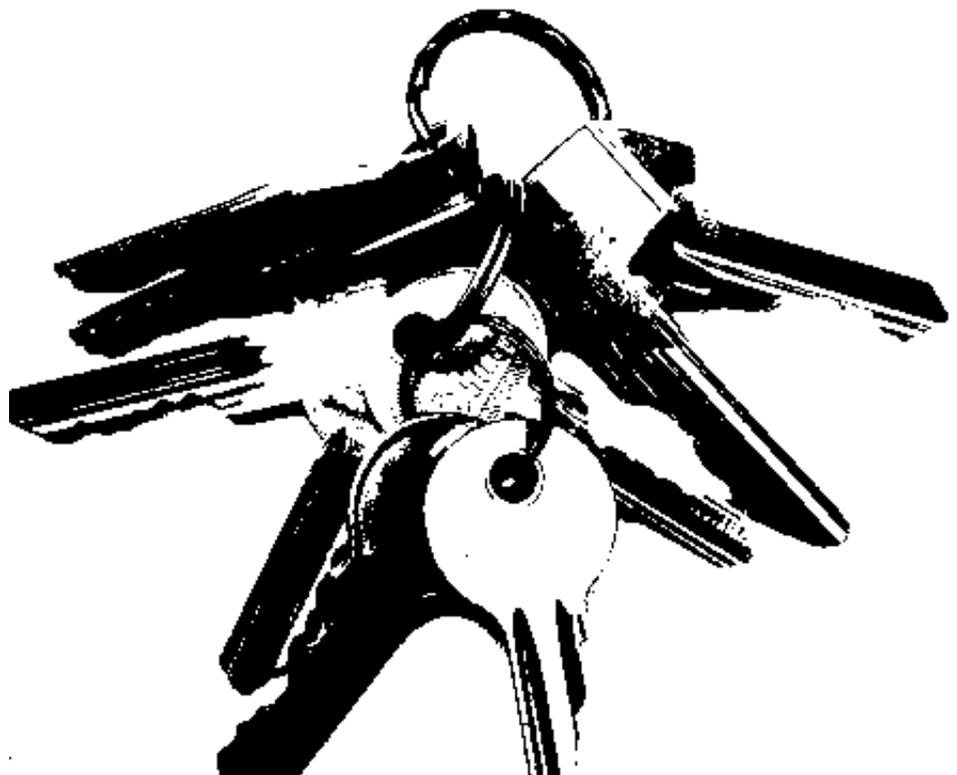


C-I Factor

“Bringing creative businesses together with
investment”

**Appointment of Creative
Industries Access to Finance
Advisory Board Members**



C-I Factor: Seeking Appointment of Creative Industries Access to Finance Advisory Board Members

The C-I Factor Partnership is seeking to establish an expert Advisory Board to support the successful planning and development of its actions to increase the access of Creative Industries Businesses in Europe to relevant sources of finance to achieve their high growth potential. The Advisory Board members will be part of a highly prestigious project which is only one of two pilots on Access to Finance being organised under the European Creative Industries Alliance.

Background to the Project

C-I Factor launched in January 2012, is operating with part-funding from the European Commission under the European Creative Industries Alliance supported by DG Enterprise. It is led by European Design Centre, and includes the following three other main partners: Angel Capital Group, UK; St'art Fund, Belgium and Cultuur-Ondernemen (CO), The Netherlands.

The key objective of the C-I Factor project is to realize new financial facilities for the Creative Industries by preparing new support and finance instruments and by addressing the perceived challenges and risks of investing in CI businesses.

C-I Factor will:

1. Investigate the motives blocking investors from financing businesses in CI through a mapping of the investors' perceptions and motivations towards investments in the CI.
2. Based on the findings from the research, bring together specialists in the field (investors, guarantee fund managers, crowd-funding managers, banks and representatives from European Investment Fund and European Investment Bank) to discuss the barriers in investing in CI and define recommendations on how to overcome them.
3. Examine the possibilities to use innovative funding options (specifically crowd-funding and guarantee funds) as validation of creative business models and, with a view to:
 - Establishing a dedicated Guarantee Scheme for CI businesses offering access to more significant bank loans, identifying a specific Bank (Triodos) to pilot actions towards

banks and regions to raise their involvement into a new pan European Guarantee scheme.

