



THE FUTURE OF LOKKI

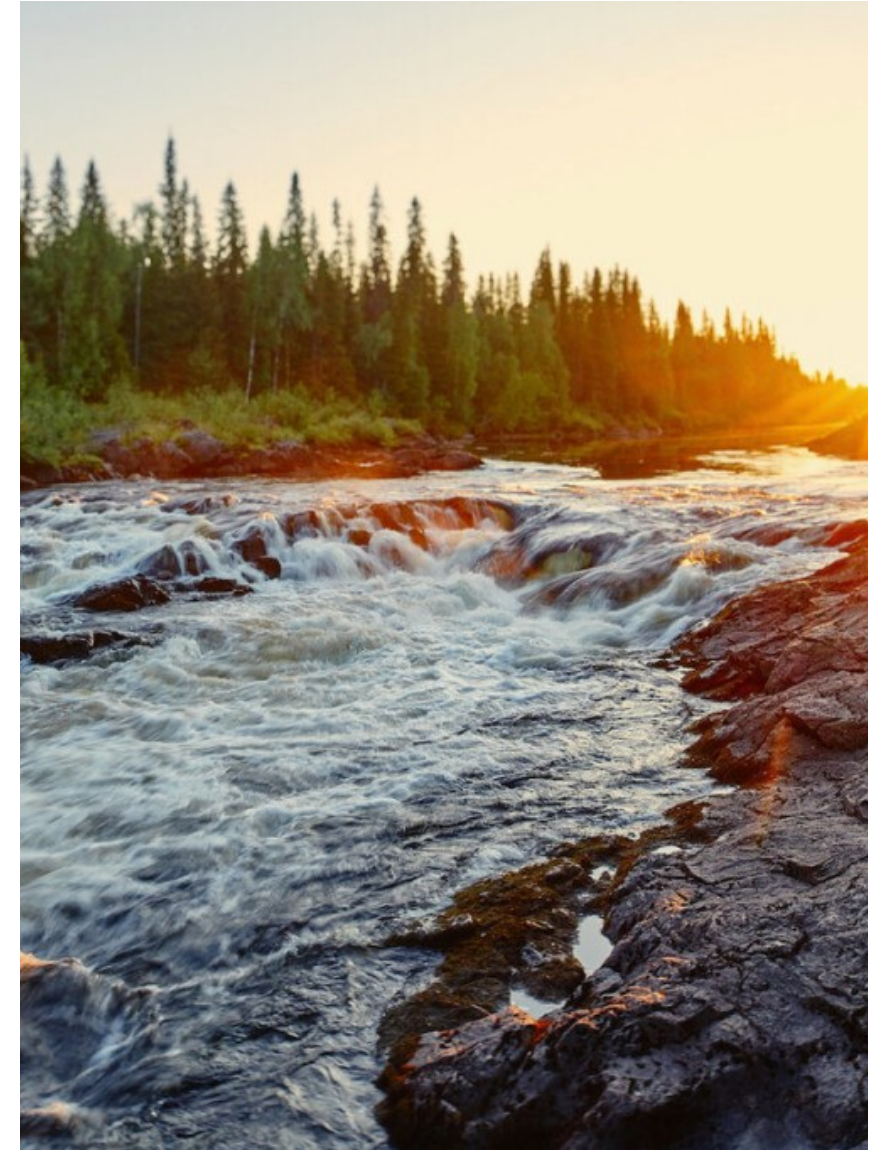
LOKKI

International collaborative project of nine entities in Russia and Finland within the **Karelia Euroregion** - 2019

Key actors: the Union of Cinematographers of Karelia and Petrozavodsk State University

Main goal: **film industry development** in **Karelia** and the border region

Main services: film incubator for filmmakers, film production services





ASSIGNMENT

- Developing a strategy to increase interest in film industry among young locals (age 11-17)
- Proposing ideas on how to attract film studios to Karelia for shooting films

WHAT THEY HAVE ALREADY GOT?

