developers of multimedia

content are coming to this new business from the existing film and television industry - fed by the graduates of the Algonquin media studies program, among others.

OHFTA began, in 1991, to organize an annual multimedia conference for its members to address their growing need to understand this new medium and its ramifications. Similarly, within OCRI, and specifically, OCRInet, attempts to assist in the development of applications for the broadband networks, resulted in the realization that the technology community needed a closer relationship with those who are using the products of technology companies — the software, computers and communications links — to produce content.

The first attempts within OCRI to address this perceived need resulted in a series of meetings in 1994 aimed at developing a consortium to work towards common needs. These meetings included representatives from OCRI, OCRInet, the Centre for Art and Technology at Carleton University, Government institutions with significant content resources, such as the Canadian Museum of Civilization, or technological resources, such as the Communications Research Centre of Industry Canada, and local companies including Internet service providers, an advertising agency and telecommunications equipment suppliers. This initial effort failed, however, for a number of reasons. These reasons included a poor economic climate, at the time, for the formation of new consr⁻ᵗⁱ⁻ along traditional lines, lack of a clear objective for the proposed consortium and a mix of participants whic⁻   not well suited to the proposed activities. The exercise provided OCRI and the other technology compu⁻ ⸳es with valuable insight into the nature and workings of the content production industry and some of the players.

Formation of New Media North

In 1995 OCRI began work wit⁻ the Algonquin Media Studies Department toward the organization of a planned regular series of meetings, to be held approximately monthly at Algonquin, and which were intended to attract participants from both the technology and production communities. The planned format for the meetings would revolve around a speaker of potential interest to both communities and a reception at which networking could occur. The first of these meetings was intended to take place in the fall of 1995. The meeting series was to be known as IMAGe (Interactive Multimedia Arts Group).

Meanwhile, in the spring of 1995, individuals from the film and video production community approached representatives of RMOC and expressed the idea that there was a need for an organization to bridge the gap between the content production and technology communities. These individuals were aware of, and had participated in, the OHFTA activities aimed at assisting the production community with the new, technology-driven media, but they were not aware of OCRI's initiatives to connect the technology community to the producers.

The Regional Municipality, being familiar with, and involved with, both groups, formed a key link in the establishment of New Media North. A seminal meeting was held on 12 June 1995 at OCRI. Attendees at the meeting included representatives of OCRI, OCRInet, RMOC, OHFTA, the Canadian Screen Training Centre, Algonquin College and several local companies in multimedia and television production and advertising. This initial meeting led to a continuing series of meetings over the course of the summer and fall of 1995, during which a vision, a business plan and an initial program of activities were prepared. The IMAGe meeting initiative was merged with the developing New Media North plans and the first of the New Media North monthly speaker series was held at the Algonquin College Media Centre on 13 November 1995.

3.0 General Issues Surrounding the Development of New Media
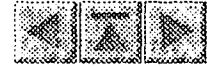
There are several issues which are key to the development of the New Media Industry in Canada. These are issues of structure, human resources and policy and form the background to the need for consortia to help in industry development.

3.1 Convergence

The term *convergence* is used in several different ways even within the context of information technology and telecommunications. That text, graphics, sound, still and moving pictures can be seamlessly combined in digital format and presented on a computer screen or transmitted over communications lines is the principal meaning. However, the implications of convergence are larger than the strictly technological meaning; many studies and reports have examined the social, political, regulatory and other implications of the impact of this phenomenon. (See, for example, *Connections, Community, Content - The Challenge of the Information Highway: The Final Report of the Information Highway Advisory Council.*) The present report focuses on the challenge for firms and organizations -- whether content developers, information technology firms, or end users -- to form new business relationships and work together in alliances to bring to fruition high quality, competitive new media products.

In the knowledge-based economy, success depends as much on relationships formed *between* businesses as much as it depends on successful management *within* organizations. The ability to forge relationships, to network is critical and nowhere is this more important than in the area of new media which, by its nature, involves the bringing together of disparate elements and capabilities. This ability to establish new relationships among businesses can be a function of the local "scene" as much as it can depend on the creative vim and vigour of the companies themselves. A locality that has well-developed opportunities for networking will have an advantage in terms of dealing with the business implications of convergence.

> ### Convergence
>
> *The blending of new media using (mainly) digital technology in an interactive manner whether on stand-alone media (e.g., CD-ROM) or over (bi-directional) networks such as the Internet. This is leading to mixing of capabilities and services provided over television and networked personal computers.*

A related challenge is the matter of developing awareness and understanding, on the part of users or likely users, of the potential of the new technology and of the implications of convergence. While new media offers tremendous possibilities for the future, the markets it serves are still emerging. Facilitating the development of these markets is an educational and awareness-raising exercise, one that transcends any individual firm and which is a fitting role for an organization such as New Media North.