- Establishing a consolidated Model which incorporates new models of finance for CI businesses such as Crowd Funding as a recognized source of early stage finance, for CI businesses alongside traditional sources, supporting pre proof of concept and early market validation.
 - Gaining recognition from the European Investment Fund and European Investment Bank of the validity of this approach.
4. Develop a new Investment-readiness coaching tool based on a serious game to be made available via the How to Grow platform (www.howtogrow.eu) to assist start-up companies and entrepreneurs in the process of preparing their businesses (or business plans) to be presented to potential investors or other financial actors. The game will build on existing manuals and toolkits (namely those developed in previous European initiatives (such as the EASY project carried out under Pro Inno Europe among others) and develop an interactive and meaningful tool that will be linked with other services in the How to Grow website, namely the How to Grow mentors and the crowd-funding schemes.
 5. Implement two sets of pilots in participating countries to test the strategies developed above in partnership with financial partners with a view to establishing new frameworks for the use of crowd funding and guarantee funds as a part of the early-stage financing process. The pilots will allow the testing of the combination of novel financing instruments such as crowd funding and creative guarantee funds with mainstream risk capital, bank loans and with EIF and/or EIB sources.
 6. The ultimate objective of the project is to create a new platform to leverage the financial support of the EIB/EIF and other public and private funding sources to recognize crowd funding and creative guarantee funds as legitimate and reliable early stage financing systems to be used in coordination with investors, banks and other European Institutions. This would include establishing a co-investment mechanism to provide investment alongside funding deals in CI businesses that received initial crowd funding support in their early growth phase.

Objectives and Role of the Advisory Board

C-I Factor seeks to identify up to 12 finance and industry specialists to compose the “Creative Industries Access to Finance Advisory Board”. This body will bring together players that are involved in different aspects of access to finance (investment, training, policy & regulation) at different levels (local, regional and European levels) and involved in both traditional and innovative access to finance measures.

The Advisory Board would include at least one representative from each of the following bodies who have interest in or experience of financing Creative Industries businesses:

- Business Angel or Business Angel network
- Bank or similar financial institution
- VC Fund
- Legal/regulatory Lawyer/expert
- Creative Industry Business leaders that have successfully achieved high growth representing key subsectors, including serious games
- European funding schemes (both European Investment Bank and European Investment Fund)
- European policy makers (DG Enterprise and Industry; DG Education and Culture; and DG Internal Market & Services)
- Entity managing Creative Guarantee Fund and Crowd Funding platform
- CI-Factor Project representatives
- Subcontracted Research representative

Tasks of Creative Industries Advisory Board

The Advisory Board will play a central role throughout the project, as it will be a hub for discussion, advice and recommendations. It will meet every six months and participate actively in the different stages and activities of the project.

- The Board will use the input from the initial mapping of the challenges to invest in CI to guide the discussion platform that will take place both physically and online in order to look for feasible solutions that can be adopted at a European level.
- The Board will perform the function of strategic checks-and-balances , drawing on their expert finance and industry experience.
- The Board will actively contribute at different stages for the development of the investment and investor readiness interactive tool/ serious game. It will provide input (from the finance supply side) on the main difficulties in dealing with creative businesses in order to develop the “investor readiness” aspects of the game and advise on issues from the demand side (companies) in relation to “investment readiness” and investor attractiveness in relation to the requirements of key finance sources . The Board will also participate in testing the game prototype and provide the necessary feedback to support improvements.
- The Board will be closely linked with the set-up of the pilot actions foreseen for the project, as it will be consulted on the best strategy, approach and implementation.
- The Board Members will draw also on their own industry links to facilitate access to key CI businesses to ensure effective targeting and participation in the pilot actions.

Timetable:

April –June 2012

- Membership of the Advisory Board confirmed and initial briefing provided
- First meeting of Advisory Board week June 15th to review the findings of the CI-Factor mapping research

November 2012

- Second meeting Advisory Board
- First draft set of recommendation on access to finance (Actions to undertake to improve CI access to finance in Europe)
- Feedback for serious game development

May 2012

- Third meeting Advisory Board
- Input for pilot action implementation
- Feedback on final version of serious game

October 2013

- Fourth meeting Advisory Board
- Second draft set of recommendations on access to finance
- Feedback on first results pilot action implementation
- Input to bring pilot actions towards European Organisations EIB and EIF

May 2014: Fifth meeting Advisory Board

December 2014

- Final meeting Advisory Board
- Final set of recommendations on access to finance
- Evaluation of the Advisory Board process
- Evaluation of pilot actions

Terms and Conditions for the Advisory Board

Members of the Advisory Board will be invited to attend 6 meetings between 2012 and 2014, based on the proposed timetable as set out above. These will be held in London, UK; Belgium or Netherlands, or occasionally in other European locations where major European Creative industries alliance meetings may be held.

All reasonable travel and accommodation expenses will be covered. The Board will be supported and facilitated by the C-I Factor partnership with all relevant documentation and guidance provided.

Jenny Tooth, Director, Angel Capital Group, will be the key contact and main facilitator of the Advisory Board.

Representatives of the European Commission, DG Enterprise European Creative Industries Alliance will also attend meetings from time to time and be directly involved in reviewing the impact of the project.

Applications for Advisory Board Membership:

If you feel that you meet the criteria as detailed above and wish to be considered to be an expert member of this prestigious Advisory Board, or would like to nominate a member, please send your detailed CV and reasons why you wish to be considered for membership, notably identifying your contribution against the tasks as identified.

Send this to jenny.t@angelcapital.co.uk by 26th March 2012. Or if you have any questions please do not hesitate to get in touch.