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An examination of the processes leading to business successes and failures within production houses in South Africa.



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UNIVERSITY OF THE WITWATERSRAND SCHOOL OF ARTS

MA in the field of Cultural Policy and Management

DECLARATION

I declare that this research report is my own unaided work. It is submitted for the degree of Master of Arts by Coursework and Research Report in the field of Cultural Policy and Management at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination in any other university.

- I am aware that plagiarism (the use of someone else's work without their permission and/or without acknowledging the original source) is wrong.
- I confirm that ALL the work submitted for assessment for the above course is my own unaided work, except where I have explicitly indicated otherwise.
- I have followed the required conventions in referencing the thoughts and ideas of others.
- I understand that the University of the Witwatersrand may take disciplinary action against me if there is a belief that this is not my own unaided work, or that I have failed to acknowledge the source of the ideas or words in my writing.

Amanda Lunga 

Date 24 September 2020

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Abstract

Literature has shown that South Africa has low levels of entrepreneurship, and that the policies and practices that are geared to stimulate entrepreneurship are not having the desired effect (Roberts, 2017 & Ndedi, 2009). This research report investigates what the founders of three well-known South African production houses did (do) to establish and sustain their production houses.

Through reviewed literature and interviews with the three cultural entrepreneurs, the research report explores the cultural entrepreneurs' journey in building their production houses. This is done to find out how the cultural entrepreneurs dealt with, or deal with, any entrepreneurial challenges facing the film and television industry.

The journey highlights factors that impact entrepreneurship and entrepreneurs, while suggesting solutions for new cultural entrepreneurs. The research report shows that being a successful cultural entrepreneur is subject to many conditions, and that it is important for new cultural entrepreneurs to learn from existing successful cultural entrepreneurs, whatever their personal journey was.

Keywords: business skills, cultural entrepreneurs, entrepreneurship, sustainability, intrapreneurship, production houses

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Topic and Research Questions

An examination of the processes leading to business successes and failures within production houses in South Africa.

Main Research Question

What can new entrepreneurs learn from successes and failures of established production houses in South Africa?

Sub-research Questions

What factors impact (positively and negatively) on South African film and television entrepreneurs when building their own production houses?

To what can we attribute the longevity and success (or failure) of production houses in South Africa?

Abbreviations

DTI	Department of Trade and Industry
ICASA	Independent Communications Authority of South Africa
IP	Intellectual Property
IPR	Intellectual Property Rights (IPR)
NFVF	National Film and Video Foundation
SABC	South African Broadcasting Association
SAFREA	South African Freelancers' Association
SAGA	South African Guild of Actors
UNESCO	United Nations Educational, Scientific and Cultural Organisation

1. Why Entrepreneurship?

There is a plethora of books, studies and theories that address the definition of the term “entrepreneurship” or what an entrepreneur is. Regardless of the different opinions on what the term means; entrepreneurship has been universally described as important for the growth of any economy and for creation of employment. In their article on *entrepreneurship*; Shane and Venkataraman argue that most researchers have defined entrepreneurship in terms of who the entrepreneur is and what he or she does. They argued that such definitions do not include consideration of the variation in the quality of opportunities that different people get (2000: 218). Identifying these opportunities enables entrepreneurs to recognize and bridge gaps within entrepreneurship.

Upon these observations, Shane and Venkataraman defined entrepreneurship as;

> “The process in which opportunities to create future goods and services are discovered, evaluated and exploited” (Shane & Venkataraman, 2000: 218).

On the other hand, Anheier, defines a cultural entrepreneur as a change agent who organises cultural, financial, and human capital to generate revenue. Their innovative activities result in economically sustainable enterprises (Anheier, 2008: 86). The term cultural entrepreneur will be explored in the coming sections.

South Africa has been facing several economic, political and social challenges since the democratic election in 1994. One of the biggest challenges is unemployment. Herrignton, Kew and Kew point out that this challenge is predominantly faced by the country’s youth who lack experience, skills and education to access employment. Due to this challenge, the youth have turned to entrepreneurial opportunities to generate income (Herrington, et al., 2010).

To be entrepreneurial, the youth would need to have access to entrepreneurial opportunities. Shane and Venkataraman explained that technological, political and social change offer different ways to enhance entrepreneurial opportunities (2000: 221). Herrington, et, al explain that new policies and institutional frameworks have bee introduced in South Africa but the challenge is too broad for the government to tackle it alone (2009 :13).

To understand how entrepreneurship can be optimised in this new democracy, this research report presents the case for a renewed effort towards management and entrepreneurship within, but not limited to, film and television production houses in South Africa. It is geared towards understanding the processes and factors leading to building sustainable production houses through entrepreneurship. It also focuses on business managerial strategies and their importance when building a production house. Entrepreneurship is the main keyword in this research report because it spurs innovation, productivity, and growth in the economy. It is an important element of both regional and national economies, and can foster job creation (Byers, Keeley, Leone, Parker, & Autio, 2000; and Schramm, 2004).

I explored the successes and struggles of three Johannesburg-based production houses; two of which were established in the 1990s (1993 and 1997), and one that was established in the early 2000s. I investigated the different forms of business management, administration, and forms of entrepreneurship employed by the founders of these production houses. I investigated how they tackled the economic, social and political challenges that are currently faced by the country's youth. I also explored how they navigated entrepreneurial opportunities which led to them building successful production houses.

The annual South African Business Report suggests that there is a need for entrepreneurship and entrepreneurial start-up skills in the country (Business Report SA, 2017). Although this is evident, there is still a lack of both general entrepreneurial and specific cultural entrepreneurial knowledge. I was motivated to focus on entrepreneurship within the film and television industry because of the lack of entrepreneurial knowledge, start-up skills, and the lack of research undertaken in the area of cultural entrepreneurship in South Africa (Roberts, 2017: 3-5).

As a filmmaker myself, I have friends and former classmates who have tried to build production houses after graduation, but struggled to stay in business. I was therefore also driven to understand the collapse of production houses that were built as entrepreneurial ventures. Cebingo, a film graduate turned entrepreneurial practitioner, says that most film graduates in South Africa enter the industry with the hopes of building a production house. They start their production houses, but only succeed for a short time, and end up closing due to a lack of knowledge on how to

run a business (Cebingo, 2018). This research topic was motivated by cultural entrepreneurship author, Thomas Aageson, who remarked that:

> "In order for the growth of the global cultural economy to be enhanced, more innovative entrepreneurs around the world need to be identified; their experiences must be developed into cases for others to learn from." (Aageson, 2008).

This statement suggests that new entrepreneurs could learn from those cultural entrepreneurs who are successful. The research report identifies and investigates three such cultural entrepreneurs who have established successful production houses. The investigation looks at when the production houses were established, and how they got to the stage they are at now. As suggested by Aageson, through interviews with the founders of the production houses, the research report develops and documents their experiences to understand internal and external factors that affect production houses. The research report also investigates and analyses strategies employed by the founders in order to overcome the challenges they faced, dating back to their inception.

This research aimed to investigate the factors that play a part and contribute to building and sustaining a successful production house in South Africa, in respect of both government and the film and television industry. The participants are founders of the following production houses: Fireworx Media which was first established in 2008, The Bomb Shelter Film Company (Pty) Ltd, established in 1993, and Quizzical Pictures which was established in 1997.

The investigation and examination of these production houses gives insight into how entrepreneurs who want to build production houses can do so, and sustain their production houses in an environment that lacks entrepreneurial knowledge and is in a state of political and economic crisis. In their paper; *The Political Economy of the South African Media*, Tomaselli and Tomaselli point out that post-apartheid, there has been a split in political unity and the economy has also been impacted leading to inflation and structural unemployment (Tomaselli and Tomaselli, 2019: 42). It is important to know that lack of knowledge is not the only factor hindering entrepreneurial success. Economic and political factors such as exposure to markets, capital, intellectual property and regulations are just as vital. I have addressed the

economic factors elsewhere in the paper. The political aspects are well known (Ngcamu, 2002; Tomaselli & Teer-Tomaselli, 2019 and Collins& Louw, 1992) but will not be dealt with in this paper.

I only covered aspects of entrepreneurship within production houses that impact, both negatively and positively, on building and maintaining sustainability of the business. This research report does not focus on the general education system and how it could help prepare students to become entrepreneurs. As important as these issues are, they lie outside the scope of my study.

It briefly comments on content produced by the production houses, but does not dwell on this as a topic to be explored. These are all important topics, but focusing on them would take away from the core of my research, which is investigating processes that lead to business successes and failures.

1.1 Why is this research important?

Research points to a lack of entrepreneurial skills and business knowledge as an issue faced by most filmmakers in South Africa and around the world (Herrington, 2016; and Roberts, 2017: 21-22). This lack of entrepreneurial skills and business knowledge is also said to be the reason why most production houses have a very short life cycle (Aageson, 2008; Herrington, et al., 2010 and Turton, 2012; Olsberg, 2012; and Sand, 2017). These writers point out that new production houses lack the knowledge of running businesses, and most of them lack strategies when building their businesses (Olsberg/SPI, 2012; and Sand, 2017: 114). The problem therefore is both a lack of entrepreneurial skills and a lack of business knowledge around issues and factors that contribute to building and sustaining a production house. There are other external and internal factors such as innovation, intellectual property rights, competition, and funding that are said to obstruct entrepreneurship for both established entrepreneurs and those that are new in the industry. Investigating these issues brings an understanding as to how they can hinder or enhance entrepreneurship.

According to Sand, it is important to carry out research on factors that contribute to building a successful production house, because there is little research in this area

and because “filmmaking is the most important cultural expression of the era.” (Sand, 2017: 113). This is also the case in South Africa. Turton and Herrington use screenwriter, William Goldman’s (1983) remark “Nobody knows anything,” to highlight ‘uncertainty’ as another issue faced by entrepreneurs in the film and television industry. They see Goldman’s remark as an illustration of the uncertainty in the film business. Turton and Herrington state that it is difficult to predict success in production houses, and the rate of financial failures is high. Therefore, before building the business, one must be well informed of all factors that come into play when running a business (Herrington and Turton, 2012).

Herrington and Turton’s (2012) paper does not investigate the challenges faced by established and successful production houses. It only speaks to challenges faced by new players in the film and television industry. I believe it would be important to learn the challenges and success aspects faced by established production houses and new players so as to fully understand the environment of building production houses, which is what this research report does.

In his paper *Ideology and Myth in South African Television: A Critical Analysis of SABC Channel Brand Identities*, Woudri Botha says that the 1990s were a decade of great changes in television as television organisations were affected by government cuts, spiralling costs, and declining revenues (Botha, 2010: 35).

Tomaselli addresses these changes in depth in relation to media ownership and democratisation, and states that during apartheid, racial discourse evolved into political and social practices that were manipulated by the state. Tomaselli identifies legislated spatial boundaries that enabled the establishment of language or race-specific radio and television stations. This allowed for transmission of culturally inflected media. The apartheid policy enforced separation among races and tribes (Tomaselli, 2003: 2-3).

The 1990s saw the end of apartheid and consequently, the termination of sanctions. According to Tomaselli, this meant a shift in the previously stable South African commercial media industry. There was procurement of previously White-owned firms by domestic Black and this brought about its own changes. These new changes spoke to

> "the role of politics and allocative controllers who exercise the power to define the overall goals and scope of the corporation and determines the general way it deploys its productive resources" (Tomaselli, 2003: 6).

This change meant a distribution of ownership and power of control of the media among the Black population. As an answer to this, among other companies, M-Net started an initiative "Phuthuma Nathi" that was designed to spread ownership among Black South Africans. They sold four million shares to the Phuthuma Trust (Tomaselli, 2003: 12-13). Although this distribution was enabling, the lack of adequate entrepreneurial knowledge cannot be ignored. Entrepreneurs still lacked the ability to identify opportunities and optimise their innovative ideas. When discussing *the history and development of Black entrepreneurship*, Ngcamu argued that the lack of income and skills hindered the growth of indigenous entrepreneurs (2002:3).

The support of entrepreneurship gained popularity after apartheid, I questioned if the three founders of the above-mentioned production houses utilised any government support in building their production houses and if that was beneficial to them as entrepreneurs.

I was interested in investigating how the respective cultural entrepreneurs built their businesses, overcame (if at all) the above-mentioned challenges that threatened the growth of their businesses, and how they designed their business models to better fit these challenges.

In his paper on *business models in the arts and culture sector,* José Rodriguez states that a business model is a vital concept in determining the success of any organisation (Rodriguez, 2016: 12). He argues that a business model describes the value an organisation offers to its customers, and illustrates the capabilities and resources required to create, market and deliver this value, and to generate profitable, sustainable revenue streams (Rodriguez, 2016: 12).

This research report is important because it builds cases from South African cultural entrepreneurs in the film sector, and researches production houses from backward coming in. This means that I investigated the challenges that the individual founders of the three production houses faced from inception to their current state. Aageson suggests that learning from successful entrepreneurs is important, and Isenberg advises countries to carry out experiments on the skills of entrepreneurship

(Isenberg, 2010). This is the focus of my research project; which is accepting that there are no guaranteed frameworks to building a successful production house. However, as suggested by Aageson, through building cases on the three production houses, we can establish and identify patterns, factors, and challenges that entrepreneurs face.

2. Background

2.1 What is the state of entrepreneurship in South Africa?

It is important to first understand the nature of entrepreneurship in South Africa, and identify gaps before venturing into an investigation that attempts to close those gaps. This section will focus on literature on the state of entrepreneurship in South Africa.

The Global Entrepreneurship Monitor (GEM) (2009) research shows that South Africa lags behind other developing countries in promoting early-stage entrepreneurial activity. It states that in 2008, South Africa's early stage entrepreneurial rate was 7.8%, which, according to its findings, was significantly behind the average of 13% in other middle to low-income countries. This proves that these low levels of entrepreneurship are influenced by a lack of access to finance, and social and entrepreneurial factors that do not encourage entrepreneurship as a career path (Kew et al., 2009: 15). They argue that the issue behind the lack of entrepreneurship is that both formal and informal educational structures do not impart entrepreneurial skills in South Africa. It is consequently not clear that the policies and practices to stimulate entrepreneurship in South Africa are having the desired impact on employment creation and growth.

