

**David Parrish**

*Helping creative entrepreneurs world-wide to become even more successful*

# Successful Creative Entrepreneurship in the Orange Economy Worldwide

*This is a transcript of David Parrish's keynote speech at 'Festival Naranja', the creative economy conference in Bogotá, Colombia in 2017:*  
<http://www.davidparrish.com/orange-economy-speaker-bogota-colombia/>

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A commercial illustrator in Brazil, a theatre producer in Lithuania, a visual artist in England, a fashion design company in Hong Kong, two art galleries in Vietnam, a TV producer in Jamaica and a graphic design company in the Netherlands. These are just a few of the many businesses in the creative industries and the Orange Economy that have become successful, both creatively and commercially.

So why are they successful? Of course because they have creative talent. However, creative talent is necessary but not sufficient. These businesses are successful because they combine their creative passion with smart business thinking - this powerful combination of creativity and business that I call 'T-Shirts and Suits.'

Friends, I'm delighted to be invited here to speak with you today to share some of my experience of working with hundreds of businesses in the creative sector, the Orange Economy, all around the world in more than 50 countries. It's an honour for me to help them and I do that with my consultancy, my training, my videos and my books based on my own experience of having set up and managed and grown businesses - (yes, I've done it the hard way) - combined with my academic training and the things I'm learning every day from my businesses.

Success. The first question I ask when I'm starting a consultancy project helping a business, is to ask them 'Do you want to be successful?' I could ask you 'Do you want to be successful?' And you, like my clients, are thinking 'Of course we do. What a stupid question. Who is this guy?'

But my second question to them is to say, 'Please tell me in detail exactly what you mean when you use the word 'success'' And this is where it gets interesting because everybody's answer is different. When I'm talking with businesses, of course money is part of that success. They want to be more profitable and to make more money. But I've never heard a business in the creative sector who says that that's the only thing - because they go on to tell me that they also want to work on interesting projects. They want to work in collaboration with other creative people. Perhaps sometimes they want to work alone. They want to change the world for the better. They want the recognition of their peers or perhaps to win awards, and maybe they want to grow their businesses so that they can create more jobs in their local communities, to help other people and to stimulate the economy. And so everybody's answer about success is a little bit different. And I not only ask them to be clear about success, I demand it of them because if they don't know where they're trying to get to, I cannot help them to

get there.

And so it's crucial that each business, for itself, has its own definition of success, and I will respect that and I will help them to achieve it.

One of the problems with businesses is that they get too much advice. Everybody - and these are all nice, well-meaning people - everybody gives them advice. "You should make a video of that." "Have you thought about selling to Europe?" "What about licensing your intellectual property?" "You should use social media more." The world is full of advice, but most of the advice is inappropriate because the people giving the advice don't have the courtesy to first ask the creative person or business what they're trying to achieve. I have people coming to me overburdened by advice, stressed out because everybody is telling them they should do everything. And of course if you don't know where you're going, you can't filter the good information and the good advice from the bad. But if you're clear in your focus of what you want to achieve and what you don't want to achieve, then it helps to be able to filter this information. So we need to be very clear about what success means.

I'm going to talk about creativity in the studio and also creativity in the office. As I travel around the world working with creative people and I go to their studios, I'm absolutely amazed by their talent. This might be an artist, an illustrator, a video maker, a musician, a publisher, a writer, an architect - the stuff they do in their studio is absolutely mind-blowing. These are highly creative, highly intelligent people. But these same people, very often when they walk out of their studio and into their business office, they somehow switch off their creativity. They switch off their energy because they think that business is boring. And then they become the most boring and conservative business people I've ever met. They do marketing in a boring way. Accounts and money and finance don't interest them, so they don't think imaginatively about how they can raise finance. And this upsets me and dismays me. My message to them is that we can be creative not only in the studio, but in the business, in the way that we do business.

And this brings us back to the very word 'creativity,' which I think in some ways is a problem word because when a word means different things to different people, we have miscommunication.

A few years ago I was invited to make a TEDx talk at TEDx Napoli in Italy, and this gave me the opportunity to think about this word 'creativity' and what was troubling me about it. I proposed in that talk - and there's a video on my website and the article - that we have two definitions of 'creativity.' Firstly, "a-Creativity", using the letter 'A' for artistic creativity, which is the creativity we all know. The creativity of the musician, of the writer, of the dancer, of theatre etc.