3.2 Issues for the Private Sector

In Canada there are a growing number of individuals and firms that have outstanding capabilities in the area of new media -- including all aspects from product development to marketing. Especially strong are Canadian skills in the area of graphic design and the application of film and video skills in the new medium. Many of these firms and individuals have established international reputations and conduct the vast majority of their business outside of Canada. From their point of view their main concerns about the development of the new media "industry" in Canada relate to such things as access to markets and distribution channels abroad, the ability to find talent and financing, and the general fiscal climate (taxes, inflation). They would also welcome the opportunity to develop the market in Canada. Some firms started by serving a specific niche, or even a specific client, in Canada but found it difficult to broaden the market as a result of business conservatism and lack of awareness and understanding of the technology.

3.3 Public Policy Issues

Governments and industry development organizations would like to see the new media industry grow in Canada for a number of reasons. At a most basic level, new media offers the *potential* for growth itself, and with it, the generation of investment, employment and export- fuelled growth at a time when many of the older sectors of the economy are contracting. Second, the technologies and capabilities that comprise new media are enabling, that is they are the very tools of the knowledge-based economy; countries or even regions that are strong in this area may have a "leg up" on those that do not have such strengths. Finally, in Canada, where there is great interest in protecting and enhancing unique aspects of Canadian culture, the means to do so in the future will be very closely tied to capabilities in new media.

3.4 Critical Mass

All the above issues, both the concerns from the point of view of the individual entrepreneur as well as the policy ones, reflect the need to create "critical mass." A buzzword stolen from nuclear physics, critical mass here refers to the need to bring together a certain minimum number of talented individuals with the right capabilities and supporting infrastructure to really "make things happen." In concrete terms it means that the growth of individual firms is not entirely autonomous; rather, at a certain level of activity, growth in individual firms affects the ability of others to grow. Individual firms and entrepreneurs benefit from having resources, competition and demanding, knowledgeable markets close at hand. The existence of critical mass at the local or regional level can itself help to attract talent, capital and other support to the benefit of the entire cluster of firms.

Perhaps critical mass could be defined in terms of the degree to which the various talents and capabilities are available in sufficient numbers so that creative innovation takes place efficiently, spontaneously and, above all, thrives and is self-sustaining. In any given metropolitan area, there may be an abundance of talents available, perhaps, even, encompassing the full spectrum of skills that are needed for a given knowledge-based industry to thrive. However, if these capabilities are available but poorly linked, i.e., people simply do not know about each other or, if they do, they have little opportunity to further their mutual interests, growth and development of that particular sector will not reach its full potential, will lag or companies will transfer themselves to other centres where the requisite capabilities, and relationships, are more readily at hand. *This is as much a matter of attitude as it is a matter or organization or infrastructure.*

3.5 Opportunities created by experiments in broadband communications

The advent of global networking, in the form of the Internet has created a vast new area for the application of new media and this is in addition to the vast market for new media opened up by the advent of the CD-ROM. Even within the constraints of conventional (existing narrow- band) communications networks, the exponential growth in the use of the Internet points to widespread application of new media in many areas of life and economic activity. A great many of the transactions and services including everything from learning and training to banking and shopping can and very likely will be provided in the future over broadband networks. In this respect the Ottawa-Carleton region is fortunate to be the site of a broadband testbed network, OCRInet, which links several academic institutions, research centres, hospitals and companies in the region. A testbed such as OCRInet offers the potential for experimentation and development of new uses and applications for broadband communications using new media. New Media North is playing a role in helping to catalyse the linkage between this information highway technology and new media content.

3.6 Critical mass: physical or virtual?

There is, admittedly, some controversy with respect to the need for *physical proximity* to have critical mass. Some say that this is an old model of economic development and that in the future, as broadband communications infrastructure becomes prevalent, people will increasingly be able to collaborate at a distance using such technologies as electronic mail, workgroup computing, video-conferencing and so on. There is no doubt that many of these technologies -- E-mail and workgroup computing, for example -- are already taking hold and are facilitating the process of consultation and collaboration at a distance based on critical mass.

The issue therefore is not *whether* these tools will play a role; rather, the issue is *what kinds of low-cost, high leverage activities might help new media companies and the industry as a whole, grow faster?* What will bring a bigger "bang for the economic development buck?" Is there more leverage to be had by fostering linkages at the local and regional level? Virtual collaboration -- collaboration at a distance -- may be *useful* but perhaps the fostering of linkages at the local or regional level is a more *powerful* one. Indeed, if there exist several local/regional consortia across the country, perhaps this will facilitate collaboration at a distance.

With this in mind, Industry Canada expressed interest in documenting how a new organization in the National Capital Region, New Media North, approaches the fostering of new business relationships and how the issue of convergence is seen and approached in other parts of the country. The present project provides the elements of a "tool kit" for Industry Canada and other economic development agencies that can be used to help develop approaches to growing the new media industry in regions across Canada. It also outlines the framework under which other regions can move forward on establishing their own consortia, based on an assessment of their resources and adapted to their needs.