This paper does not focus on the education system in South Africa, but does ask questions around the importance of entrepreneurial education in general before one proceeds into starting their own entrepreneurial business. The Department of Trade and Industry (DTI) together with the Department for Education and Employment (DfEE) motivate the need for entrepreneurship, and argue that entrepreneurship and development of businesses revitalises the economy and encourages the expansion of entrepreneurship. It also states that promoting entrepreneurship is its key policy objective (Davis,2017 & DfEE,1999). The policies highlight the importance of

entrepreneurship, but do not exhibit how they can stimulate it. Understanding the state of entrepreneurship in South Africa helped to develop the research questions for my participants. Entrepreneurship is evidently an issue in South Africa, and the research report provides an understanding of those factors and how cultural entrepreneurs deal with them.

According to Roberts (2017), South Africa has many public and private-sponsored programmes that aim to promote entrepreneurship. The problem is that there is uncertainty whether they are working or not, and if they are cost-effective. For example, the Association for Transformation in Film and Television (ATFT) and the Absa Centre of Entrepreneurship hosted an introductory workshop for television and film production companies in 2015. The programme was a platform to educate members in financing and business skills. It included mentorship in film, and developmental components aimed at advancing entrepreneurial businesses. However, the report does not say whether these were successful in helping entrepreneurs start their business; it merely provided a platform for entrepreneurs to learn about business. Roberts argues that South Africans could learn more about the challenges of promoting entrepreneurship if they are evaluated in a rigorous manner that considers the methodological issues that arise when measuring the impact of policies that intend to foster self-employment at scale (Roberts, 2017: 25).

3. Literature Review

This chapter reviews and presents published information on the area of production houses, entrepreneurship,intrapreneurship and cultural entrepreneurship. It draws on scholarly work from the cultural and creative industry fields, as well as from the business field in respect of entrepreneurship. As mentioned elsewhere in this research report, not much has been written on cultural entrepreneurship in South Africa, so the literature relies predominantly on international literature. I begin by assessing the different definitions of entrepreneurship and cultural entrepreneurship and suggest which of these I will use in my research.

Lidia Varbanova breaks down the different types of entrepreneurships in the first chapter of her book on strategic management in the arts (2013).

Varbanova affirms that there is no general definition for the term entrepreneurs and details that different authors and researchers offer diverse concepts of the term. Using these different concepts, Varbanova groups the definition of entrepreneur into four different groups of concepts and theoretical thoughts;

> The first being “the risk-taking nature of entrepreneurs”, “their role in economic development and the effective utilisation of limited resources”, “innovative and creative” and lastly “personal characteristics of entrepreneurs which include their need for achievement, motivation to excel, strong self-confidence and independent problem-solving skills” (Varbanova, 2013: 15).

Varbanova also discusses the concept of “Intrapreneurship” which is very important for this research report because it addresses entrepreneurship within established organisations (production houses). Varbanova explained that the attempts to combine entrepreneurship with management aspects within an organisation lead to the invention of the term “intrapreneurship’. Intrapreneurship is the combination of elements of innovation and entrepreneurship in the organisation’s strategic management process (2013: 20-22).

The following definitions of cultural entrepreneurs sometimes incorporate Varbanova’s grouped concepts and theoretical thoughts.

Aageson (2008) and Helmut K. Anheier (2008) both show that cultural entrepreneurs are catalysts of the cultural economy, innovators, visionaries, and leaders. Aageson defines cultural entrepreneurs as:

> "Risk takers, agents of change, and creative thinkers who receive income from durable and creative cultural activities and organisations, improve the quality of life, and consumers of cultural products and services." (Aageson, 2008: 106).

Similarly, Anheier (2008) defines cultural entrepreneurs as:

> "Cultural change agents and resourceful visionaries who organise cultural, financial, social, and human capital to generate revenue from a cultural activity. Their innovative solutions result in economically sustainable enterprises that enhance livelihoods and create cultural value and wealth for both creative producers and consumers of services and products." (Anheier, 2008: 86).

Both Aageson (2008) and Anheier (2008) describe cultural entrepreneurs as change agents who generate revenue from multiple streams. Anheier's definition also sees cultural entrepreneurs as innovators who build sustainable enterprises. Anheier's definition is important for this research report as I am also discussing the building of sustainable production houses.

Toghraee and Monjezi (2017) set out to explain what culture and entrepreneurship is, before providing a full definition of it (2017). Monjezi and Toghraee, in *Introduction to cultural entrepreneurship in developing countries*, describe culture and creativity as “a great significance in the creation of economic growth.” They state that entrepreneurship in the cultural and creative industry means creating creative ideas and pursuing them in the form of business for profitability (2017: 01).

Monjezi and Toghraee argue that cultural entrepreneurs are agents of change, and subsequently agents of cultural innovation and creation. In their research, they explain that cultural entrepreneurs find opportunities, face challenges, finance their own projects, or get financial help from different resources to establish and run their businesses (Toghraee & Monjezi,2017: 70).

I am specifically drawn to Monjezi and Toghraee’s definition of cultural entrepreneurs because it best describes the journey taken by the production houses that I am researching, and conceptualises them as cultural entrepreneurs. It also addresses creativity, challenges, finances, innovation, and building a business. These are some of the themes and keywords that are found and investigated throughout this paper.

The United Nations Educational, Scientific and Cultural Organisation (UNESCO) paper on *Statistics on Cultural Industries* (2007) states that the term “cultural industries” is used interchangeably with the concept of “creative industries”, where “cultural industries” emphasise the cultural heritage, and traditional and artistic elements of creativity, while “creative industries” emphasise individual creative talent and innovation and the exploitation of intellectual property (Askerud & Engelhardt, 2007). Some of the literature I found uses the terms “cultural industries” and “creative industries”, so for the purposes of this paper, I will at times use these terms interchangeably when discussing production houses.

3.1 The Challenges of Entrepreneurship

In her paper, *Challenges of Cultural Entrepreneurship*, Ieva Zemite argues that there is a challenge of cultural entrepreneurship as a blurring of the demarcation line between entrepreneurship and cultural entrepreneurship. Because of this, Zemite argues that it is hard to define where classical entrepreneurship ends and cultural entrepreneurship begins (Zemite, 2016: 04). I turn to Michael Scott's discussion on entrepreneurship and cultural entrepreneurship as a response to Zemite's argument. He argues that the term 'cultural entrepreneur' can be understood subjectively as combining three elements. First, these individuals create new cultural products such as content for television. Second, they are oriented towards accessing opportunities to produce an identity and social trajectory. Third, they are 'entrepreneurs' because they have to find innovative ways of achieving their goals (Scott, 2012: 243). Scott suggests that there is no distinction between cultural entrepreneurs and entrepreneurs, and therefore there should be no blurring of lines between the two. I think there is no distinction in the sense that they are both entrepreneurial, but there is a distinction because entrepreneurs are motivated by profit. Cultural entrepreneurs are also interested in profit, but they are motivated by their vision for cultural creativity.

In her 2008 paper *Entrepreneurship in the creative industries: An international perspective*, Colette Henry adds another view on entrepreneurship by discussing entrepreneurship within established businesses. She suggests that entrepreneurship in the creative industries represents one of the most important areas of the twenty-first century's global economy because it is the key response to economic growth and employment (Henry, 2008: 1). Adding to Henry's point, in his paper on *Predictors of Students' Desire to be an Entrepreneur*, Barry Friedman (2011) also emphasised that entrepreneurship is an important element for job creation and economic growth. He further argues that it is therefore essential to better understand entrepreneurs' importance and the conditions under which entrepreneurship flourishes (Friedman, 2011).

Creative industries have been regarded as the fastest-growing industry sectors since the 1990s, and are now seen as central to the success of most developing and advanced economies (O'Connor, 2007: 26).

This information guides the research into investigating and examining whether founders of production houses continue to be entrepreneurs even when their production houses have been successfully built. This investigation assists me in answering the research question: to what can we attribute the longevity and success (or failure) of production houses in South Africa?

In his paper, *Arts Entrepreneurship and Economic Development*, Ronnie Phillips (2010), poses the question: “should government be playing a role in promoting entrepreneurship?” (Phillips, 2010: 51). Phillips argues that “entrepreneurship is a defining characteristic of capitalism”, and questions whether there is an appropriate role for government in promoting entrepreneurship, and whether it can be involved in removing any barriers (Phillips, 2010: 51-52). These questions are important, but do not apply to cultural entrepreneurs as they cannot be classified as capitalists. However, the questions bring up an important topic on the involvement of government in promoting entrepreneurship in South Africa. Phillips suggests that government could help remove barriers to entrepreneurship. The questions posed by Phillips directed my research report towards external field experts that were interviewed. These experts included Botlenyana Mokhele (Independent Communications Authority of South Africa [ICASA]and Dimitri Martinis (National Film and Video Foundation [NFVF].

Phillips, Kanchana, Divya, and Ansalna Beegom carried out research that investigated the challenges faced by new entrepreneurs. They found that the absence of government support was one of the key constraints in the growth of entrepreneurship. I investigated the initiatives that the South African government has put in place to enable and promote entrepreneurship, and whether they have been effective (Kanchana, RS, et al., 2013).

In their paper *Teaching and learning entrepreneurship for micro and small businesses in the cultural industries sector*, Carlo Raffo, Andy Lovatt, Mark Banks, and Justin O’Connor carried out a study that investigated the experiences of learning cultural entrepreneurship for micro and small businesses in the cultural industries in the United Kingdom (UK). Their findings showed that most entrepreneurs in the UK received business training and support through the local Business Link or agencies. However, most of those people found the training offered by the agencies

“inauthentic” and not linked to the real activities and experiences faced by cultural entrepreneurs (Raffo, et al., 2000: 359).

Raffo et al. argue that these agencies give business advice because they have handled their own businesses (which are not cultural and creative businesses) before, but when it comes to running a cultural and creative business, it is important to learn from people who run creative businesses (Raffo, et al., 2000: 359). Their study suggests that attending a business agent with the hopes of learning to build one’s business is not entirely effective for cultural entrepreneurs.

Raffo, et al. (2000), identified “good problem-solving skills” as one of the attributes of building a successful business. They argue that effective business learning for entrepreneurs in general is achieved through working out problems as they arise, through everyday routine operations, making mistakes, and organisation of the business (Raffo, et al., 2000: 361). Their findings conflict with my assertion that a cultural entrepreneur is an entrepreneur like any other. On the other hand, their findings underscore Aageson’s suggestion that successful entrepreneurial businesses should be identified, and their experiences must be developed into cases for others to learn from (Aageson, 2008: 94). They also emphasise the importance of learning from one’s mistake. Drawing from Raffo, et al.’s suggestions, I investigated the effectiveness of operational experience combined with learning from other experienced cultural entrepreneurs.

Contrary to Aageson and Raffo, et al.’s suggestions, Daniel Isenberg (2010), explores how to start an entrepreneurial revolution, and argues that there is no exact formula for promoting entrepreneurship. He suggests that countries should experiment relentlessly until they find a solution for entrepreneurship (2010: 40-50).

The three writers all point to the art of entrepreneurship that needs to be explored. Using their suggestions as a point of reference, through interviews with the cultural entrepreneurs, I investigated whether gaining practical experience from other entrepreneurs is more efficient than training through an agency. I also investigated how the three cultural entrepreneurs navigated the process of gaining business skills.

3.2 The factors leading to building a successful entrepreneurial business

This section gives an overview of the available prevailing theories and hypotheses on some of the factors and processes involved in building a successful production house.

“Cultural entrepreneurs navigate the topography of the film and television business world of creativity, identify talent, stimulate the market, negotiate contracts, and ensure that revenue comes in.” (Aageson, 2008: 94). According to Aageson, building a sustainable business cannot be done based on talent and creativity alone; film and television markets are broadening, and new markets are being created, so therefore cultural entrepreneurs need business skills and market intelligence that will enable them to identify those markets. Using Aageson’s approach as a lens, I investigated the factors that contributed to building successful production houses, how the founders of these companies started their business, how they accessed their seed capital, market links and entrepreneurial knowledge, and whether this contributed to the operating experience required to build and sustain a production house.

Sand , and Kanchana, Divya and Beegom (2013) build on Aageson’s suggestion to build cases from successful entrepreneurs, and point out that it is important to carry out the research on factors that contribute to building a successful production house, because most production houses face entrepreneurial challenges. Kanchana, RS, et al. highlight business knowledge, industrial changes, competition, and uncertainty as some of those challenges (Sand, 2017: 113 and Kanchana RS, et al., 2013: 72-75). Sand argues that “although production houses might be artistically motivated”, they need to survive financially. The following sections focus on specific factors that have been highlighted by the above theorists.

3.2.1 Uncertainty

Entrepreneurial business ventures are surrounded by uncertainty. A change in trends is seen as a challenge for most entrepreneurs as they cannot predict success. Kanchana, RS, et al. (2013) suggest that these trends can make or break a lot of entrepreneurial businesses, so entrepreneurs need to be prepared.

In the film and television industry, a production company produces content, but it still needs to worry about whether the broadcaster and the audience will approve of it. The cultural entrepreneur can never be certain of how their content will be received by the markets and the audience. Andy Pratt (2005), argues that, because of uncertainty, in most cases, production businesses have the "winner takes all and coming second is not good" concept (Pratt, 2005: 9). Pratt's topic on uncertainty in the film and television business is also an expansion on Ulin's discussion where he asserted that investors risk capital "on a product whose value is rooted in subjective judgement." (Ulin, 2014: 2).