But there is also a broader kind of creativity that we see in every field of human endeavour; this is ingenuity. So I suggest we

have a second word “i-Creativity” – using the letter ‘i.’ This is ingenuity, problem solving, innovation, and we find this everywhere.

And as I say in my book, ‘T-Shirts and Suits’, creativity is not the monopoly of the artist. And ironically, I can speak with the Managing Director of a large manufacturing company, and he or she will tell me they are “not creative”. What they mean is that when they were at school, they were no good at art. They were rubbish at music, and they then regard themselves as not creative. But the same person every day is solving problems, inventing new products and services, dealing with difficult situations and thinking creatively.

So we can use both “a-Creativity” in the studio and then use “i-Creativity” in the business office, and this powerful combination of being smart with creativity and with business is what makes creative enterprises in the Orange Economy so successful.

And we can use creative business models. Now these models of business are not exclusive to the creative industries, but we in the creative industries can use them. So for example, we can use crowdsourcing and you have probably heard of the example of the t-shirt design and manufacturing company in the United States that doesn’t have a design department. Sounds strange because their design department is the whole world. They opened their doors to anybody to send a design into their business. They then put it on their website and if enough people want to buy that t-shirt, they sell them and they share the profits with the designer. So they’re recognising that there are ideas and talent outside of their business as well as inside it.

We have the idea of “co-opetition”. This is a hybrid word of co-operation and competition, because sometimes it makes good business sense to co-operate with your competitors. The story I have there, and it’s written up on my website, is about those two art galleries in Vietnam on opposite sides of the street fighting for the tourist dollar. They were direct competitors, but they recognised that they could both benefit by putting both their galleries’ work online and selling to the whole world. They set up a website called ‘Vietnam Artist,’ and in that way these two competitors collaborated for mutual benefit.

We have crowdfunding of course. This is fantastic, the way that we can get finance not only from the regular sources of banks and equity investors or maybe governments, but we can go to the people all around the world who can help to fund our business. I was honoured to be invited to the premiere of a film on Tuesday evening here in Bogotá, called ‘Amazonas,’ and that was produced partly with finance from crowdfunding.

And we have the idea of a “freemium” business model. Again, a hybrid word – free and premium. In other words, sometimes it makes sense in business to give something away for free so that we can make a lot of money at a later stage. And we know about these things because on all our smartphones we have apps and we can download the free version. But if you like it, you can pay some money to get the pro version. This is one example of the freemium business model.

Another is my book – ‘T-Shirts and Suits: A Guide to the Business of Creativity.’ If you go to my website you will see that you can download it for free. The English version is available as a free electronic book. You might think, ‘This guy is stupid. He’s talking about business but he’s giving stuff away.’ Well, maybe I’m not as stupid as I look because by giving that book away, not only am I helping creative people to be smarter with business, which is my mission, sincerely, but that book also acts as my advertising. And because the book is available out there free of charge on the Internet, I then get a phone call from Taiwan saying “We want to fly you out to Taiwan. We want to

pay you to speak at a conference, pay you to deliver a workshop and pay you for the licensing rights to translate your book into traditional Chinese.” So my business uses this freemium business model, give something away free, to make a lot of money elsewhere.

And the other one is about licensing of intellectual property. This idea that we can not only sell what we create, but we can license it. This is an interesting thing that is central to the creative industries because creativity in the creative industries is about producing intellectual property. And we can choose how we go about using that intellectual property to generate income and I’ll say a bit more about that in a moment.

When we’re working in the creative industries, when we’re setting up a business, we can choose whether to be what I would call a ‘creative labourer’ or on the other hand a ‘creative entrepreneur.’ Let me explain the difference.

I was inspired by a book that I read a few years ago, many years ago, called ‘The E-Myth – The Myth of the Entrepreneur,’ by a North American guy called Michael Gerber. He says that the United States is a great entrepreneurial society. Everybody in the world knows that it’s full of entrepreneurs. But he says actually most of them are not true entrepreneurs. These are people who leave their job to set up in business and they simply make a job for themselves. There’s nothing wrong with that, but that business is dependent on their ongoing labour. Those people are a bit like a mouse on a wheel in a cage. As soon as they stop, because they’ve run out of energy, the business stops. He says it’s better to use your creativity, your imagination and skills, to create a business system that is capable of working without your ongoing labour. You build a system to make money and then you can sell it to somebody and invent another one.