Comments/Suggestions/Questions about this document.

Canada

http://strategis.ic.gc.ca

GO TO   ⇨ Main Menu
        ⇨ Business Information by Sector
        ⇨ Information Technologies and Telecommunications
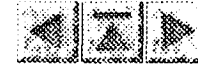
4.0 Elements of a Successful Consortium

This section describes key elements of a successful consortium model. It is based on the experience of New Media North and its partners, as well as information gathered through a series of interviews for this project. The implementation of the model will vary from region to region according to local circumstances and appropriate adaptation will be key to success. Therefore, in considering whether a region is in a position to form a new media consortium, it is important to consider what elements are important, to what degree, and whether these elements exist in a region.

The elements to a successful consortium are much the same as the elements to a successful business. This means addressing structure, market relevance, promotion, delivery of service, etc. to make it viable. In th' section we will use the New Media North model to describe what key components should be in place establishment of a consortium, their respective contributions and how they interact with each other.

4.1 Critical Mass in a Practical Sense

In practice, determining critical mass in an industrial sector is not simple. As it is an amorphous concept and is achieved over a period of time, it is difficult to say at what point critical mass is achieved. According to Geoff Darby, President of Viacom Interactive in New York, critical mass in the multimedia business, is the point where the business can continue profitably without government assistance. In other words, a cluster of skills that is capable of sustaining itself and supplying the market and in his opinion, the Ottawa region meets this criterion.

Determining regional critical mass in the Canadian context, however, is difficult for a number of reasons. First, as the Industry Canada Market Assessment Study for New Media Learning Materials showed, there are few companies in Canada that consider themselves profitable in multimedia. Many companies in New Media product development are cross subsidizing this effort from another part of the company (e.g., video production/post production, graphics, sponsored contracts, etc.). Second, is that there is a fair amount of government intervention in the industry, which varies from region to region. The degree to which this intervention affects the development of the industry or possibly artificially promotes regional development should be considered. Nevertheless, government promotion of the industry is not unique to Canada and clearly we have seen that New Media is supported by many levels of government abroad as well.

It is important to note that the concept of critical mass in the information age is evolving. We have noted earlier that multimedia is often referred to as a "virtual industry," where the location of firms or individuals is less important than their capabilities. Hence, geographic clusters are sometimes argued as being outdated. However, when referring to critical mass, it is important to distinguish between:

	What is involved:	What can be done by "virtual" collaboration (i.e., at a distance)?
Doing the Work	Applying the creative talents and expert knowledge of the principal(s) to serving the needs of clients, usually on a contractual basis	Anything and everything; chances are that much of the work is for clients in many different locations
Building the Firm (from the start-up stage)	Harnessing the creative talents and expert knowledge of the staff, managing personnel and other resources, developing new clients and markets	Very difficult to start up a firm at a distance. Usually only succeeds in a takeover of an already existing organization.
Growing an Industry (both at the regional	Creating the synergies between competing firms as well as the clients and markets that	Virtual collaboration might be most effective between centres that have

| and national level) | they serve that helps to foster further growth and development | strong individual talents or capabilities or strong critical mass |

Being able to do the work and making money at it, does not in itself constitute regional critical mass. The benefits of high bandwidth access are increasingly available and the virtual office/company/individual can be profitable. However, this is only one component of the industry and without being able to develop the business and grow the industry, it is not a regional industry. There are, for example, companies in Ottawa that are heavily involved in the business of New Media development but are not part of New Media North or do not have much interest in this type of interaction. These companies are tied to specific large international clients and as such, their operations are independent of location and generally make little use of local services.

Therefore any assessment in this area must determine whether there is really an industry present, or simply individual companies that are in the business. From our interviews, it appears that local companies and organizations have a good idea how self-sustaining the industry is and where there are gaps in important capabilities.

4.2 The Players and Partners

New Media North consists of a representative mix of industry, associations, individuals, educational institutions, and two levels of government. Multidisciplinary representation is essential in order to distinguish the concept of a *consortium* from that of a focussed *professional association*. This distinction is very important to reduce perceptions of redundancy by potential members and to increase buy-in from key players who may feel threatened by a new organization.

When New Media North was formed, there was some resistance from local organizations which felt "under siege." Some believed that NMN could cannibalize membership or encroach on existing services provided by these groups. The resistance is being overcome by establishing the clear understanding that NMN is a bridging body and that the synergies between groups benefit all parties. Even so, the potential for tension between a consortium and its members will always exist. Therefore, in order for a consortium to be successful, it must remain aware and sensitive to the roles and objectives of its partner groups.