Ulin suggests that investing in a film and television production often asks people to judge a piece of work before they can see it, and, in the film and television business, those businesses that have developed successful creative track records tend to keep getting commissions and investments. He rejects Pratt's idea that "content is king", and argues that "focusing too much attention on creative judgement as opposed to marketing and financial acumen risks failure, and managers who can balance competing creative and business agendas often become the corporate stars." (Ulin, 2014: 2-3). Ulin suggests that this uncertainty can be eliminated by marrying creative and sales skills. This means that, instead of the assumption that "content is king", it is vital to also have sales skills. This is important for the research as it gives two conflicting theories that need to be investigated in the South African film and television business. This research report investigated how different production houses have been approaching the issue of uncertainty and acquiring commissions, and whether their experiences give different approaches depending on context and economic factors.

In his book *Managing Creative Enterprises*, Xavier Greffe argued that uncertainty is the leitmotif of every entrepreneur in creative industries (Greffe, 2006: 21-22). It is important to understand the extent to which entrepreneurs manage and mitigate uncertainty within their businesses.

Greffe argues that in production, the company first produces and tests a prototype before deciding to launch it. Agreeing with Greffe, Martin Botha (2011) also argues that launching the full production will be dependent on the number of people who are willing to pay to watch the content (Botha, 2011: 159).

In creative industries, the prototype may be the final product, and any error or limited audience approval would deprive the producer of expected profits (Greffe, 2006). This research report examined how the three production houses dealt with uncertainty when producing content, and whether this has been a challenge at all dating back to their inception.

3.2.2 Competitive advantages

Although entrepreneurs face uncertainty, they also have ways of dealing with any challenges they face.

Chan-Olmsted states that strategic entrepreneurship is a way for companies to use their resources to seize opportunities that give them a competitive advantage (Chan-Olmsted, 2006: 170-171). Competitive advantage is defined by John McGee (2014) as strategy choices, resources, and capabilities that enable the company to create imperfections in markets that are specific to itself (2014: 1-2).

Several studies show that reputation, successful performances, track record, and strength of ties are important to succeed (DeFillippi & Arthur, 1998; Jones & DeFillippi, 1996).

Olsberg/SPI reinforces these lines of reasoning by arguing that production companies which have demonstrated ongoing success have often benefited from long-term relationships with successful creative talent, directors, and writers. This appears to be a key factor in enabling a film company to build on prior achievements and strengthen its ability to get projects off the ground in future (Olsberg/SPI, 2012: 11). This is not speaking to entrepreneurship within the production house, but it does direct me to other factors that are important when building a production house. I investigated the effectiveness of the relationship between producers and the talent, and asked whether it had been a factor in the respective production houses. I asked these questions in order to understand whether the three respective entrepreneurs benefited from their track records.

According to Olsberg, the creative dynamic between, for example, a producer and director, can often become the core of a film business. This might be an exclusive relationship, a first-look agreement, or some other form of partnership. The obvious benefit to the production company is where the talent has become established and can therefore be expected to attract audiences. Olsberg sees this factor as important to companies which have achieved sustainability (Olsberg/SPI, 2012: 11). Although this is vital, it does not speak to entrepreneurship. This research report did not focus on the relationships between cultural entrepreneurs and talent (actors).

In his paper *The state of the cultural economy: the rise of the cultural economy and the challenges to cultural policy making*, Pratt (2007), argues that businesses tend to grow or become successful through the networks that they create and their competitive advantage in the industry (Pratt, 2007: 6).

Further research concurs with Pratt by stating that establishing a network of personal ties, and having a relationship with influential people provides entry into social networks, and may facilitate exposure (Seibert,et al., 2001: 10-11). Networks offer instrumental benefits such as information, career guidance, and advocacy for promotion or employment (Khedher, 2015: 21). Networks create innovative entrepreneurial opportunities. Sand (2017) states that networking, both regionally and internationally, allows the company to reach a wider audience, improve earnings, and build its brand. Strategic networks can provide a company with access to information, resources, markets, and technologies (Sand, 2017: 119).

This research report examined to what extent (and whether) competitive advantages such networking and reputation contribute to the production houses' success and struggles. It also investigated the extent to which the respective production houses required (or still require) networking to maintain their longevity and success. When discussing competitive advantage of services among different production houses, Pratt identifies creativity and innovation as part of the competitive advantage.

3.2.3. Innovation

Cultural entrepreneurs need to be innovative in order to survive in any industry. They need to be constantly creative and come up with new ideas that can be implemented successfully at a market (Brown & Ulijn,2004: 1-5). Innovation is an entrepreneurial strategy that allows cultural entrepreneurs to be less dependent on one income. Constantino Markides says that innovation allows entrepreneurs a platform to compete in the industry by breaking the rules of the game and implementing new ways to compete (Markides, 2000). In order to be successful and sustainable Varbanova also argues that arts organisations, in this case, production houses, need to develop new ideas on an ongoing basis and develop them into opportunities (2013: 13).

Anheier and Raj Isar also argue that, “innovation has become the symbiotic catchword for ‘creativity’, particularly in the rhetoric surrounding the creative economy and other management-related sectors of the arts. If you are not innovative, your creativity is not of much use” (Anheier & Isar 2010: 57).

Anheier and Isar point out that in the recent cultural theory, “innovation has more to do with the extrinsic manipulation of particular practices in relation to both marketing demands, and the relentless search for curiosity and novelty in the public sphere.” (Anheier & Isar 2010: 30).

Media consumption is evidently happening through digital formats, a good example is Netflix and Linear television. Television consumption is continuously moving from traditional television to new digital media such as online streaming. According to Hemant Joshi’s 2015 review on the *Rise of On-demand content;* the paradigm shift towards digital media has also provided a shift in advertising. Netflix’s share of internet traffic has increased immensely which also contributes to advertising opportunities (Joshi, 2015: 5-6). By producing content for digital platforms and Over-the-top service providers, production houses might have a solution to challenges such as uncertainty and competition.

Fourié et al.’s 2014 study also found that digital migration is fast changing the television environment. They argue that digital migration is allowing movement from

analogue television to digital terrestrial television (DTT) and allowing audiences to download and streamline content (Fourié et al., 2014: 4-5). Digital migration is an innovative way for producers to distribute their content without the broadcaster and monetize their content through advertising and subscriptions this can be done via YouTube . YouTube has a YouTube Partner Program (YPP) which allows producers to make money through advertisements (YouTube, 2020) Distributing content through online platforms seems lucrative, however the three production houses in question have established an audience base through specific broadcasting channels. It might not be easy to create new audience numbers through online platforms such as YouTube, so I investigated the importance of innovation among production houses, and questioned whether the respective cultural entrepreneurs have looked at digital migration and utilising online platforms.

Olsberg's paper on *Building sustainable film businesses* (2012) provides a detailed account of the issues faced by filmmakers in starting their own creative businesses. He identifies diversified revenue streams across several activities, relationships with the broadcasting companies, and entrepreneurial activities. Olsberg's observations are important because they highlight that production houses produce content, and that they need their content to be financed and distributed. This led me to question whether the content aspect of the production houses is the core of the business, and if it is, what factors come into play in ensuring that the production house generates enough revenue from it to sustain itself?

Pratt (2005), argued that content being produced and distributed distinguishes a successful business from a struggling one. The content being produced can be the business's innovative advantage. Pratt argues that cultural consumption is the new 'honey pot' to attract investors (Pratt, 2005: 7). The 'honey pot' is the money maker within production houses, which is content that speaks to the societal culture. Drawing on Pratt's suggestions, I investigated how choices in content produced by the respective businesses contributes to the success or failure of a business.

Pratt's idea of content as the "honey pot" is not universally appreciated. Jeffrey Ulin, for instance, suggests a different approach in his book, *The Business of Media Distribution: Monetizing Film, TV and Video Content in an Online World* (2014). He infers that the most defining element of a production and distribution business is its

distribution arm (Ulin, 2014: 4). He also argues that content value is optimised by exploiting the factors of time, repeat consumption (platforms), exclusivity, and differential pricing in a pattern considering external market conditions, and the interplay of the factors among each other." (Ulin, 2014: 5). This suggests that content is important, but not on its own. Content value can be affected by audience reception. I found this to be a very interesting approach: relating external factors to their effect on content value. I therefore chose to investigate the types of external factors in South Africa that can affect content value.

Similarly, David Throsby (2001) also states that what is produced in creative industries is "cultural capital". This he defines as the stock of cultural value embodied in an asset. He further divides "cultural capital" into two: the first being "tangible cultural capital", and the second being "intangible cultural capital".

The intangible cultural capital comprises of the set of ideas, practices, beliefs, traditions, and values which serve to identify and bind together a given group of people (Throsby, 2001: 6-7).

Phillips argues that Throsby's definition of intangible cultural capital is the epitome of entrepreneurship (Phillips, 2010: 28). My research scrutinised these suggestions by Pratt, Throsby and Phillips to identify how they apply to the South African film and television context.

According to Zemite, it is important to focus on innovation when discussing entrepreneurship, because sustainable change can only be developed when innovations are grown from cultural knowledge and traditions (Zemite, 2016, 06).

Zemite provides a cultural economic development structure below:

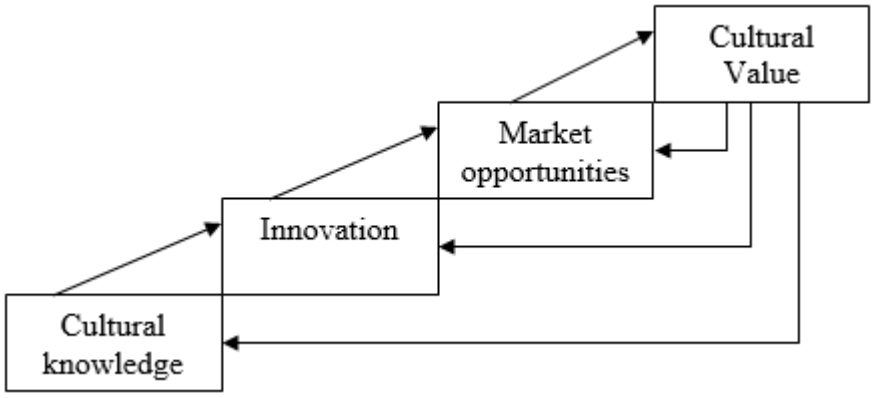


Figure 1 Cultural and economic development

3.2.4 Finance and Intellectual Property (IP)

Focusing on IP as a factor, Joffe and Newton stated that Intellectual Property Rights (IPR) might exist in South Africa, but are poorly enforced (Joffe & Newton, 2007: 32). For example, the local series *The Queen* produced by Ferguson Films, had been leaked multiple times and uploaded on a subscription YouTube channel by students (M-Net,2017).

I investigated how production houses have been navigating the issues of IP with regards to the content they produce. Olsberg argues that the issue of finance and IP goes hand in hand, because of limited access to finance. He says that production house producers are forced to surrender most or all of their IPR for their content to be created and aired. Giving up IPR to the broadcaster or investors leaves the producers with little access to revenues generated from the distribution of the content (Olsberg/SPI, 2012: 09).

Olsberg argues that limited access to potential future revenue prevents production houses from building on prior success because they have no equity to invest in future projects. He speaks to copyright factors, investors, trade partners, and IPR that need to be considered in film and television businesses (Olsberg/SPI, 2012: 10). Exploring how the founders of Bomb Shelter Film Company, Quizzical Pictures, and Fireworx Media production houses navigated these intellectual policies gave an understanding of issues facing the film and television industry. Olsberg indicates that highly complex multi-party funding structures are required to support cultural entrepreneurship.

The commissioning model of the broadcasters in South Africa restricts independent producers from exploiting or partitioning rights and seeking alternative sources of funding. This has resulted in several projects being fully funded by broadcasters, in which the broadcaster takes full ownership of the IPR of the content, even if the broadcaster has limited or no interest in exploiting the Intellectual Property beyond local broadcasting. The NFVF argues that the relationship between independent producers and broadcasters should be regulated to ensure that the commissioning model does not limit the ownership potential of independent producers of exploitable rights (NFVF, 2015: 05).

The NFVF restates the benefits of content development as its 'potential to create wealth through the exploitation of intellectual property'. However, copyright was not regulated effectively as the current commissioning procedure allows broadcasters to retain all rights of the commissioned works, and repeats remain unregulated. This practice does not allow producers to exploit copyright of their work, and neither do broadcasters exploit any other rights except the television broadcast of such programmes (NFVF, 2015: 6-7).

In their study *Made in South Africa: The impact of local content regulations on South Africa's broadcasting sector*, Fourié, et al., discuss the effectiveness of the existing local content regulations in promoting and protecting culture in South Africa. They argue that local content regulations are one of the many external factors that need to be investigated. They also maintain that local content regulations serve broader economic objectives such as encouraging economic development and job creation in the film/television production sectors by incentivising the creation of locally produced television content (Fourié et al., 2014: 3). This study investigated whether these regulations fulfil their objectives, and how it affects the creative industries.

3.2.5 Concluding Summary

This chapter has demonstrated the relative literature in order to frame the overall research question, "What can new entrepreneurs learn from successes and failures of established production houses in South Africa?" The roles of business skill/knowledge, entrepreneurial activities, innovation, uncertainty, and governmental

involvement were discussed and drawn on to frame and investigate the importance of new cultural entrepreneurs learning from existing and successful cultural entrepreneurs. The literature review emphasised the importance of exploring the factors that contribute to business success before cultural entrepreneurs build their businesses. The literature was taken from various theorists who write from different fields and disciplines. It is therefore important to highlight the key theories that were discussed.

The relevance of this research report was inspired by Aageson who suggested that experiences of successful cultural entrepreneurs should be made into cases for new entrepreneurs to learn from (Aageson, 2008: 93). This is aligned to Raffo, et al. (2000), who agree that entrepreneurs should learn from other successful entrepreneurs, but highlight that learning is not enough. They argue that effective business learning for entrepreneurs in general is achieved through working out problems as they arise, through everyday routine operations, making mistakes, and organisation of the business (Raffo, et al, 2000: 361).

