



Research to inform policy from the University of York  
School of Arts & Creative Technologies

# UNIVERSITIES AND R&D FOR THE CREATIVE INDUSTRIES

**How universities can support businesses in the creative industries to innovate**

## Summary

- **XR Stories**, funded by the Arts and Humanities Research Council (AHRC), is a creative industries cluster that helps the **Yorkshire and Humber screen industries** grow by providing **R&D support**. It's based at the University of York.
- XR Stories has **supported 80 R&D projects in the creative industries** by providing:
  - funding (almost £2m in cash support and £2.4m in leverage)
  - market insights
  - cutting-edge research
  - support for business development
- Through our work at XR Stories, we recognise that **creative practice** can be understood as a form of **R&D**. R&D across the creative industries involves a combination of:
  - artistic practice and creative development
  - performance craft and technological innovation
- In the creative industries, it can be difficult for staff across **artistic, academic and technological domains** to collaborate effectively with one another. This is because:
  - different disciplines involve different approaches
  - a variety of workflows are in use
  - project participants may use different terminology
- **Creative producers** can help navigate these difficulties.

## Case Study: Warner Media and UK SMEs

Using funding from UK Research and Innovation (UKRI), XR Stories worked with the UK's Department for International Trade to bring about **partnerships** between:

- global entertainment conglomerate WarnerMedia
- UK-based SMEs

Acting as an intermediary, XR Stories:

- **identified UK companies** who could undertake R&D to add value to WarnerMedia intellectual property
- provided **financial support** for the UK SMEs to complete R&D projects
- offered advice on **working with a global corporation**
- provided expertise on how to produce **immersive stories using new technologies**

In collaborating with such a large organisation, the SMEs faced a **series of challenges**. The legal department in a large media company is larger than most SMEs, and without expertise and experience, dealing with one can be complex and reduce the time available for core R&D activities.

Being based in a university allowed XR Stories to support the SMEs by providing expert **advice**, adding to their **capacity**, and augmenting their **reputation**.

In this way, XR Stories helped the SMEs to establish a **better balance in their partnerships** with WarnerMedia and other large media companies. This has led to new relationships, contracts and partnerships for the SMEs.

## Lessons Learned

From this project, together with the many other R&D projects XR Stories has facilitated, we have learned **three important lessons**:

### 1. Inadequate Funding Architecture

The structures for funding R&D in the UK do not adequately recognise the **value of R&D in the creative industries**. Artistic creation is a process of continuous research and development – the whole point is to create something new. **Artists** are experts in experimenting with their tools and discovering creative new ways to apply them. And their work is designed specifically to **engage the public and contribute to the cultural conversation**.

Because of this, investments in R&D in the creative industries have benefits beyond these industries – they also help drive **technological innovation** and **public acceptance of new technologies** across the board.

### 2. R&D Translation Issues

In the creative industries:

- different **disciplines** adopt different approaches
- a variety of **workflows** are in use
- project participants may use niche **terminology** that non-experts find difficult

This can create barriers to **interdisciplinary work**, and removing these barriers allows people to learn new and innovative ways of working and acquire new perspectives.

When it comes to R&D, **creative producers** can help break down these barriers. They can support communication and make sure time and money are invested effectively, efficiently and productively. Good creative producers use their knowledge of commercial and research environments to **translate across disciplines and industries**.

## 3. R&D Intermediation Partnerships

Nearly 90% of creative enterprises are **micro businesses** with up to four employees. This can limit their opportunities for R&D partnerships with **larger organisations**, whose legal and financial processes can swamp smaller partners. **Universities** can provide reassurance to both sides. For example, they offer a recognisable brand and experience with large contracts, as well as academic expertise that SMEs can draw on.

## Recommendations for Policy

The Department for Digital, Culture, Media & Sport (DCMS) set out its Creative Industries Sector Vision in June 2023. This vision, as well as research council funding, and support for R&D from other sources, should be extended and expanded to promote the following outcomes:

- Create incentives for established venture capital and other funding organisations to **invest in R&D** in the creative industries.
- Encourage and fund **universities** to employ **creative producers** to help translate academic research into commercial R&D.
- Make funding available for universities to:
  - provide **development capacity** for SMEs
  - use their **academic expertise** to support R&D across all the creative industries
  - **mediate** for SMEs when dealing with larger companies
  - offer advice and guidance on **market developments and intellectual property issues**
  - matchmake **collaborators**

## Further information

To find out more about the University of York's work on digital creativity, check out XR Stories and the School of Arts and Creative technologies.

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