In the case of New Media North, there are five key partners in the consortium as well as interested parties and individuals. Each has distinct roles and motivations and drives a specific sector of the partnership. Using the New Media North experience, these can be summarized as follows:
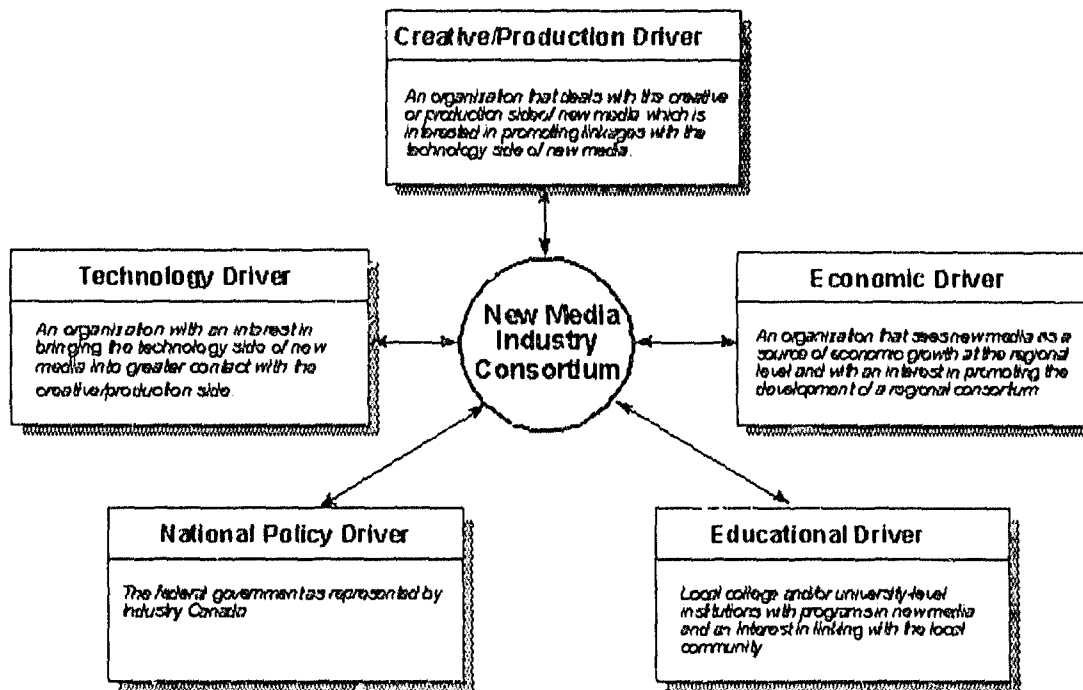
4.2.1 New Media North Partners - The Consortium Drivers:

Regional Government as the Economic Driver

New Media North is first and foremost, an engine for local economic development. Although NMN's official byline is "where content meets technology.ca," the unofficial slogan, and the one that sells memberships is significantly more practical;

You will get better at what you do and you will make more money.

One of the principal mandates of regional government is to promote business and increase the tax base. Therefore regional government has a major stake in the successful development of new, and especially, high value-added industries. The Regional Municipality of Ottawa-Carleton (RMOC) represents some 11 municipalities in the region and oversees services that cross city boundaries. It is also heavily involved with economic development, funding such bodies as, the Ottawa-Carleton Economic Development Corporation (OCEDCO), OCRI and the regional Entrepreneurship Centre. It also has a mandate to promote The Arts. It was in fact, the Arts Office of RMOC that took the lead in regional participation of NMN, recognizing that Arts was a key component of the New Media business.

At a time when local governments are concerned about reduced transfer payments leading to pressure on property (and other) taxes and reducing services, there is a major emphasis is on devoting resources to areas with the highest potential economic return. Resources can be in terms of funds, staff allocation, facilities etc In order to bring regional government in as a partner, it must be convinced, either through intuition or hard numbers, that there will be a positive return on its resource investment.

Local government therefore, must play the pragmatic business role in the consortium, ensuring that the wealth of the region is increased. In smaller provinces, provincial governments have a heavy involvement in local-regional expansion and should be involved in the process.

OCRI as the Technology Driver

The Ottawa-Carleton region is well known for research and development in areas of high technology, especially in telecommunications. OCRI is one of the primary drivers for the development of technology-based consortia.

There is increasing realization however, that the high-speed communications infrastructures that are being developed, have to be filled. Few high technology companies are in the business of filling the "pipeline" and do not necessarily understand the business of content production. Those companies like Corel, which have entered the content side, have tended to do so through partnerships and alliances, rather than through internal development.

The role of the technology driver therefore, is to ensure that content producers are aware of, and make use of the current pipeline and to inform them of what the future of the technology is. In addition, content producers gain awareness of technology test beds that are available for innovative applications. In our survey we looked primarily at the Canarie regional test beds but regions may have more than one technology driver.

OHFTA as the Creative and Production Driver

There are a number of similarities between the evolution of OHFTA and the growth of NMN, particularly as a way of getting its members up to speed with all aspects of the business. Many of the OHFTA's experiences and lessons learned, have been invaluable in NMN's start.