Raffo, et al.'s suggestion does not deny that learning from other cultural entrepreneurs is important. It does, however, open the conversation around factors that might affect entrepreneurship and how they can be dealt with. Sand (2017) and Kanchana, RS, et al.,(2013) discuss some of the factors and argue that they can hinder entrepreneurship. These are uncertainty, reputation, and innovation.

The following theorists highlight the importance of investigating the above-mentioned factors: Greffe argued that it is important to understand the extent to which entrepreneurs manage and mitigate uncertainty within their businesses (Greffe, 2006: 21-25). The film business is surrounded by uncertainty, and therefore it is important to investigate this factor and explore how it can be resolved.

Other theorists identified reputation, successful performances, track record, and strength of ties as important factors to be considered when building a production house (DeFillippi & Arthur, 1998; Jones & DeFillippi). Anheier and Isar (2010) identified innovation as an important factor, argued that innovation is the symbolic catchword for creativity, and suggested that if cultural entrepreneurs are not innovative, their creativity is of no use (Anheier & Isar, 2010: 57). These factors work together because they all analyse key factors that enable entrepreneurship and

highlight solutions to some of the factors that hinder entrepreneurship. Phillips questions whether government can be involved in removing barriers to entrepreneurship. This leads to questions around IP and regulation policies, and how they promote or hinder entrepreneurship. The literature specifically highlights business skills, business knowledge, uncertainty, innovation, competitive advantage, and copyright issues as factors that need to be investigated, and structures the questions that should be asked during the investigation.

4. Methodology

In this research report I have used multiple cases to explore processes leading to business successes and failures within production houses. This allowed me to collect detailed data from more than one person who had started a production house. It also provided information on the similarities and differences of information management of the production houses. According to Eisenhardt & Graebner (2007), multiple case studies enables the researcher to address complex issues and understand the behavioural conditions of a system based on comments and interpretative perspectives of the participants (Eisenhardt & Graebner, 2007).

According to Mills, Durepos and Wiebe, multiple cases is a case study research in which more than one selected case is developed to provide understanding around the chosen topic (Mills, et al., 2010). Dag Ingvar Jacobson (2006) says that a case study can be defined as an intensive study about a person, a group of people, or a unit (2006). Pamela Baxter and Susan Jack (2008) argue that before one chooses the case study approach, he or she should determine their cases. They need to ask the following questions which can help to determine the type of case: Do I want to "analyse" the individual? Do I want to "analyse" a programme? (Baxter & Jack, 2008). Drawing from my research topic, I analysed and investigated the entrepreneurial and business managerial strategies of the founders of: Quizzical Pictures (1993), Bomb Shelter Film Company (1997), and Fireworx Media (2008).

Baxter and Jack identified a few pitfalls associated with case studies: a tendency to attempt to answer a question that is too broad, and to cover too many objectives within a study (Baxter & Jack, 2008: 546). To avoid this problem, Robert K. Yin (2003) and Robert E. Stake (1995) suggest that placing boundaries on the cases can prevent these pitfalls (1995 & 2008). As mentioned under my aims, I focused on the business processes practiced by the founders of the three production houses, the governmental and economic factors that affect the business processes, and investigated whether and how the founders incorporate entrepreneurship in their business processes. I did not investigate the actual production houses' infrastructure, annual business reports, profits and losses, and educating people about entrepreneurship.

With multiple cases, I was able to capture data within each situation, as well as across situations (Yin, 2003: 177). I focused on the three founders because I wanted to find out whether there is more to being entrepreneurial than just creativity. I was interested in investigating challenges and opportunities faced by cultural entrepreneurs who wish to build their own production houses. Answers to these questions could be best answered by cultural entrepreneurs who were once new entrepreneurs in the industry and who have managed to build some of the biggest production houses in South Africa.

Yin argues that when using multiple cases, the goal is to replicate findings across cases. Because comparisons will be drawn, it is imperative that the cases are chosen carefully so that the researcher can predict similar results across cases, or predict contrasting results based on a theory (Yin, 2003: 47). I chose Quizzical Pictures and Bomb Shelter Film Company because they were established around the same period (1993 and 1997) and might have faced similar internal and external challenges but possibly dealt with them differently. I then chose Fireworx Media which was established much later, after independence in 2008, to investigate whether the challenges are still similar or distinct and how they can be dealt with in today's economy.

According to Creswell (2013), in a multiple cases method, data sources are largely documentation, archival records, and interviews. I used these qualitative methods of collecting data which allowed me to explore and understand complex issues surrounding building and sustaining production houses. Documents and archival records provide hard copy or electronic data from scholarly works, theorists, governmental annual business reports, interviews, and public statements. Interviews allow for narrative descriptions (Patton, 2003). This was important for my study because it is where I got most of the information regarding building production houses. Archives and written documents were important, but more light was shed through interviews with the founders of the production houses. Interviews considered not only individual perspectives, but also those of experts in the field of film and television, and their knowledge and experiences when dealing with production houses. The external factors were explored through conversations with experts in the field of film and television.

Despite all these positives on using a case study approach, Yin has some criticisms (these critics also apply to multiple cases) that I kept in mind while carrying out the research. He states that case studies are often accused of a lack of rigor, and argues that, in most cases, the researcher may be sloppy and allow biased views to influence the direction of the findings (Yin, 1984: 21). Yin also argues that multiple cases are often labelled as being too long, difficult to conduct, and produce a large amount of documentation (Yin, 1984: 21). Understanding these disadvantages of multiple cases allowed me to be vigilant while acquiring data. I structured my interview questions and kept them short and straight to the point. In cases where the participant got carried away and gave irrelevant information, I was careful to quickly bring them back to the topic at hand. I used interviews with all founders of the production houses.

Yin and Stake (2003 & 1995) recognise the importance of effectively organising data. Baxter and Jack also emphasise that a database improves the reliability of the case study, and enables the researcher to track and have organised data sources (Baxter & Jack, 2008: 554). To ensure an organised database, I created a computerised database of my scanned interviews, audio files, scholar readings, and key literature.

4.1 Data Capturing

In approaching this research report, I made plans to gather data from the founders of the three production houses and the experts in the field of film and television. Because of limitations and challenges such as unavailability, these plans were adjusted with additions and removal of participants and research methods (this will be discussed under relevant topics). This chapter details how I approached my data capturing and analysis process.

My research choice is qualitative research. Patton (2002), illustrated that a qualitative research choice aims to understand the phenomena in context-specific settings. This is where the researcher does not attempt to manipulate the choice of study (Patton, 2002: 39). The external experts and three cultural entrepreneurs are the choice of study in this research.

Cohen described qualitative research as the process of making sense from research participants' views and opinions of situations, corresponding patterns, themes, categories, and regular similarities (Cohen et al., 2007: 461). Marshall and Rossman (1999) further explain data analysis as the process of bringing order, structure and meaning to the mass of collected data (Marshall & Rossman, 1999: 150).

My three main cases were founders of three production houses and their roles in their companies are as follows:

Bridget Pickering (Fireworx Media co-founder, managing director, and television producer).

Harriet Gavshon (Quizzical Pictures founder, managing director, and television producer).

Desireé Markgraaff (Bomb Shelter Film Company co-founder, managing director, and television producer).

These are founders of the most prestigious production houses that constantly produce cultural content that speaks to the South African context, and have all won awards for the types of content they produce. What they all have in common is that they started their businesses as entrepreneurial ventures, and although they do not see this as such, they continue to run and maintain their company's sustainability through entrepreneurial ventures.

I sent participant information sheets to all three founders via email. This document introduced me, and informed the participants about my research report.

I gathered secondary data from written documentation, written interviews, archived records, newspaper and journal articles, social media, and the internet including Google Scholar. To learn more about the case studies and their companies, I reviewed the chosen participants' online organisational profiles, their biographies, written interviews, and articles on works they have done in the field of film and television.

This provided me with information about the participants as individuals and in the context of their production houses. It educated me about the growth of their companies, and the external factors that affect their production houses, both positively and negatively.

In my original proposal, I suggested focus groups for my research. However, because of time constraints and participant availability, I did not host these as almost all my participants (particularly the three main cases), were very busy. I had to make many phone calls and send many emails before securing a date with any of the participants.

4.2 Interviews

I chose to use semi-structured interviews for my research. “A semi-structured interview is a verbal interchange where one person, the interviewer, attempts to elicit information from another person by asking questions.” (Longhurst, 2003).

According to Longhurst, talking to people is an excellent way of gathering information. De Vos, Strydom, Fouché and Delport add to Longhurst’s suggestion by stating that semi-structured interviews help to “gain a detailed picture of a participants’ beliefs about, or perceptions or accounts of, a particular topic” (De Vos, et al., 2005).

Semi-structured interviews are conversational and informal in tone. They allow for an open response in the respondents’ own words rather than a “yes or no” type of answer (Longhurst, 2003: 145). They also allow participants the freedom to talk about what is of interest and importance to them (Hesse-Biber & Leavy, 2011). I initially drafted an interview schedule that would be my guide when conducting the interviews with the three main participants, (see Appendix 1: Interview Schedule). However, upon meeting my participants, this was not successful. The participants all chose to ask about me and my research report. They all found the research to be interesting and opted to give details around the importance of the research in relation to their production houses.

I chose to allow the process to unfold according to how they provided information, but at the same time driving the conversation towards the relevant information using the original interview questions as a guide.

While I constructed a set of interview questions, these were only a list of predetermined questions. I did not send the interview questions to the participants prior to the one-on-one interviews. This was to allow me to get honest answers and reactions from the participants, and proved to be a successful research strategy as advised by my supervisor, Avril Joffe. I could witness the cases where the participants wanted to withhold information, and when they gave an answer that did not match their expression or attitude. They had to come up with answers in the moment, and their body language gave me more information than the answers they chose to give.

I also conducted semi-structured interviews with external experts in the field of film and television in South Africa. These included:

Dimitri Martinis (has worked with the DTI, NFVF, and ICASA).

Aifheli Makhwanya (Head of Industry Development and Promotions, NFVF).

Anonymous (Independent Producers).

Botlenyana Mokhele (ICASA council, local content regulation).

Securing one-on-one interviews with the three cultural entrepreneurs was the most difficult part of the research. As mentioned, there was a lot of back and forth for months before I officially secured a date. In some cases, interviews were scheduled and subsequently had to be postponed due to participants' pressing commitments and family or health emergencies. It would then take another month to secure a future date. I started the process of approaching the participants in early March 2018, and only had the first interview in August 2018.

The prominent issue with all three of my cases was time. Participants were all busy at different stages, and travelled internationally. This was not surprising to me as they are all entrepreneurs and change agents who find innovative ways of generating revenue for their businesses. Their innovative solutions result in economically sustainable enterprises (Anheier, 2008: 86 & Aageson, 2008: 106).

I did not opt for telephonic interviews because the founders are the core of my study, and I wanted their undivided attention and to observe their body language and facial expressions. Telephonic interviews were more convenient when it came to interviews with external experts because most of the time, and because the difference in

geographical locations ruled out one-on-one contact. Once I secured the date for the three cases, the process moved quickly. Longhurst (2003) states that deciding where to meet is another important factor when carrying out an interview (Longhurst, 2003: 150). Two of the founders chose to have the interview at their offices. Longhurst argues that it is natural for most businesspeople to want to meet at their workplace, and this could be a little uncomfortable for the researcher (Longhurst, 2003: 150).

Contrary to Longhurst's argument, I found meeting at their offices very beneficial. The participants had access to quiet boardrooms where I could easily record without noise disturbances. Their offices are within the actual production house, so I could interact with some of their staff and was given a mini tour around the production house. The participants were very comfortable, which made them talk more freely, and in turn made me feel comfortable. The three chosen production houses are located in my residential area which made travelling costs very minimal.

Unfortunately, telephonic interviews with the experts in the field ruled out the possibility of observing facial expressions and body language, and had financial implications in that I had to buy airtime and spend up to a maximum of an hour on the phone. Because of this, I was forced to keep my questions short and cut back on the time spent on the call. Recording the interviews was also difficult as I had to find a quiet location and have the participants on loudspeaker, so I could record the conversation and still transcribe. As an example, one participant could only have the telephonic interview at 07:00 during the week. That was difficult because at that time I was already at work in an open plan area. Through these interviews with the founders and experts, I collected data allowing me to analyse participants' experiences within the film and television industry, and within each case's production house and outside of it.

Marshall and Rossman (2011) describe the process of data analysis as an “objective and neutral way” to ensure qualitative descriptive data (Marshall and Rossman, 2011: 161). In this research report I transcribed all the information captured from my interviews and analysed them using the matrix of findings. This process allowed me to interpret the written information according to relevant and common themes (Groenland, 2014).

4.3 Ethical considerations

This research did not have any ethical considerations regarding any vulnerable parties. The only ethical aspect involved in the research was that of consent to participate in the research, confidentiality, and anonymity. Fortunately for my research investigation, none of my main participants asked to remain anonymous. This was the same with most of my external experts. I did, however, have one external expert who would not give consent to be named, and I have referred to them as “anonymous”.

5. Learning from South African film entrepreneurs

This chapter identifies trends and relations in accordance with the research questions and aims. The data captured from the cases and interviews is presented, analysed, described, and interpreted. I also discuss the findings from interviews with experts in the field of film and television.

The research questions were:

> What can new entrepreneurs learn from successes and failures of established production houses in South Africa?
>
> What factors impact on South African film and television entrepreneurs when building their own production houses?
>
> To what can we attribute the longevity and success (or failure) of production houses in South Africa?

First, I introduce and contextualise the research participants. Second, I present and discuss the research findings on who the cultural entrepreneurs are, why they are entrepreneurs, what motivated them to start their production houses, and how they navigated/navigate the factors, processes, and challenges associated with building and running a successful production house in South Africa.

Researchers have argued that small companies work hard to survive from day to day, and therefore do not have time for strategic planning (Hanlon & Scott, 1993: 48-60). The three production houses discussed here do not fall into this category, however they did start off as a small business. This means that they have relevant experience and answers to the outlined research questions. As suggested by Aageson, for the growth of the global cultural economy to be enhanced, more innovative cultural entrepreneurs around the world need to be identified; and their experiences must be developed for others to learn from (Aageson, 2008: 93).