And he goes in the book to talk about franchising and lots of other business models. And I found it very inspiring, but my first reaction was to say, “Well, that’s all very nice, but in the creative industries it’s not like that,” because every creative business I could think of had a creative person at the centre of it and if you took them out of it, the business would collapse. But then I thought further and actually it’s by creating intellectual property that has value in its own right, that we can generate income even when we sleep. That’s pretty cool, making money while you sleep.

I mentioned in the opening a commercial illustrator in Brazil. This is a young man called Guilherme Marconi whom I had the honour to meet when I was in Nova Friburgo. He’s a commercial illustrator and his commercial illustrations are used by Nike, Vodafone, Coca Cola and other big corporations. But he doesn’t sell his illustrations to them: he rents them. He licenses them. This is really smart because he can charge them more money every time they use his illustrations, because the illustrations remain his and they have to pay a licensing fee to use them on packaging, on posters, in advertising, in stores. And this guy, a one-person business, working from his back bedroom, is making money while he sleeps because he has a smart business model.

So we need to think carefully about the models that we adopt. It’s not enough just to be creative and to work hard and to sell your stuff. We need to be smarter than that, and licensing of intellectual property allows us to become true creative entrepreneurs rather than simply creative labourers whose business is dependent on our ability to continue to work.

So each business in the creative industries and the Orange Economy needs to build its own, what I call its own ‘business formula.’ This is not the same as the business plan. It’s more important than the business plan. It comes before a business plan. It is the fundamental formula that enables a business to

achieve success. And there are four elements to this:

One, is the creative talent and the creative passion of the people. Without that we can do nothing. We need to tap into that energy, that creativity, because that is at the heart of the business.

Next we need to be absolutely clear about what we mean by success. Is it about money? Is it about fame? Is it about helping society? Is it about creating jobs? Or some combination of these? Without that clarity of our goal, of a vision, a definition of success, we will achieve nothing. Or perhaps achieve the wrong thing.

The next step is to recognise that for every business we have competition. And one of the key elements of my business advice is to help businesses to recognise their competitive advantage. There are many people doing what they are doing, whether they're working in music or graphic design, architecture, film. But for each business there is something that they can do that other people can't. There is some element of each business at which they can be truly world class, and that is what we must focus on. That is what I help them to find, and from that point onwards they can dominate a market.

And the next stage of course is that strategic marketing - to find and to focus on only those markets that want what we can do better than our competitors.

And those four elements fit together quite nicely into a business formula that works. From there we can devise a longer business plan if we want. And that article, that idea of the business formula, is written up into an article which you can find on my website – davidparrish.com – and it's translated into Spanish as well as many other languages. It's available free using a creative commons licence and you can download it and share it, so please do.

And so what I'm saying is that we need to focus on the individual businesses within the creative economy and help them to find their unique combination of creativity and smart business thinking that works for them. I call that 'T-Shirts and Suits,' and that's also the title of one of my books – 'T-Shirts and Suits: A Guide to the Business of Creativity.' It's been published in many languages, many countries – nine countries around the world – including, I'm honoured to say, here in Colombia. The title is a bit different. In Spanish it's 'Camisetas y Corbatas - Una Guía para los Negocios Creativos.' And I hope you can buy a copy.

And so in finishing I would like to say that when we're talking about the creative industries and the Orange Economy, yes, we need to look at the economy as a whole. We need to talk about the macro economics of this amazing and growing economy. But at the same time we must recognise that that economy does not exist except for the thousands of individual businesses that make it. Each of those individual creative businesses needs inspiration, information and support. And it's the successes of those individual businesses that will make up the success of the Orange Economy as a whole. We must give them the attention and support they need.

I will continue to do that in my work around the world as a business advisor, trainer, author and speaker, and I hope that you, in your special individual and unique ways, will also help those individual businesses to become more successful, and in that way we can help the whole Orange Economy to become more successful.

So please play your part in your own special way, and in that sense I wish you every success.

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