OHFTA's role is to bring the content side to the table and help them prepare for the new business of new media. One of the key problems is that the production industry has typically operated under an entertainment or media-based model whereas new media operates on a publishing model (although the development of the industry as a whole is very similar to the development of the film industry in that small companies derive most of their operating income from sponsored production and the high-risk/high-reward dollars are on in entertainment products). In traditional production, projects can be funded in a number of ways.

For example, "sponsored production" is when a production company is contracted to produce a specific product, usually at a fixed price. This is typical of corporate and government communications and training and in rare cases, for broadcast projects. Sponsored production has been the primary source of income from most companies in the region. In a typical "broadcast" or "film" model, the producer of the project is often solely responsible for assembling the funding for the project. This can be a combination of government support (Telefilm, provincial film development agencies, etc.), private investment, advances on licensing fees or distribution fees, deferred salaries, and "sweat equity." Revenue is derived from box office sales, broadcast licensing fees, home video, merchandising, etc. as appropriate. In new media, while there is still sponsored production, the entertainment sector operates more like book publishing in terms of advances and royalties. Revenue is derived from selling "product on the shelf." This means dealing with distributors in a completely different way. So in addition to having to learn about the new technologies, they have to shift their traditional business paradigm.

OHFTA is unique in that to our knowledge, it is the only local organization of its type in Canada (local in this context, means the municipal base of Ottawa-Carleton and Hull). However there are numerous regionally-based production/content associations that could fill a similar role.

Algonquin College as the Educational Driver

Lack of human resource skills was identified as a major barrier to growth in the focus group and telephone interviews. Lack of high quality graduates in New Media disciplines means that companies that are at high levels of production, cannot grow as fast as they would like. Even with the number of graduates coming out of the college system, not all are trained to fit the needs of employers.

Algonquin's role therefore, is to develop and maintain a dialogue with the employer community, to ensure that their programs remain relevant and to help with apprenticeship programs where possible. The institution can also act as a focus and facility for research and development. An added advantage of the Algonquin connection is the recent opening of a very well equipped New Media Building, which acts as a meeting place for New Media North.

Industry Canada as a Facilitator and National Policy Driver

Industry Canada became interested in New Media North quite early in its development and maintains observer status at steering committee meetings. As mentioned in the introduction, IC's interest derives from the Market Assessment Study for New Media Learning Materials released this year which showed a need to develop alliances and consortia for the industry to grow. NMN appeared to be heading in that direction and so could act

a case study for that approach.

Industry Canada's participation in New Media North serves several synergistic purposes. From IC's perspective, NMN provides the department with direct feedback on the development of the industry, its strengths and its problems. From New Media North's perspective, the presence of Industry Canada provides the organization with national intelligence and input into policy. The Industry Canada representative is often used as a sounding board for matters relating to industry development and the presence is particularly useful for international information.

The Canadian Screen Training Centre a Driver for Professional Development

The CSTC recognizes the need for new media training to individuals who dealt primarily with traditional media and is now moving to fill that gap. It hopes to help filmmakers adapt to the changes in the industry through professional development and information exchange.

The CSTC brings in a highly creative element, both in terms of content and in terms of entrepreneurship. In its association with New Media North, it hopes to keep its professional development offerings relevant to the marketplace and to allow its constituency to take more advantage of emerging technologies.

Industry Representation

In addition to the organizations mentioned here, NMN has attracted a number of companies and individuals as key drivers of the organization. These are essentially charter members who have a strong desire to see the concept succeed. These tend to be the most innovative companies with the highest potential for growth. They see the success of the industry as a whole as being instrumental in their own corporate success.

Other Consortium Components:

Depending on the region and existing relationships consortium members may have with other bodies, other consortium elements may exist. These elements may not be directly involved with the consortium, but have an interest in associating/liaising with the group at some level. This may include other professional associations, academic institutions, media groups, etc. Their involvement can be important from a public relations perspective, or as a means of information exchange.

The Interactive Multimedia and Technology Association (IMAT)

IMAT is a Toronto-based organization formed in 1994 as the result of a merger between the International Multimedia Developers Association and the Canadian Computer Graphics Association. It currently has more than 400 members and acts as a forum for those who are interested in multimedia where they can learn, network and discuss relevant issues. In the summer of 1995, IMAT looked branching out by developing chapters in various regions of the country. Ottawa was one of the cities chosen for expansion. Since the establishment of NMN and the Ottawa IMAT chapter seemed to be moving in the same direction, the two groups got together to see if there was common ground. After a series of meetings, it was decided that NMN would take the lead with respect to local new media development, but that a protocol would be established for the organizations to deal with national issues. The protocol agreement is as follows:

1. Each party represents the multimedia community in their respective regions.
2. Each party should keep abreast of the other's activities, highlight each other's web sites, and cross-invite to events with member privileges.
3. Each party should share information, e.g. mailing lists and other organizational resources.
4. Both parties should work towards joint projects, e.g., with federal government, including an umbrella multimedia organization that would bring in other Canadian new media centres.
5. Each party should make known the fact of having entered into this cooperative protocol agreement.
6. Each party will work toward attracting other multimedia communities in Canada to be signatories to this agreement.