In the findings chapter I created an overview of who the cultural entrepreneurs are and created an analysis of factors that impact entrepreneurs and entrepreneurship using the participants' experiences coupled with reviewed literature. I present and discuss the knowledge that these cultural entrepreneurs can offer to aspiring cultural entrepreneurs in the film and television industry.

The findings also discuss how these cultural entrepreneurs' organisations have managed to be in business for such a long time, and how they incorporated entrepreneurship within their organisations to maintain sustainability.

5.1 Introducing the entrepreneurs and experts

I offer a brief context introducing the entrepreneurs and the production houses to contextualise and show similarities among my cases.

Quizzical Pictures was originally founded by three partners. One of the co-founders, Harriet Gavshon, is the current producer and managing director. Another of the founding partners sold his shares and relocated to the United States. David Jammy, the third partner, is still a shareholder but has nothing to do with the running of the company.

Gavshon started as part of a cooperative of filmmakers called "Free Filmmakers" in 1993. This was during the democratic change; the film and television industry was doing through reconstruction and the new industry was embedded with cultural change and new opportunities for new voices. The changes included new political policies which resulted in changes in how national identity was seen and expressed (Botha,2010: 1). This new wave of change lead to a change in television ideas and how societies used to think (Botha,2010: 15). Gavshon and her team of ten filmmakers saw this as an opportunity to tell authentic current affairs South African stories which affected the Black demographic.

They later joined forces with the *Weekly Mail* cooperative (now known as the *Mail & Guardian*) in order to gain business experience and have access to the office space and television equipment. They created their first current affairs television show titled *Ordinary People (VHS tape, 1993)*. *Ordinary People* chronicled racial issues in South Africa during apartheid. Gavshon recognised that Black people had been previously disadvantaged and used her platform to highlight those racial injustices. Soon after *Ordinary People*, Gavshon and two of her partners created Quizzical Pictures (then called Mail & Guardian Television, and later Curious Pictures). They did not have any funding to start their own production house, so they had to take outside jobs to fund their business.

To help create their business, they took small salaries and ploughed their profit back into the business. According to Gavshon, one of the things that helped build their business was investing in talent. “You can never underestimate the power of talent. You can train skills but not talent.” (Gavshon, 2018). Partnerships with talent was one of the things that helped build Quizzical Pictures.

Quizzical Pictures became a strong business when they secured a *Soul City (1994)* South African Broadcast Corporation (SABC) television show contract, however that did not guarantee them financial success because commissioned work only lasts for a specific time and renewal of commissions is not always guaranteed.

They learnt to become entrepreneurial in 2004 when they almost closed because they had relied on a single broadcaster (SABC) to accumulate income. Some of their entrepreneurial strategies included building internal studios which they hire out to other producers, producing branded advertising content, and, more recently, creating independent content for the international market.

In 2005, Quizzical Pictures sold 51% of its shares to MSG Africa as part of its Black Economic Empowerment initiative. Gavshon’s main vision for Quizzical Pictures is to produce good, honest work that resonates with the South African audience. The company prides itself in taking care of its staff and giving artists work.

Markgraaff is the co-founder, producer, and managing director of Bomb Shelter Film Company. Her entry into the film industry started in an informal way. She began with a creative endeavour, and her vision was not to build a business but to tell stories. She came out of school unsure of what she wanted to be or do but was drawn to the film industry. Without a formal business education, she learnt about business through experience.

She got her first job in the film industry at 18 years old as a runner. She then moved on to be a production assistant in 1980, and was later trained to be in production continuity. Her business experience was during her freelance days which is where she learnt that with every film or series project made, one is creating a business. She explained that the same business principles apply when running a project:

> “You need a good idea, a market, funding, proof that you can provide a return in investments. The difference with a business is that you are hoping that it runs forever.” (Markgraaff, 2018).

She got her first break as an independent producer when was given an opportunity to work on a SABC production called *Usenzekile (VHS tape, 1984)*. It was during this period that she also witnessed the unfair racial discrimination against the Black race. She was motivated to use her acess to the industry to speak on racial themes, work with Black filmmakers and tell original South African stories that spoke to the Black demographic.

Working in the industry as a freelancer gave her the much-needed business knowledge and principles about running a production house, and helped her create important networks. In 1990, she received an opportunity to buy The Shooting Party, a company that was in debt to the tune of R360 000. This was a significant business moment in her career as she put all her years of practical business experience into getting her new business out of debt.

Because of her years of working in the industry as a freelancer and creating connections and friendships, she managed to get many freelance jobs and was able to pay off her debt.

In 1997, Markgraaff joined forces with two other filmmakers, Angus Gibson and Teboho Mahlatsi, to create a SABC drama series *Yizo Yizo (2004)*. Yizo Yizo focused on the South African youth at the Soweto township. It addressed racial issues, societal issues and racial segregation. Soon after landing the *Yizo Yizo* contract, they created Bomb Shelter Film Company. Working in the industry allowed her to make mistakes, identify her target audience and the type of stories that society needed. Having been in the industry at the height of apartheid, they also identified true South African issues, and wanted to tell those stories. Securing commissions with the broadcaster did not guarantee financial profit or intellectual property rights, and so they had to be entrepreneurial within their production house. Some of the things that they did at the time was to create branded content and approach international markets.

Their competitive advantage has been putting story, authenticity, and quality over profit. Their stories have a universal truth for humanity, and the target market is

always South Africa and Africa first. Their first experience in creating international work was a project on *Jacob's Cross*. This was a series that told a story about Africans trying to build their continent from the ruins of apartheid and colonisation.

Bridget Pickering is the co-founder of Fireworx Media, and is also a film and television producer. She first created a company with Neil Brandt called Luna Films. Running Luna Films gave Pickering and Brandt the much-needed business knowledge. She founded Fireworx with co-founders Neil Brandt and Dan Jawitz, all of whom with different specific skills. Brandt had a legal background, Jawitz a distribution one, and Pickering was the writer, storyteller, and creator. They came together with experience and a reputation on their work ethic, which meant that other filmmakers and artists trusted them.

Their main aim was to create feature films, but that changed over the years because they did not make money through films alone. Her observation was that South Africa has a small cinema audience. To continue growing their production house, they moved to creating content for television.

According to Pickering (2018), their first mistake was not considering themselves entrepreneurs, so they depended on their films to set up an entity. They had the business knowledge and skills, but were not entrepreneurial. She says that Fireworx did not have a business model that enabled them to have multiple revenue streams. They were successful in creativity and had connections, but were not entrepreneurial enough to maintain cashflow.

Fireworx was in production when this research started, but has now permanently closed because the business was facing financial difficulties.

5.1.1 External Experts

Aifheli Makhwanya and Dimitri Martinis are experts in the film and television industry. They have both previously worked at the NFVF and are now consultants in the industry. Makhwanya was Head of Policy and Research at the NFVF. Martinis has previously worked in the public sector and at the NFVF as Head of Policy. He was responsible for developing the DTI incentive scheme, and before that he worked as a special assistant to Council at ICASA. They both have vast information on how the industry operates in terms of funding, intellectual property and copyright policies, as

well as on the processes of funding entrepreneurial businesses. Botlenyana Mokhele is a councillor at ICASA. She has experience in broadcasting policy processes and regulation, and brings in expert knowledge on regulation issues.

5.2 Lessons to be learnt by new entrepreneurs

In this chapter, I present the research findings which respond to the questions around cultural entrepreneurs and entrepreneurship within production houses. In this section I provide an outline of the three entrepreneurs, Gavshon, Markgraaff, and Pickering, and their experiences and challenges of building production houses. Coupled with evidence from theorists and scholars, the findings produce information on the factors that impact entrepreneurs when attempting to build sustainable and successful production houses. The findings also discuss the replicability of the psrticipsnts' entrepreneurial journies in today's society.

The chapter is structured according to themes which emerged during the research, and are based on evidence from interviews, theorists, documents, and articles. The themes are cultural entrepreneurs, entrepreneurship, success, and sustainability

5.2.1 The cultural entrepreneurs' journey:

The findings drawn show the different dimensions of running a production house and the issue surrounding the terms cultural entrepreneur and entrepreneurship among owners and founders of production houses. I have opted to discuss cultural entrepreneurs and entrepreneurship again in my findings, because the investigation proved that not all founders and owners of production houses consider themselves to be cultural entrepreneurs. Below is a statement by Gavshon.

> "I don't know if I was a cultural entrepreneur or entrepreneurial, but I can tell you how we started and you can gauge from that." (Gavshon, 2018).

Gavshon's comment highlights that in contrast to popular entrepreneurship opinion, the definition of entrepreneurship is vastly misunderstood. Researchers and theorists have unpacked the term 'cultural entrepreneur' and interpreted cultural entrepreneurs as agents of change, catalysts of the cultural economy, innovators, visionaries, and leaders (Aageson 2008, Anheier 2008, Monjezi & Toghraee 2017). Gavshon,

Markgraaff and Pickering can be called cultural entrepreneurs because they fit the above definition.

In Gavshon's (2018) words, she and her partners entered the film and television industry with the intention of telling authentic South African stories through a current affairs show. This was still at the height of apartheid, and South African television was tightly controlled at the time. The SABC did not allow anyone from the outside to create content for television. Gavshon and her partners kept pushing to get an opportunity to create a current affairs television show until they got a contract for a documentary television show called *Ordinary People (1993)*. Changing the way television was viewed, and fighting to tell authentic South African stories, was a visionary act by Gavshon and showed that she was a change agent.

Correspondingly, Markgraaff started working in 1980 at the start of a new era where the film and television industry was beginning to make television for black South Africans. It was also at the height of apartheid, and the SABC had started to create Channels in Zulu and Sotho languages. That is when Markgraaff was given an opportunity to work on a Zulu production called *Usenzekile*. Markgraaff said that the *Usenzekile* project changed her life, and politicised and opened her eyes to the world that apartheid had hidden to white South Africans:

> "After *Usenzekile*, I started working intensively in the townships telling real South African stories." (Markgraaff, 2018).

Working with people in the townships became a catalyst for Markgraaff's desire to tell authentic South African stories as opposed to the stories that the SABC told at that time (Markgraaff, 2018). In Markgraaff's words, the stories were sanitised and were towing a narrative that only the apartheid regime wanted to tell. This journey towards fighting for cultural truth and preservation falls into Pratt's definition of cultural entrepreneurs which is "the carrying out of a novel combination that results in something new and appreciated in the cultural sphere." (Pratt, 2012: 242).

Pratt (2012) and Aageson et al. (2008) agree that cultural entrepreneurs are "managers of uncertainty and risk; co-ordinators, leaders, industrial superintendents, and decision makers within a firm…" (Pratt, 2012: 241 and Grebel, 2004: 4). In the

same way, Gavshon and Markgraaff took risks by approaching a tightly controlled television industry with an intention of changing how South African stories are told. They managed to address real issues that were faced by the country through creating content that spoke to the South African culture and societal issues.

Like Gavshon and Markgraaff, Pickering's drive was also to create content with cultural and societal value, and not to build a business:

> "We wanted to make films and did not think about the business. We only wanted to tell stories." (Pickering, 2018).

Pickering explains that Fireworx Media was not set up as an entrepreneurial business. She points out that they only wanted to make films and create work for arts' sake. In her words, "I am not sure that Fireworx Media was an entrepreneurial business. We wanted to create work that would penetrate the international market." (Pickering, 2018).Aageson (2008) says that cultural entrepreneurs hold the vision of their business, which leads to its development. So, in order to generate revenue through their passion for cultural goods and services, they need to be entrepreneurial. When asked if her business was started as an entrepreneurial venture, just like Gavshon, Markgraaff explained that she did not start as an entrepreneur: "I wanted to tell South African stories." (Markgraaff, 2018). Markgraaff's response reveals the journey and stages that cultural entrepreneurs go through in establishing their identity and their businesses. According to Levie and Lichtenstein, evolution/revolution and the organisational lifecycle are sparked by internal and external factors of the business (Levie & Lichtenstein, 2008: 16).

The cycle, in Markgraaff's case, involved being a freelancer for ten years within the film and television industry and finally realising that the stories she was helping to tell were not specifically her passion and she needed to start her own business:

> "I felt disillusioned and hated all the stories I was working on because they were not the stories I wanted to tell. I knew my craft, but I didn't want to tell stories that pretended as if nothing was wrong in South Africa. I was not interested in telling stories that looked like fake American stories." (Markgraaff, 2018).

I also found that the participants did not necessarily identify as entrepreneurs because they saw themselves as managers of their respective organisations. Varbanova (2013) describes this as *Intrapreneurship;* according to Varbanova, intrapreneurs are "individuals who have traits and competences of entrepreneurs but prefer to work within an organisational environment" (Varbanova, 2013: 19).

Just like cultural entrepreneurs, intrapreneurs also focus on innovation, creativity and generate new ideas which are later transformed into profitable projects. Intrapreneurs can also be organisational, where managers, in this case, founders of the production houses, create a climate for intrapreneurship. Markgraaff, Pickering and Gavshon are intrapreneurial because they were focused on managing and building their respective production houses. However, through the process of building their production houses, they saw the need to be constantly innovative and creative. They created an entrepreneurial climate within their production houses by facilitating constant generation of new ideas which turned into new opportunities.

5.3 Factors that impact entrepreneurs and entrepreneurship

5.3.1 Business skills and access to finance

Prior to building a production house/business, one would need to understand the conditions in which production houses thrive. The findings revealed that the most effective way of doing so is through practical experience. Entrepreneurs need to understand the factors that come into play when running a production house in order to build a sustainable business.