This is viewed by NMN as being a better arrangement than having local IMAT chapters because it reduced duplication and the potential for conflict between local priorities but maintained dialogue for common issues. The protocol therefore, is very important in that it defines how regional organizations can work together towards

common goals without establishing a new level of bureaucracy

Carleton University and other Academic Linkages

Links with NMN and Carleton University are currently being developed. For example, Carleton is currently hosting the Canadian presence on the Internet World's Fair based in Washington and a NMN board member currently sits on the advisory committee. In addition, NMN is examining the feasibility of hosting a pavilion at Fair and providing Carleton with support services. Future plans are to bring in other colleges and universities.

4.3 New Media North - The Consortium Integrator

In Chapter two, the origins of New Media North are described and in Chapter three the concept of critical mass is described as it applies to new media at the regional level. The present chapter provides a formalized model of the new media consortium. It remains for an organization, namely, the consortium integrator, to bring all the elements (drivers) together, namely, the consortium integrator.

In the National Capital Region, New Media North is the consortium integrator. With the backing of OCRI which created it and which provides material and moral support, New Media North provides the venue, the opportunity for the disparate elements of the consortium to come together. Indeed, while there is considerable interest amongst the drivers, described earlier, in forming linkages, it takes an organization like New Media North to pro-actively bring them together.

The organization which acts as consortium integrator must have a few essential characteristics.

First, there must be at least one individual champion within the organization. This individual must be prepared to lead in the initial calling of meetings and the rounding up of support from the drivers and other potential players in the consortium. This can be a time consuming task requiring some perseverance and, perhaps several attempts before success can be achieved. In order for this champion to do the job there must also be more than just acceptance from the integrator organization if not enthusiastic support.

Second, the integrator organization must have a reasonably wide existing network of contacts within the constituent communities. While this network is unlikely to be complete, in terms of covering all of technology, creative content, academic and government communities, sufficient existing good will and communities of interest must already exist in order to facilitate adequate introductions to the missing elements.

Finally, the integrator organization must have an established reputation as a "neutral broker" which can be trusted by a wide spectrum of the community. Normally this reputation will have already been developed within a substantial segment of the desired consortium. Organizations which are perceived to be narrowly self motivated will be unlikely to succeed in integrating the diverse elements required to establish a new media industry development group.

In its first year of operation, the principal bridging activity of New Media North, was a series of well attended monthly public meetings as well as the on-going, active efforts of a dedicated Steering Committee. Participation in hearings of the Canadian Radio Television and Telecommunications Commission also provided a point of converging interest and activity. In the future, the public meetings will continue and will be augmented by several projects which will both serve the needs of the consortium and provide further opportunities for strengthening the linkages between the drivers.

New Media North fulfils the vital role of bringing together -- of integrating -- the disparate elements that comprise new media. It does so by:

- providing the opportunity for people from the various elements (drivers) to meet regularly on an informal basis;
- promoting the industry and the technology and raising awareness about the issues that relate to these; and by
- promoting the new media cluster in the National Capital Region and by promoting its strengthening and development.

These are the key functions of the consortium integrator – the role to be

fulfilled by the equivalent of New Media North in regions across Canada.

4.4 The Value of Champions

Project champions have played ͷ critical role in the development of New Media North. Even with all the elements in play, without the drive of the individual organizations and people, the consortium will not function. Essentially, New Media North works, because all the parties want it to work and have devoted the needed resources for its success.

It is important to beware of potential spoilers early in the development process. They may have competing interests, personal agenda, or simply may not want the initiative to succeed. Spoilers may emerge initially as champions, but derail the process over time. This may not be obvious at first, so a group coming together should be diligent to ensure that the process stays on track.

In addition to the consortium integrator, within each partner organization or private sector company, there should be one person that is not only responsible for consortium participation, but ideally, should really believe in the concept and desire its success. Too often, these types of initiatives have fallen apart because participants do not have the time to devote to its development or because the will for success is not there.

Within the consortium itself, will likely emerge one or more internal champions. The role of these individuals is to drive the group towards its objectives and ensure that members of the group keep on track.

4.5 Steering Committee/Board of Directors

An initial Steering Committee or Board of Directors should be established very early in the process. There is some debate as to whether not-for-profit boards should be *working-boards* or *advisory-boards*. From our experience, a working board definitely preferable, at least during start-up. This means that members of the board or committee should be aware from the beginning, that a commitment of time and energy will be required from them. This would include regular attendance at meetings as well as completion of specific responsibilities as determined by the consortium.