Most importantly, they need the skills to build their own businesses. Literature on entrepreneurship in South Africa has revealed that two of the main reasons why cultural entrepreneurs might struggle to build businesses is the lack of business knowledge/skills and finance (Kew et al., 2009: 15). Kew et al. acknowledge that there are low levels of entrepreneurship in South Africa, and this has been proven to be because of the lack of access to finance and the social and entrepreneurial factors that do not encourage entrepreneurship (Kew et al., 2009: 15).

Globally, Olsberg/SPI (2012) also argued that access to finance has been one of the factors that is said to hinder entrepreneurship. Likewise, Roberts (2017), also points out the lack of both finances and business skills as a factor. Despite Olsberg and Roberts' suggestions that finance hinders entrepreneurs, this was not the case for the three South African filmmakers. They argued that having assistance is a good start, but having money does not mean that you will generate revenue. They argued that accessing funds was not the problem; rather continuing to generate revenue once the production house was established was the issue (Pickering, Gavshon, Markgraaff, 2018). According to Pickering, "having money does not necessarily mean that your company will survive" (Pickering, 2018).

According to Pickering, entrepreneurship, or in fact, intrapreneurship is the answer to continued income. Once having established the production house, entrepreneurs must continue being entrepreneurial to have a sustainable business. Pickering's assertion is supported by Varbanova who argues that developing an intrapreneurial climate in organisations helps the organisations to identify opportunities and improve their competitive positioning (Varbanova, 2013: 20).

Martinis (2018) also agrees that finance is not the biggest issue:

> "Entrepreneurship cannot be taught. A person is either enterprising or not. However, there are particular skills and characteristics that can be found in different entrepreneurs, and those are the things that need to be taught." (Martinis, 2018).

Although cultural entrepreneurs can be artistically motivated, they also need to survive financially (Sand, 2017: 113). The other factors are yet to be explored in the following sections of this research report; however, I first want to discuss how my participants navigated the issue of business skills and acquiring financial support to build their production houses.

Markgraaff says that she went to the film and business school of experience where she started off as a runner at the age of 18. She then became a runner to a production assistant, and was then trained as a continuity person.

> "I did not get any formal business education. I had to learn by practice and experience. Honestly, my business lessons started during my freelance

> years. I worked as a freelancer from one project to another.” (Markgraaff, 2018).

Although Markgraaff was in a position of privilege at the inception of Bomb Productions, her lessons can be recreated by any other new entrepreneur today. She stressed that her key to achieving knowledge came from working in the industry. She had access to opportunies because of her networks and has in-turn created that plartform for new entrepreneurs to gain experience at Bomb Productions.

Raffo, et al. (2000) conducted research which concluded that when it comes to building and running a cultural and creative business, it is important to learn from people who run creative businesses (Raffo, et al., 2000: 359). As already mentioned, Aageson also argued that cultural entrepreneurs should learn from other successful cultural entrepreneurs. In addition to learning from other cultural entrepreneurs, Raffo, et al. also identified good problem-solving skills as one of the attributes that need to be mastered by cultural entrepreneurs. Their research found that effective business learning is achieved through finding solutions for problems as they arise, and making mistakes (Raffo, et al., 361).

Markgraaff’s first step towards building Bomb Shelter Film Company came in 1990. In her words, that was her biggest business lesson as she had to put her ten years of practice and experience into action. She took over a company, The Shooting Party, which was in debt. The company owed R360 000 and Markgraaff managed to pay back the debt that she had inherited within six months. To finance this newfound company and pay back the debt she took over, Markgraaff secured multiple freelance jobs. She then produced her first documentary called *Amandla*, which captured the role of music and song in liberation.

Markgraaff identified an opportunity, and used her problem-solving and innovative entrepreneurial skills to get out of debt. In examining key skills required of entrepreneurs, O’Hara identifies the ability to recognise and exploit business opportunity, willingness to undertake risk, and competence to organise necessary resources to respond to opportunity as one of them (O'Hara, 2011). Markgraaff was willing to take those risks because she had acquired enough practical knowledge and experience, built relationships, and earned trust within the industry. She still could not

afford to hire permanent staff members, which was why she worked alone for the first year and only hired freelance employees.

That first year allowed her to make mistakes and experience working with a budget, which I think is obligatory for any new entrepreneur who wishes to build a production house. Raffo, et al. (2000), argued that operational experience integrated with learning from other experienced cultural entrepreneurs is effective, and this has been evident among the three participants.

In the same way as Markgraaff, Gavshon also acquired business experience through working with the *Mail & Guardian*. Quizzical Pictures had to go through a lot of transformation before it became what it is today. Gavshon and her partners went from only wanting to tell stories, to building a business, and she gained experience on running a business through working with experienced businesspeople within the industry.

> "It took us a while to come to terms with the fact that if we wanted to tell stories, we would need to focus on building a business and making money to do so. We had no idea how to start or run a business, but were lucky to work with the *Weekly Mail* who knew enough about running a business." (Gavshon, 2018).

Working with the *Weekly Mail* gave them exposure to the business world, and trained them about the importance of the company being equal to creativity. This meant that, for them to tell the stories they wanted to tell, their production house also had to be their focus (Gavshon 2018).

Gavshon started with only a camera and editing premises. It was during the apartheid era, and they only got funding from the Swedish Organisation to help them with buying edit suits. For a while, Gavshon and her team worked from the *Weekly Mail* studios, and because they had combined their business with the *Weekly Mail* (now *Mail & Guardian*), they did not have to pay rent.

> "Building your business means working on your business as much as you work on creating your content. To build our company, we invested R15 000 and the *Weekly Mail* also invested R15 000." (Gavshon, 2018).

Gavshon and her partners later bought themselves out of the *Weekly Mail* arrangement to become an independent company. According to her, Quizzical Pictures became a business after they secured a SABC contract for *Soul City*. They learnt their biggest business and entrepreneurial lesson in 2004 when the SABC froze their contract and they almost collapsed. The business lesson, as articulated by Olsberg (2012), was having diverse revenue streams across several activities and relationships with more than one broadcasting company, subsequently, entrepreneurship (Olsberg, 2012: 9-10).

In Markgraaff's 25 years of working in the film and television industry, she says that she has come to realise that everyone who enters the film industry, enters with some form of creative endeavour:

> "You study film not to start a business, but to tell stories. So most of the time, your importance is not business but the story." (2008).

Although having a creative endeavour is crucial, business knowledge and an understanding of the film and television industry is also advised and important. The film and television markets are broadening, and new markets are being created. Therefore, cultural entrepreneurs need business skills and market intelligence that will enable them to identify those markets (Aageson, 2008:94).

In accordance with Aageson, Markgraaff says that very few people enter the film industry with the intention of building a business. Literature upholds that building a sustainable business cannot be done based on talent and creativity alone (Aageson 2008, Cooney 2012, Olsberg 2012).

It is important to note that, like Markgraaff, Gavshon was also at a place of privilege because she had access to international funding and had investment opportunities from the *Weekly Mail*. This might not have been possible for any Black entrepreneur in the 1990s but today's government is enabling and helping entrepreneurs to create their content through funding bodies such as the NFVF and the DTI. Policies have been revised to cater for entrepreneurs.

Makhwanya, an external expert, confirms this by saying that from her experience in the film and television industry, there are funding bodies such as the NFVF which support entrepreneurship and funds entrepreneurs and production houses. However,

entrepreneurs still fail to access those funds because of a lack of business knowledge, plan and skills (Makhwanya, 2018).

To concur with Markgraaff, Gavshon, and Makhwanya; Pickering (2018), argues that the film business attracts people who think of themselves as artists and creatives. She argues that this is problematic because entrepreneurs do not think of themselves as businesspeople, which is a gap in the industry. In her words, the conflict is that people have a dream to tell stories and make films, but have little business knowledge, money, management skills, and contracts (Pickering, 2018).

> "Besides making the film, there is also setting up the entity, tax issues, labour issues, bank accounts. All these are things you need to set up first before thinking of money. I would say that you don't think of these things, but it is something you need to be conversant of, but people learn the hard way." (Pickering, 2018).

Pickering's experience on building Fireworx was like that of Markgraaff and Gavshon, but brought in a different take on business skills. She first worked in the industry and later started a film company called Luna Films with her business partner Neil Brandt . Through the experience of running Luna Films, they understood that there were business principles that needed to be understood (Pickering, 2018).

> "We felt that we had very specific skills, Neil has a legal background, Dan joined us with a distribution background, my experience was being a creator and writer." (Pickering, 2018).

In exploring business skills as a barrier to entrepreneurship, partnering with people who are experts in different business skills is an innovative solution that gives a competitive advantage. The competitive advantage was that Jawitz was able to use his distribution skills and connections to distribute other businesses' content and invest the money back into Fireworx.

In their inception, Gavshon, Markgraaff and Pickering all confirmed that they had little access to funding, and so they found innovative ways of making money and gaining access to tools that enabled them to build their businesses through their networks. They worked several jobs, and invested the profit back into their businesses. Monjezi and Toghraee (2017) define cultural entrepreneurs as individuals who find

opportunities, face challenges, finance their own projects, or get financial help from different resources to establish and run their businesses.

It is evident from my participants' experiences that business skills and practical experience, and finding solutions to problems as they arise, is imperative among cultural entrepreneurs. It is not a definitive expedition, but the cultural entrepreneur's vision always leads to the development of the business (Aageson, 2008: 93). Gavshon, Markgraaff, and Pickering all realised that they needed their own businesses to tell their stories, and that is a valuable lesson to be learnt by new entrepreneurs who are creatives.

The NFVF also offers master classes on how to package a project, and does provincial roadshows to publicise its services and information, however it is up to the entrepreneur to find out about these services. The NFVF also provides slate funding for multiple projects within a company for a couple of months (NFVF, 2016).

Even though the new government enables entrepreneurs, Makhwanya who has first-hand experience in dealing with entrepreneurs emphasises that:

> "Artists do not see entrepreneurship as a business, and that is a problem because investors want to see a clear business plan and how they can get their return on investment before they can fund any project." (Makhwanya, 2018).

Herrington & Torton, (2012) clarify that the South African culture does not make entrepreneurship a highly desirable career choice, which is why most people do not choose it.

All three of my participants did not identify themselves as entrepreneurs, which is understandable given the connotations associated with the term "entrepreneur". Zemite (2016) observed that there is a difficulty in making a distinction between cultural entrepreneurship and entrepreneurship. From the participants' perspectives, I would say that the term "entrepreneurship" is misunderstood, perhaps due to the idea that entrepreneurs are said to be motivated by profit. This would be false in my participants' case because they were and still are motivated by their creativity (Herrington and Torton, 2012).

Isenberg (2010) argues that there is no exact formula for promoting entrepreneurship. He suggests that countries should experiment until they find the best conditions in which entrepreneurship flourishes (2010: 40-50). Gavshon emphasised that it is difficult to identify the gaps in the industry if one has not worked within the industry. According to findings from the participants' experiences, working in the industry for a while highlights the importance of entrepreneurship, and obtaining practical experience combined with business skills and a creative vision is a formula for successful entrepreneurship within production houses.

5.3.2 Sustainability

Building the production house is not the end of the journey; the cultural entrepreneur still has the responsibility of maintaining a sustainable production house. In any industry, businesses are affected by various factors, both internal and external, and entrepreneurs have different strategies of dealing with any challenges. The three participants' production houses have been in business for over ten years. I was interested in understanding how they remained sustainable and in business for that long.

Sand (2017) and Olsberg (2012) pointed out that entrepreneurs need more than just business skills to build sustainable production houses. They also need to understand the factors that affect cultural entrepreneurs. In exploring these factors through the review of literature, there was a broad agreement that one of the internal factors hindering sustainability in production houses/businesses is a lack of business models and plans.

Stewart and Zhao (2000) define a business model as "a statement of how a firm will make money and sustain its profit stream over time" (Stewart & Zhao, 2000: 187-96). Olsberg identifies a business model as one of the internal factors that impact businesses, and argues that a sustainable production house is one that is built around a business model (2012).

Correspondingly, Rodriguez (2016) states that a business model is a vital concept determining the success of any organisation. He argues that a business model describes the value an organisation offers to its customers, and illustrates the

capabilities and resources required to create, market, and deliver this value and to generate profitable, sustainable revenue streams (Rodriguez, 2016: 12).

Markgraaff discussed the issue around a business model in reference to new entrepreneurs who wish to build businesses within the film and television industry:

> "Young people have great ideas that might get them a R10 million budget to create a television show. Unfortunately, this person has never had a business experience and is suddenly expected to manage R10 million. In that case, one of two things might happen: either they might mismanage the money, or get so worried about the money and overlook the content. The result is a struggling business." (Markgraaff, 2018).

A study by Michael Morris, Minet Schindehutte, and Jeffrey Allen (2005) spoke to Markgraaff's above observations. Their study found that entrepreneurial business ventures tend to fail regardless of the presence of market opportunity, business ideas, resources, and talented entrepreneurs. This, they argued, is due to the underlying model driving the business. A business model demonstrates sustainability and a lack of business knowledge might mean that new entrepreneurs are not aware of the need for a business model or structure that allows for constant cashflow (Morris, et al., 2005).

A business model incorporates all necessary factors that need to be considered when running a production house. Without a clear model, entrepreneurs are not aware of the gaps within the industry, and if they face a challenge, they will not be equipped to overcome the trial.

Pickering's experience within the production house business is testament to Morris et al. (2009) and Olsberg's (2012) above findings on the importance of a business model. Pickering argues that if entrepreneurs do not think strategically about making money or having a business model and a business plan, then their business will be in trouble (Pickering 2018).

> "One of our biggest difficulties in Fireworx was that we never created a business model where we had money constantly coming in. We struggled to survive because there was no cashflow. You don't know from month to month if you will get money, from where, and how much." (Pickering 2018).

Gavshon reiterates Pickering's point by stating that in the film business, one can never be certain about their next contract.

> "The reason why many new filmmakers fail to build sustainable production houses is because they get excited about the first contract and do not consider their next projects." (Gavshon,2018).

Pickering and Gavshon's comments show the issue of uncertainly in the film and television industry. The film and television industry is audience based; therefore cultural entrepreneurs need to be constantly innovative in order to overcome uncertainty. A business model allows the cultural entrepreneur to build a viable and sustainable business by specifying how their production house will make money and where they are positioned in the value chain. On the other hand, a business plan details the opportunities that the production house is seeking to take advantage of and the action plan (Rodriguez, 2016: 15-17).

Building a sustainable production house entails being aware of the conditions in which the production house thrives or struggles. The founders of the three production houses, together with reviewed literature, have identified business skills, knowledge, and experience as some of those important factors. Rodriguez's (2016) discussion on the importance of a business model and plan has also pointed out the empirical need for cultural entrepreneurs to use their business models and plans to prepare for uncertainty and innovation within the industry. Uncertainty and innovation became a recurring theme among the three cultural entrepreneurs, and so the research report explored these two factors in relation to entrepreneurship and running sustainable businesses.

Greffe (2006), argued that uncertainty is the leitmotif of every entrepreneur in the creative industries, and that it is important to understand the extent to which entrepreneurs manage and mitigate uncertainty within their businesses (Greffe, 2006: 21-22).

The three entrepreneurs all agreed that it is difficult to be sustainable in an industry that is uncertain, and that some of the answers to uncertainty are continued entrepreneurship and innovation. The research report discovered that uncertainty is not only an issue that is faced by new entrepreneurs, but by established production houses as well. According to Pratt, a production company produces content, but it

still needs to worry about whether the broadcaster and the audience will approve the content (Pratt, 2017: 9). The value of the services provided by production houses is usually rooted in subjective judgement.

Ulin disagrees with Pratt's idea of entrepreneurs needing to focus more on their content in order to overcome uncertainty, and suggests that uncertainty can be eliminated by marrying creative and sales skills. He argues that investing in a film and television production often asks people to judge work before they see it. Therefore, those production houses that have developed successful creative track records tend to keep getting commissions and investments. He rejects Pratt's idea that "content is king", and argues that "focusing too much attention on creative judgement as opposed to marketing and financial acumen risks failure, and managers who can balance competing creative and business agendas often become the corporate stars." (Ulin, 2014: 2).

Although Ulin and Pratt's ideas are conflicting, findings from the cultural entrepreneurs' experiences showed that their ideas could work best when put together. According to Pickering, for an entrepreneur to get opportunities within the industry, they should gain experience and get people to trust their work. She argued that, as a production house, you need to produce quality work, and prove to be trustworthy by managing budgets and paying people (2018).

> "Your reputation is your most important thing in this industry. It is not only about receiving money; it is also about finding talented people who can help you develop other projects. If you are known for not paying people, actors won't work with you, crew won't work with you, and investors won't give you money." (Pickering, 2018).

Fireworx Media managed to maintain a good reputation, and that is how they created opportunities for themselves. Both Pratt and Ulin's arguments are important in business and they applied to the three cultural entrepreneurs. However, the research discovered that as an entrepreneur, it is not enough to depend exclusively on your content and reputation within the industry. Content is king because that is what the cultural entrepreneurs produce, but it does not guarantee sustainability, according to Pickering:

> "The market is quite small in South Africa. Even if you have content, it is difficult to know who you can sell it to. SABC doesn't really buy or pay, M-Net doesn't really buy or pay. None of these places are really buying products, they make their own content." (Pickering, 2018).

Pickering expresses that broadcasters create their own content and they do not usually buy content from production houses, so it is difficult to depend only on the content and the broadcaster. Creating a successful creative track record is important because it builds trust among broadcasters. However, there are economic factors that can affect both content and the broadcasters.

According to Gavshon, uncertainly has to do with external factors, for example the instability of the economy. The instability of the economy is the biggest challenge because it affects budgets and resources that production houses work with. Because of economic changes, Gavshon argues that the SABC became financially unstable and that affected Quizzical Pictures.

> "We have not had increases in commission budgets since 2008, and because of that we are now working with a fraction of what we used to work with. In a drama series, we used to shoot five pages a day, now we shoot 15 pages a day in order to survive financially." (Gavshon, 2018).

Because of this Gavshon said that the key to sustainability is being innovative. "Save money and invest it into developing the next project, and the next, and don't depend on the investor or broadcaster." Agreeing with Gavshon, Hirsch & Paul, (1972) and Jones, (1996) also state that work in the film industry is organised around projects.

Gavshon adds,

> "After *Soul City*, our next big contract was the soap *Rhythm City*. With soapies, you get a three-year contract which allows you to plan and think of other projects while you have certainty of constant income keeping you afloat for the coming three years." (Gavshon 2018).

In order to continue generating revenue at the same time as producing artistic content that speaks to societal cultures, Pickering also agrees that new cultural entrepreneurs need to learn to be innovative and have a constant balance between running their businesses and focusing on their passion projects. The need for sustainability sometimes diverts cultural entrepreneurs from what they want to do, to what they need to do in order to survive:

> "You want the balance of making income because if you don't make income then it makes it difficult for you to be creative, and that was the most stressful for us because we constantly worried about how we would pay people." (Pickering, 2018).

Cultural entrepreneurs are innovative risk takers and change agents. When faced with uncertainty, they find innovative ways to stay in business while still creating content with cultural value. For the three cultural entrepreneurs, innovation is, among other factors, consistently developing project ideas that can be distributed to different markets (Cooney, 2012). Anheier & Isar (2010) argue that 'innovation' has become the symbiotic catchword for 'creativity', particularly in the rhetoric surrounding the creative economy and other management-related sectors of the arts. If you are not innovative, your creativity is not of much use.

5.3.3 Competition, Uncertainty, and Innovation

The film and television industry continues to grow, and while this is good, it questions how new entrepreneurs can survive. Prior to writing this research report, I assumed that new entrepreneurs probably do not survive in the industry because of competition with the larger and more established production houses who have cemented relationships in the industry.

According to Kanchana, RS, et al. (2013), most entrepreneurs see competition as a plague when it is a good challenge. Kanchana et al. see competition as a benchmark for creativity which stimulates innovation and production of quality content (Kanchana,RS, et al., 2013: 75).

This idea was highlighted by a member of the Independent Producers Organisation (IPO), Anonymous, who suggested that new entrepreneurs do not survive in the industry. Anonymous, argued that “big production houses take all the business opportunities for new businesses.” (Anonymous, 2018). Research with these three big production houses proved this assumption to be inaccurate. According to Gavshon, the industry does not work through connections; rather it works through all the factors mentioned so far: quality of the content, reputation, relationships, and business skills.

Post-apartheid, the industry started mobilising and arranging for the SABC to have transparent and regulated procedures. This meant that the SABC published its yearly projects so that everyone could have access to the type of projects that it was looking for. This system was designed to level the playing field and give every entrepreneur a chance to enter the industry. However, that system has since collapsed.

Gavshon said that:

> “The collapse of the SABC system meant that broadcasters now need to trust your experience, maturity and quality of work before they trust you with their budgets.” (Gavshon, 2018).

This then means that every cultural entrepreneur needs to prove themselves first before they can be trusted by broadcasters and other business investors. This observation goes back to the importance of working in the industry before building a production house. Working within the industry gives the entrepreneur an opportunity to identify the gaps within the system and get practical business experience, which in turn gives them a competitive advantage. DeFillippi & Arthur (1998), and Jones & DeFillippi (1996) support this by arguing that reputation, successful performances, and track record are important to succeed.

Markgraaff (2018) also mentioned that working in the industry allowed her to build and create networks. Every interaction Markgraaff made became important when she built Bomb Shelter Film Company and most of these networks came after a learning period in the industry. Pratt (2005) affirms that businesses tend to grow or become successful through the networks that they create, and their competitive advantage in the industry.

The research report examined Pickering's experience to further explore the idea that new entrepreneurs might struggle because of competition with established production houses. When Fireworx Media was built, Bomb Shelter Film Company and Quizzical Pictures were already in business. According to Pickering, when she first started there was no competition because there were few production houses. There was, however, competition for creativity. To compare the competition when she first started and now, Pickering says that:

> "There are more production houses now than when we first started and there is competition, but it is not competition of ideas. Production houses are now willing to create content for less money." (Pickering, 2018).

Pickering's comment implies that the competition is not authentic because creatives are willing to sell or distribute their content at a cheaper price. If they can produce cheaper content, it means they can also produce poor quality. While Pickering's experience is valid, Kanchana, RS, et al., (2013) argue that competition forces entrepreneurs to produce quality content, and quality content is not likely to be cheap.

In Gavshon's experience, competition has forced Quizzical Pictures to penetrate international markets, and it has pushed them towards entrepreneurship. There are a lot of filmmakers but few broadcasting companies in South Africa. To avoid depending on broadcasters and competing for commissions, Gavshon found innovative ways of distributing content produced by Quizzical Pictures. According to William J. Baumol (1993), there are two types of entrepreneurs: the firm-organising entrepreneur and the innovating entrepreneur. The innovator finds new ways of joining culture and business to generate revenue. Gavshon's response regarding competition is that of an innovator.

Cooney (2012) considers innovation to be one of the entrepreneurial skills needs that are important for a successful and sustainable business. Competition pushes entrepreneurs to be innovative (Kanchana,RS, et al., 2013: 75).

Markgraaff's experience is different from Pickering:

> "The film industry has explored. We have pioneered a road for many people and now those same people have grown their businesses and are now in heavy creativity and content competition with us, and that is exciting." (Markgraaff, 2018).

Pickering and Markgraaff's experiences are different, but they both point towards the need for broadcast commissions. Government agencies such as the NFVF have addressed this by proposing a "shift from a commissioning-driven industry" strategy. According to the NFVF (2015), for the industry to move from a commissioning driven industry, the broadcasters' commissioning protocols need to be reviewed and regulated effectively. This will require the intervention of ICASA. According to the NFVF, the current commissioning model restricts independent producers from exploiting or partitioning rights and seeking alternative sources of funding. This restriction has resulted in projects being fully funded by broadcasters, and, in turn, the broadcaster takes full ownership of the IP rights (*to be explored in following sections*).

To address this need and the issue of broadcasters working with the same production houses, ICASA says that it involves independent producers when reviewing regulations. ICASA regulations mention that broadcasters should get 40% of their productions from independent producers.

> "The independent television productions should be spread evenly across genres. Unfortunately, that is as far they can go. We cannot compel broadcasters to work with different and new players in the industry." (Mokhele, 2018).

ICASA has allowed competition and diversity in the commercial television broadcasting sector through the licensing of more subscription television broadcasters. To enable the environment, ICASA also licensed Mobile TV, Internet Protocol TV (IPTV), and Video-On-Demand (VOD) services. This gives production houses a fair advantage. Competition is indeed greater now compared to when Bomb Shelter Film Company and Quizzical Pictures were first established. However, the cultural entrepreneurs expressed that this is not a hindrance to new players.

According to Gavshon (2018), there was very little competition when they first started, and there were no black film makers at all. Talent was supressed under apartheid, but now that has all changed. In her view, competition is good because it forces cultural entrepreneurs to do better, outdo themselves, and search for different markets. Competition has forced production houses to be entrepreneurial and look at international markets. Quizzical Pictures is currently exploring entrepreneurial ventures by creating content for the international market.

> “Currently, our advantage is that we have built resources and made connections with different investors who trust our work. Most of our work is paid for not by the broadcaster but by the NGO, healthcare NGOs, or Heartlines. These organisations help us to use storytelling to talk about values in society.” (Gavshon, 2018).

Olmstead (2008), discusses entrepreneurship and describes it as the way in which companies use their resources to seize opportunities and thrive (Olmstead, 2008: 170-171). Gavshon explained that there is a plethora of new mainstream platforms that could be more beneficial for new entrepreneurs.

> “We have tried certain revenue avenues but failed. We once tried out the cell phone distribution of content and YouTube but that, in my opinion, works best for new entrepreneurs because they do not have overheads. Trying out new mainstream avenues would be ideal for new filmmakers in the industry, but is difficult for big companies like ours.” (Gavshon, 2018).

Gavshon explains that Quizzical Pictures has employees to consider, so it cannot depend solely on producing its content on YouTube. New entrepreneurs, however, can explore those platforms because they do not have employees to worry about.

Martinis (2018) concurs with the above statement, and argues that new entrepreneurs have a fair competitive advantage because of the many broadcasting platforms that are now available.

> "Broadcasters are the ones competing for best content, while producers are competing for the best commission. There are more broadcasting platforms, and production houses have countervailing power. Competition should thrive among broadcasters, so we can deal with other problems." (Martinis, 2018).

Martinis' comments go back to Pratt's idea about the importance of innovation and content being the honeypot for investors. Pratt argues that innovation gives cultural entrepreneurs a competitive advantage in business. For example, new entrepreneurs have the use of technology as a competitive advantage. As Markgraaff put it:

> "The global world of television has changed. There are technological advances being made every day, and suddenly we have become new babies in the industry yet again. That is exciting to explore." (Markgraaff).

Technology keeps evolving, and it makes it easier for new entrepreneurs to be innovative and keep their businesses afloat without depending on broadcasters. Interviews with the cultural entrepreneurs revealed that the idea that big production houses make it difficult for new entrepreneurs to succeed is false. Instead, the research revealed that both internal and external factors such as content and the policy environment, which includes regulations aimed at promoting competition and protection of intellectual property, play a role in ensuring that new players get business opportunities.

According to Makhwanya,

> "Entrepreneurship thrives in an environment where there is a supportive and enabling regulatory environment." (Makhwanya, 2018).

Makhwanya argues that the South African environment does not support entrepreneurship. Even if the environment did support it, literature and interviews with the cultural entrepreneurs show that it is up to the entrepreneur to ensure that their business succeeds.

> “If you are going to start a business, take baby steps up the ladder, or come into an already successful organisation and be groomed. Gain experience on the basic running of a business.” (Markgraaff, 2018).