4.6 Administrative Support

OCRI played an important role in the creation of New Media North. On a continuing basis, OCRI provides administrative support including maintenance of membership and mailing lists, assists in publicizing events and has provided space on its Web site for NMN (although there are plans for a much larger, separate NMN site in the future). Finding a related organization to help provide the administrative ?backbone" for the regional new media consortium – New Media North – is a key element of the model espoused in this report. Although there have been points of contention between the two organizations, (particularly with respect to autonomy), the fact was that NMN was able to get up and running much more quickly and effectively because the administrative headaches were handled by an organization that was already set up to handle them. It also saved the cost of incorporation. OCRI has an interest in providing this support to NMN because it already has strong ties to the technology side of new media.

4.7 The Business Plan

The business plan is essential for ensuring a strategic focus within the group and speeding up the process of developing the organization. Spelling out the goals, objectives and roadmap of the organization will help the steering committee keep on track. It will also help with in bringing in new members by establishing a common goal and how they fit it.

The plan should be concise and easy to read. If it is too long or written in a manner that is not very straightforward, it will not be used. It should be a working document that can be posted on a web site and accessed by members and other interested parties.

The New Media North Business Plan is attached as an appendix to this report. The components of the plan are as follows:

Component: (Recommended Length)

Vision and Objectives (1 page)

- a clear statement on what the consortium is about, what it hopes to achieve and how it intends to meet its goals

History and Background (1 page)

- how the consortium came into being, over what time period and what synergies were discovered between groups

Organization and Process (1 page)

- a description of how the consortium will be managed, organized, funded, staffed, and any infrastructure that will be required

Key Players (2-3 pages as necessary)

- a brief description of consortium partners and any other key players, consisting of what each does, the make up of its membership, its role in the multimedia community and its motivation for being a part of the initiative (2-3 paragraphs per organization)

Membership (1 page)

- a description of the proposed membership of the consortium,

- the make up of the membership (target groups, skills, professions, etc.,
- recruiting strategies
- cost of membership and membership categories
- what organization members will belong to (e.g., in the case of NMN, members join OCRI, but a consortium may choose to incorporate a new entity)

Primary Activities (1 page)

- an overall statement of what the consortium will do, i.e., the general activities which will allow it to reach its goals - specifics of the activities are given in following sections

Development and Investment (1 to 1½ pages per activity)

- · a description of specific potential on-going initiatives in this area if they have been established - should be basis for discussion unless already underway and include goals and ideas for implementation - in the NMN plan, they are:

- Initiating Consortia
- Support Resources to Get New Companies Off the Ground
- Venture Capital Fund Liaison
- A Venture Capital Special Interest Group

Projects and Special Events (1 to 1½ pages per activity)

- the consortia may want to initiate special events (e.g. trade show/mission, awards, etc.) as well as specific larger projects - often these will be the result of specific interests of one of the partners

Marketing and Communications (1-3 pages)

- a description of how the consortium will market and promote itself to its targeted membership including strategies and likely resources required

Achieving Goals and Measuring Success (1-2 pages)

- a description on how the consortia will measure its success based on the goals stated and how this will be reviewed - this may be in terms of specific milestones achieved and/or general accomplishments of the group and is important to keep the group focussed

Start-up Time Line (1 page)

- a general time line which shows where the consortium wants to be at a given point in the future - the time line is very important as start up organizations tend to drift after the initial burst of energy - should be reviewed regularly to determine if times are realistic

Financial Estimates (1-2 pages)

- an estimate of sources and uses of funding for the consortium - this is very difficult at start-up since membership and other funding is uncertain however this provides a basis for determining how the group will operate - it is important to separate fixed costs (costs which will be incurred regardless of activities) and variable costs (costs that will be incurred only if specific actions or activities are undertaken) to determining "core" funding requirements from operational requirements

4.8 Implementation - Remaining Flexible

We emphasize that the information and model presented here is only a guideline and regional circumstances will vary considerably. The model elements should be adjusted to the specific situation, with particular regard to local resources.

It is important to restate here, that the initial attempts to form a regional consortium in Ottawa were not successful. New Media North became a reality only when the right mix of people, organizations, and infrastructure was assembled. Therefore, any individual or body taking the lead in such an initiative, should not be discouraged if the effort does not succeed first time around.

4.9 Information Exchange

In the research for this report, the authors discovered a significant lack of communication and exchange of information between organizations in Canada related to New Media. There is a wealth of information and experience contained in these organizations and as an appendix to this report, we include web addresses for the organizations contacted. We recommend that prior to establishing a regional consortium, that interested parties examine the web sites and make contact with these organizations where appropriate.