According to Pickering, innovation means being entrepreneurial because you cannot always depend on the broadcaster. Pickering’s business partner Neil Bra ndt had experience in distribution, so to bring money into Fireworx Media, he assisted different companies with distributing their content:

> “Depending on broadcasters will not give you financial freedom. Neil’s distribution work did not give us enough income, so we had to create adverts and side projects to keep our company in business.” (Pickering, 2018).

Apart from Gavshon, I felt that my participants were not forthcoming with information on how they remain entrepreneurial. They all highlighted the importance of continued entrepreneurship, but mostly discussed selling content to international markets as an entrepreneurial strategy.

Gavshon mentioned that they now produce content for international markets and have invested in their infrastructure:

> “We have built in-house studios which we rent out to producers.” (Gavshon, 2018)

Acquiring business skills does not prepare new entrepreneurs for economic factors, but knowledge around such factors prepares them for what to expect and what to do when faced with challenges (Sand, 2017 & Olsberg/SPI, 2012). This knowledge could also assist in identifying more entrepreneurial markets for cultural entrepreneurs.

5.3.4 Intellectual Property (IP)

IP was another external factor that the three entrepreneurs addressed. The issue of IP seemed to be a very sensitive topic for all three of them. Production houses hardly ever own their own content IP. Not owning IP means that the filmmaker is dependent on the broadcaster, and like the case of the SABC, if the broadcaster goes through a financial crisis, the production house is also affected.

Copyright and IP issues hinder/hold back growth and the spirit of entrepreneurship in the industry (Gavshon, Pickering, Markgraaff, 2018). IP ownership encourages entrepreneurship because it allows the producer to sell their work and ideas to multiple markets.

When discussing the issue of IP, Markgraaff expressed that:

> "In South Africa, we still have the apartheid legislation which states that he who pays owns. I understand that whoever pays needs to get their return in investment, but I still think the creator needs to participate in the profit. The broadcaster needs to a partnership with the people who create." (Markgraaff, 2018).

Olsberg explains that limited access to potential future revenue prevents the production houses from building on prior success since they have no equity to invest in future projects (Olsberg/SPI, 2012). The IP issue was recently addressed at the 2019 Copyright Amendment Bill Indaba. IP experts such as Adrian Galley (South African Guild of Actors [SAGA]) and Shaun Harris (South African Freelancers' Association [SAFREA]) summarised the constitutional questions before the president, and requested that the copyright law be updated to protect artists' rights.

Although there are IP problems facing the film and television industry, there are some government initiatives that ensure that the industry maintains its competitiveness. The NFVF, under Act 73 (1997) of the South African Parliament, helps the industry access funds through the National Lottery, private investors, international donors, and promoting incentive schemes that create an environment attractive to international film productions.

The DTI enables independent producers by partnering with them and encouraging co-productions. There are many IP issues that first-time entrepreneurs need to know. They do not need to win the war against IP, but it is important for them to familiarise themselves with the information on issues surrounding the industry in order to be successful (Markgraaff, 2018).

Sand (2017), argues that entrepreneurship does not start and end at the conception of a business. Pickering's experience shows the importance of acquiring business skills, gaining practical business experience and knowledge, while at the same time continuing to be entrepreneurial.

5.3.5 What is a successful cultural entrepreneur?

The research found that it is difficult to predict financial success in production houses, and also revealed that success is subjective. As already mentioned elsewhere, cultural entrepreneurs are not driven by profit, but by creativity.

> "The mistake that new entrepreneurs make is assuming that they will become financially rich instantly. You cannot predict financial success; say for example you have a billion dollars and you invest it into five different projects, and you find that 70% of those projects fail. This is what happens with these new production houses." (Pickering, 2018).

Since the industry is audience based, one cannot predict whether the audience will like the work. It is risky for new entrepreneurs to enter the industry with the assumption of making financial wealth. The cultural entrepreneur's work might not get commissioned, or the market can change (Simonton, 2009). What distinguishes the respective cultural entrepreneurs from other new entrepreneurs is that profit was not their goal. Any business depends on an income, but the characteristics of the entrepreneurs is their creative goals and motivation to achieve them. Since they are not motivated by profit, they hardly lose their passion to tell stories, and continuously find innovative ways to keep their business sustainable.

When asked what that means for Bomb Shelter Film Company, Markgraaff said:

> "One needs financial success to survive, however financial success and profits are two different things. Success for us has been managing to keep our family of filmmakers together. For me, being able to say we have people that have been working with us for 15 years is success." (Markgraaff, 2018).

Like Markgraaff, Gavshon also says that success for Quizzical Pictures has to do with producing quality content and keeping artists employed:

> "Success for me is producing good honest work that resonates with the South African audience. Knowing that your company is sustainable and that the staff are employed is success for me. Knowing that we are not only based on the project we do is success for us." (Gavshon, 2018).

The term success means different meanings for different people Bomb Shelter Film Company and Quizzical Pictures' definition is linked to Simonton's definition (2009). They associated success with creating quality content yet generating ample revenue to pay staff. This speaks to their view of themselves as cultural entrepreneurs. Cultural entrepreneurs hold the vision of the company; they create and produce cultural products and services while adding cultural value. All three entrepreneurs are sustainable and successful without really meeting a commercial definition of success.

Fireworx Media also began with the intention of creating creative content, but that changed along the way.

> "We didn't really earn money, we were not financially successful, but we did do great work. We won awards and we travelled. That allowed us to access talent and relationships around the world. People look at your credits and that is good for your image." (Pickering, 2018).

Fireworx Media has now closed, and Pickering said that they chose to go on different adventures and focus on their individual passions. In Pickering's case, she became less interested in running a company and more interested in running projects.

> "I think our biggest problem was that we were not strategic, and we did not have a clearly-defined business plan." (Pickering, 2018).

Fireworx Media's journey reveals that it is imperative to identify and gain knowledge on all factors that could be barriers to the growth of entrepreneurial businesses. Interviews with cultural entrepreneurs have suggested that new entrepreneurs should work in the industry and learn from successful cultural entrepreneurs. Henry (2008) also suggested that entrepreneurial ventures become successful if they continue to be entrepreneurial within their businesses, and the three cultural entrepreneurs concur with this suggestion.

6. Concluding comments

This research report has dealt extensively with an array of issues pertaining to my research questions. With combined assertions from theorists and from my research data, certain ideas and themes have been consistent and repetitive.

It is evident that entrepreneurship is a vital instrument within the film and television industry. Vital in the sense that it creates employment and gives cultural entrepreneurs an opportunity to contribute to the cultural economy while generating revenue. This research report sought to learn from existing and successful production house founders in order to address some of the questions surrounding the building and sustaining of production houses among entrepreneurs.

The research report showed that most entrepreneurs are driven by creativity, and do not identify as entrepreneurs or businesspeople. However, once they are in the industry, they realise that for their creativity to be successful, they need to be a business. The problem becomes that they have not prepared correctly to build those businesses, and preparation means obtaining business skills, experience, and knowledge on how the industry operates.

Literature and the entrepreneurs identified numerous factors that affect entrepreneurial businesses. However, each discussed factor affects and is affected by other factors. As expressed by Pickering:

> "The film business is not a definitive thing that you can plan. If you sell bread, you know that people will buy because it is definitive. But in film and television, there is no guarantee that people will like your work." (Pickering, 2018).

Although, business in the film and television is not definitive, findings drawn from the discussions highlighted the pertinence of familiarising oneself with possible challenges. Raffo, et al. (2000), argued that effective business learning for entrepreneurs in general is achieved through working out problems as they arise, through everyday routine operations, making mistakes, and organisation of the business (Raffo, et al., 361).

Despite Markgraaff, Gavshon and Pickering building their production houses in different years, their journeys were comparable. They all went through similar challenges, experienced similar lessons, and navigated the business world in a similar manner. The most common aspect of the three was that they all wanted to secure sustainability, which meant they found innovative ways to survive economically. Their creative ambitions came first, and they adjusted their financial strategies based on their creative goals, not the other way around. They were entrepreneurial when they started, and continued being entrepreneurial as their businesses grew. This observation reinforces the significance of new entrepreneurs learning from successful entrepreneurs as it is most likely that they will also go through similar challenges.

The research investigated the idea that learning from successful cultural entrepreneurs could give an understanding of the processes leading to business successes and failures in the film and television industry in South Africa. While some authors confirmed Aageson's suggestions, some deepened his suggestions and gave an understanding around factors that positively and negatively impact entrepreneurial businesses (business skills, operational skills, industry factors such as finance, IP, and regulations).

Aageson (2008) argued that cultural entrepreneurs expand existing cultural enterprises with new cultural product and services. In his discussion, he stated that new entrepreneurs' business ideas and models might be innovative, but they still lack guidance on how to successfully build thriving creative enterprises (Aageson, 2008: 93). This is not just a South African issue; globally there are few opportunities for cultural entrepreneurs to learn from successful cultural entrepreneurs. Creating a platform for new entrepreneurs could be advantageous as it can help translate innovation into successful businesses.

While the problems facing cultural entrepreneurs in the film and television industry are serious, the suggested initiatives should ensure that the entrepreneurs maintain competitiveness and capitalise on the numerous advantages and opportunities. New technologies, which give television viewers more control over their viewing, are changing the structure of viewing television and challenging broadcasters.

Governmental initiatives such as the NFVF and the DTI are encouraging co-production which means that producers have a higher chance of owning their intellectual property in the future (Toumi, 2014). More importantly, the local industry is also reassuring the need to invest in quality training skills to help adjust entrepreneurship in the sector.

The conclusions drawn from this research report have stimulated my learnings and recommendations to existing and potential cultural entrepreneurs:

Identify successful cultural entrepreneurs and work with them for a while before building your own business. It is important to learn from their experiences because they have been through the same journey. This will provide you with experience and an opportunity to build relationships, a track record, networks, and gain information on how the industry functions.

Start small: Working on projects allows you gain operational business knowledge. Most entrepreneurial ventures fail because of a lack of business knowledge. Projects have the same business principle. You need a creative idea, identify its market, be able to find funding for your idea, and show a return on investment. Working on an individual project also allows you to make mistakes and identify faults in your business model.

Seek business knowledge: Unlike projects, you want your business to be sustainable and research shows that sustainability can be achieved through a functioning business plan and model, ability to manage budgets, and problem-solving skills.

Lastly: Familiarise yourself with issues facing the film and television industry. Although acquiring business skills is important, the industry is surrounded with uncertainty and IPR issues. Cultural entrepreneurs need to be innovative and always seek new entrepreneurial ventures to deal with uncertainty and maintain sustainability.

6.1 Recommendations

I would recommend that more research be done on cultural entrepreneurship in South Africa in order to broaden the liter ature on the topic. It would also be valuable to have more research on the experiences of those cultural entrepreneurs who have built sustainable businesses, and those that have closed. Such research would provide additional information on factors affecting cultural entrepreneurs in South Africa. The information gathered from such research, I believe, would aid the film and television industry in implementing initiatives that could promote entrepreneurship in the sector. It could also serve as a learning platform for new entrepreneurs.

My research did not cover the role played by the education system in enabling cultural entrepreneurs. It would be valuable to have further research that addresses the role of the education system in promoting entrepreneurship through teaching business skills.

My research report focused on the founders of successful production houses and their experiences. It did not investigate founders of production houses that have closed or new entrepreneurs who are in the process of building their production houses. Such information would paint a bigger picture of factors affecting cultural entrepreneurs and how they can be dealt with.

This research aimed to investigate the factors that play a part and contribute to building and sustaining a successful production house in South Africa. Aageson suggested that it can be done through creating cases from experiences of successful cultural entrepreneurs (2008). I believe that Aageson's suggestion was suitable and valuable because it brought awareness around the need for business skills among cultural entrepreneurs. The participants also agreed that there should be an initiative for new cultural entrepreneurs to be mentored by successful cultural entrepreneurs (Markgraaff, 2018). Doing so would enhance the growth of the global cultural economy.

7. References

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8. Appendices

Appendix 1: Interview Schedule

Interview Questions.

1. Opening

I. My name is Amanda Lunga and I chose to focus on your organisation because of its successes and longevity in the industry. I chose to research your organisation, so I can better understand the factors that contribute to building and sustaining a production house.

II. I would like to ask you some questions about your background, education, your organisation (what you do) and the experiences/challenges you have had in building it.

III. I hope to use this information to gain more insight and knowledge on entrepreneurship, building a production house in South Africa and examining how your organisation deals with challenges (if any).

IV. The interview will take 60minutes

2. Body (questions)

Background

- Was your production house started as an entrepreneurial venture?
- Did you go to business school?
- What factors come into play when building a production house?
- For how long have you been in business?
- What is your position in the business?
- How many were you when you first started?

Building the organisation:

- What was the reason behind starting your production house?
- How did you finance it (own money, friends/ family, bank loans, funding (which?)
- Where there funding bodies available?
- What challenges did you face in the inception of your organisation?

Experiences/Challenges

- What was your focus at inception (TV / film?)
- Did this focus change later? If so why and when?
- There were fewer production houses in South African when you first started, how did that work for your advantage/disadvantage?
- How would you describe the competition in the industry when you first started?
- Does the film and television industry operate on connections? Please explain
- Please explain the nature of your business now compared to when it first started.
- What challenges is your organisation facing now compared to the challenges you faced when you first started?
- What is your organisation doing to alleviate or solve those challenges?
- How has the film & tv industry changed and has that affected how you run your business?
- Has AI affected your business? How?
- Would you say that your business relies a lot on the type of content that you produce? Please explain?
- What role do broadcasters play in your success or struggles?
- Do you only produce content for our local broadcasters?
- Do you have other revenue platforms besides commissions from broadcasters?
- What inspires the choice of content that you produce?
- You are creative and innovative and always on top of your game, how have you managed to continually do this?
- How have you managed to stay in business for so long and has it been a difficult journey?
- You have been in business for more than 10 years. What mistakes do you think new film and television entrepreneurs make when starting their businesses?

3. Conclusion:

-What is your vision for your organisation?

-What future risks and challenges do you see for your organisation and are you willing to take them?