Although it is beyond the scope of this report, we believe that there is a need to link many of these organizations. Without moving to a new level of bureaucracy or the creation of "another association", Industry Canada should consider facilitating informal linkages between associations and regional consortia. For example, several organizations expressed an interest in a "speaker exchange", whereby ideas and contacts for

high quality speakers could be shared. In addition, simply developing the awareness that other complementary organizations exist, would be valuable.

The benefits of networking this emerging industry cannot be overemphasized. Because of the nature of the industry, the potential for synergistic cooperation is very high. Unfortunately, because many associations and individual companies are small, they often do not have the time, resources, or ability to actively seek out information that would help them better serve their membership, or enhance their firm, as the case may be. For example, specific regional skills deficiencies may exist that could be overcome through networking with the awareness of regional strengths.

Comments/Suggestions/Questions about this document.

Help   What's New   Sitemap   Feedback   About Us   Français   Top of Page

Canada
http://strategis.ic.gc.ca

Strategis | Information Technology and Telecommunications | Help | What's New | Site Map | Feedback | About Us | Francais

Search Strategis

GO TO ⇨ Main Menu
        ⇨ Business Information by Sector
        ⇨ Information Technologies and Telecommunications

Author - Industry Canada / Industrie Canada   Publication Date - 1998-02-10

Acknowledgements:

The authors would like to thank all those who contributed to the development of this report. Individuals who were part of the interview process and/or participated in the focus groups are listed in Appendix A.

In addition, the authors would like to acknowledge the assistance of James Fulcher, the Industry Canada Project Authority. For more information on this report or other Industry Canada initiatives, he may be contacted at:

telephone (613) 941-6970 - fax (613) 991-0950 - Email fulcherj@iti.ic.gc.ca

About the Authors:

This report was undertaken by three founding members of New Media North. If there are any questions about this report, please feel free to contact them directly.

Lawry Trevor-Deutsch, M.Sc., M.B.A.

Mr. Trevor-Deutsch is the President of Strathmere Associates International Limited, a consulting group specializing in business development. He has been actively involved in the new media industry, both locally and nationally. He was a principal investigator in the Market Assessment Study for New Media Learning Materials for Industry Canada, released in January 1996 and is currently working on two case study reports dealing with cost-effectiveness of new media learning. He has been consulted as an expert in the area of electronic information development for several OECD reports. For eight years was an executive board member of the Ottawa-Hull Film and Television Association (OHFTA) where he was involved in the organization of four multimedia conferences and he is a co-founder of the Canadian Screen Training Centre.

telephone (613) 762-7371 - fax (613) 738-1269 - Email lawry@igw.ca

Ezra R. Miller, B.Sc., M.A.

Ezra Miller is a consultant in strategic planning for knowledge-based industries, based in Ottawa, Ontario. Mr. Miller has worked extensively with the computer, software and multimedia industries in Canada, the US and Israel. Following a 16-year career in the Public Ser ' of Canada in which he worked in key policy and industry development areas related to energy, research a development, and information technology, Mr. Miller has embarked on a new endeavour, through his company, Ibex Consulting, to facilitate the development of business alliances and projects in multimedia. While at Industry Canada, Mr. Miller was instrumental in forging linkages in Canada with the Bay Area Multimedia Technology Alliance (BAMTA) in the San Francisco Bay area. BAMTA is involved in the development of new applications of networked multimedia. Mr. Miller is one of the founders of New Media North. As part of a team at Industry Canada, Mr. Miller co-managed the Market Assessment Study for New Media Learning Materials which was completed by Industry Canada in January 1996.

telephone (613) 569-3562 - fax (613) 569-9706 - Email ezra@magi.com

Gavin McLintock, P.Eng.

Mr. McLintock has a Bachelor of Science Degree in Physics and a Masters Degree in Engineering, both from Carleton University. He began his career at Northern Electric (now Northern Telecom) and was later at Bell Northern Research, working on semiconductor processing and computer simulations. In 1975 he was a founder of TES Limited, a multidisciplinary engineering firm, where he worked in such diverse fields as radar systems,

industrial control systems, solar energy and vehicle safety. In 1981 He founded Targa Electronics Systems which has specialized memory products in many applications including the space shuttle, nuclear power plants and defence equipment. Mr. McLintock joined the Ottawa Centre for Research and Innovation (OCRI) in January 1994 to work on co-ordinating the development of broadband network applications on OCRInet - Canada's first multi vendor ATM research network. He now directs the New Media North interest group of OCRI and is organizing the Arts Interactive festival of arts & technology. Mr. McLintock holds two patents, has authored over two dozen papers and articles on technology topics and frequently makes presentations on topics related to applications of broadband networks and the information highway.

telephone (613) 592-8160 ext. 255 - fax (613) 592-6098 - Email gmclintock@ocri.ca

Comments/Suggestions/Questions about this document.

Help   What's New   Sitemap   Feedback   About Us   Français   Top of Page

Canada

http://strategis.ic.gc.ca