Cheaper and easier film production & 25% rebate for film producers

Cross-border cooperation network with Finland (Euroregio Karelia)

Karelia Republic Governmental support

Premier Centre with staffed film incubator for youth

Film industry cluster in Karelia with 17 members aboard

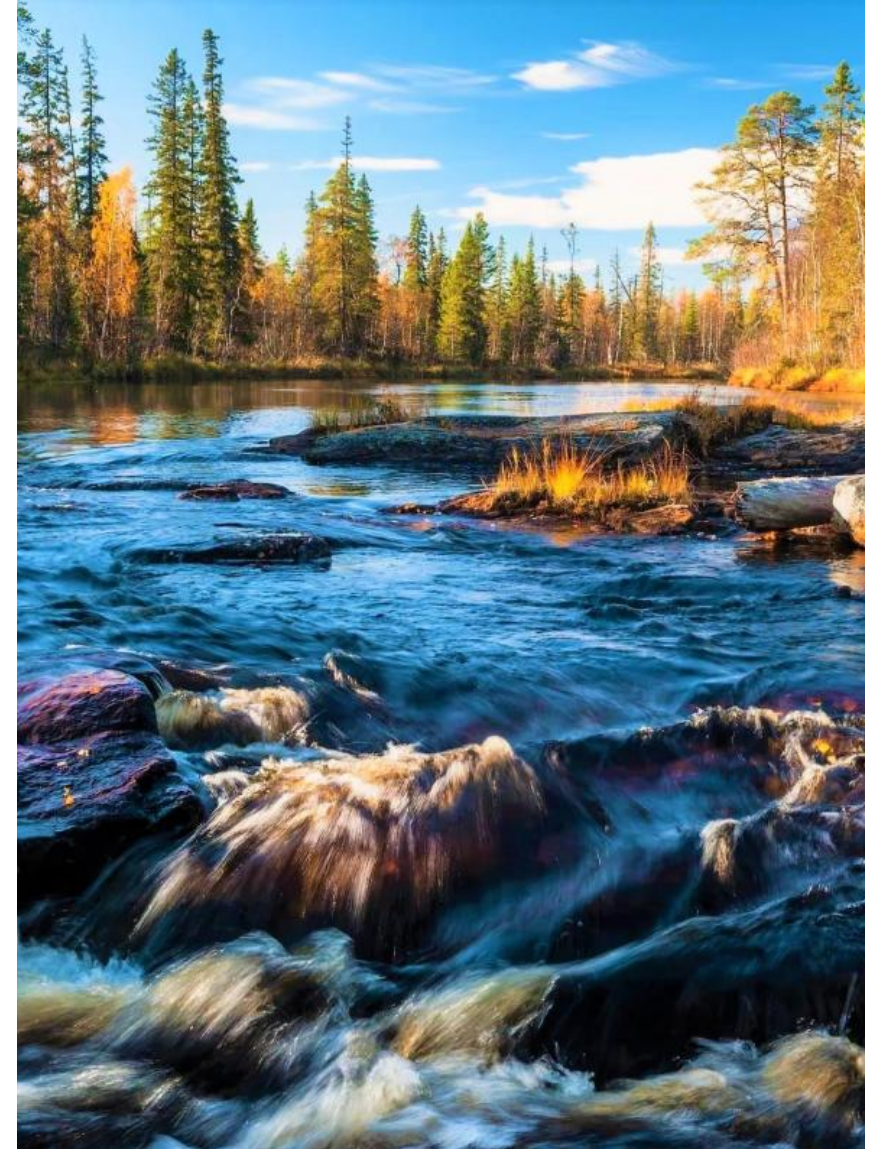
CHALLENGES

Petrozavodsk is not known worldwide

Poor communication to the market and customers

Lack of interest from youth

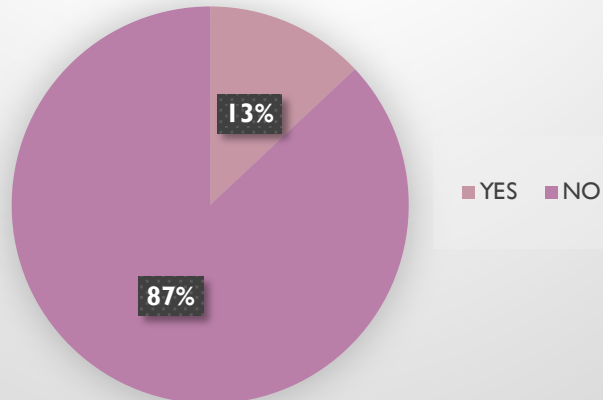
Lack of capacity



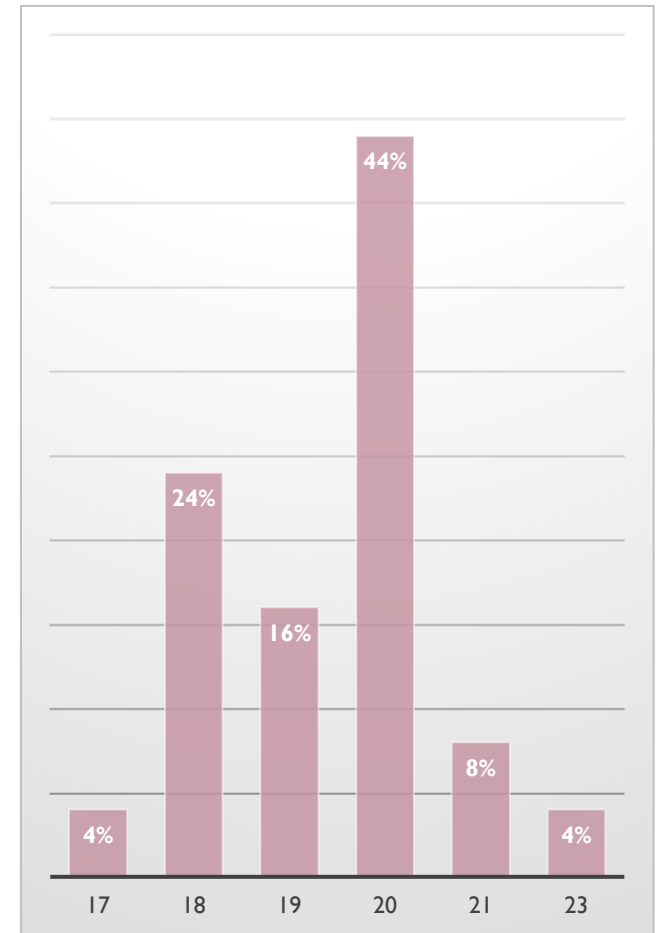
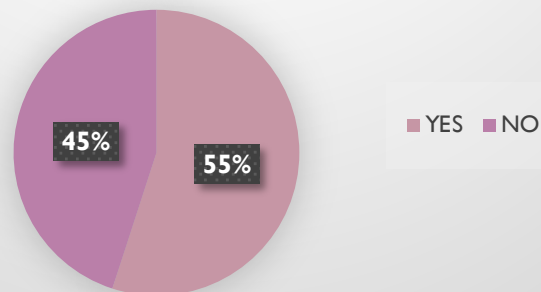
SURVEY OF YOUNG PEOPLE

We have conducted a survey among 50 young Petrozavodsk locals aged 17-23.

Do you take videos on your phone or camera?



Do you want to use professional film shooting and post-production equipment to make better videos?



Open days
& better
promotion

Extra
points for
university
admission

Cinema
clubs

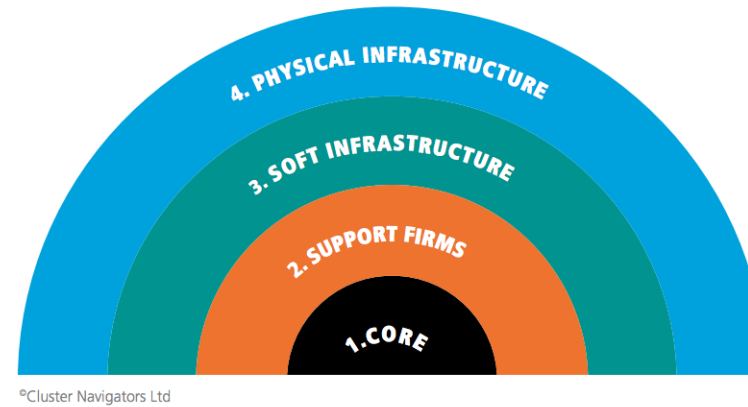
HOW TO ATTRACT YOUNG GENERATION?

Video
shooting
classes

Contests
&
hackathons

Work-
shops

THE SOLUTION – CLUSTER



- Why cluster?
 - Cluster is a regional economic development tool
 - Cluster reinforces the efforts of companies, infrastructure and citizens
 - Cluster's influence is not only regional but also interregional and international
 - Informal Cluster vs Formal Cluster – everybody involved

“

Clusters are geographic concentrations of interconnected companies and institutions in a particular field. ... clusters affect competition in three broad ways:

FIRST, *by increasing the productivity of companies based in the area;*

SECOND, *by driving the direction and pace of innovation, which underpins future productivity growth; and*

THIRD, *by stimulating the formation of new businesses, which expands and strengthens the cluster itself.*”

MICHAEL E. PORTER

Bishop William Lawrence University Professor
Harvard Business School
1998

CLUSTER: DEFINITION

CLUSTER: CORE LEVEL

MAIN PROPOSAL: LOKKI AS A FACILITATOR

Cluster Core

Private Companies and organizations:

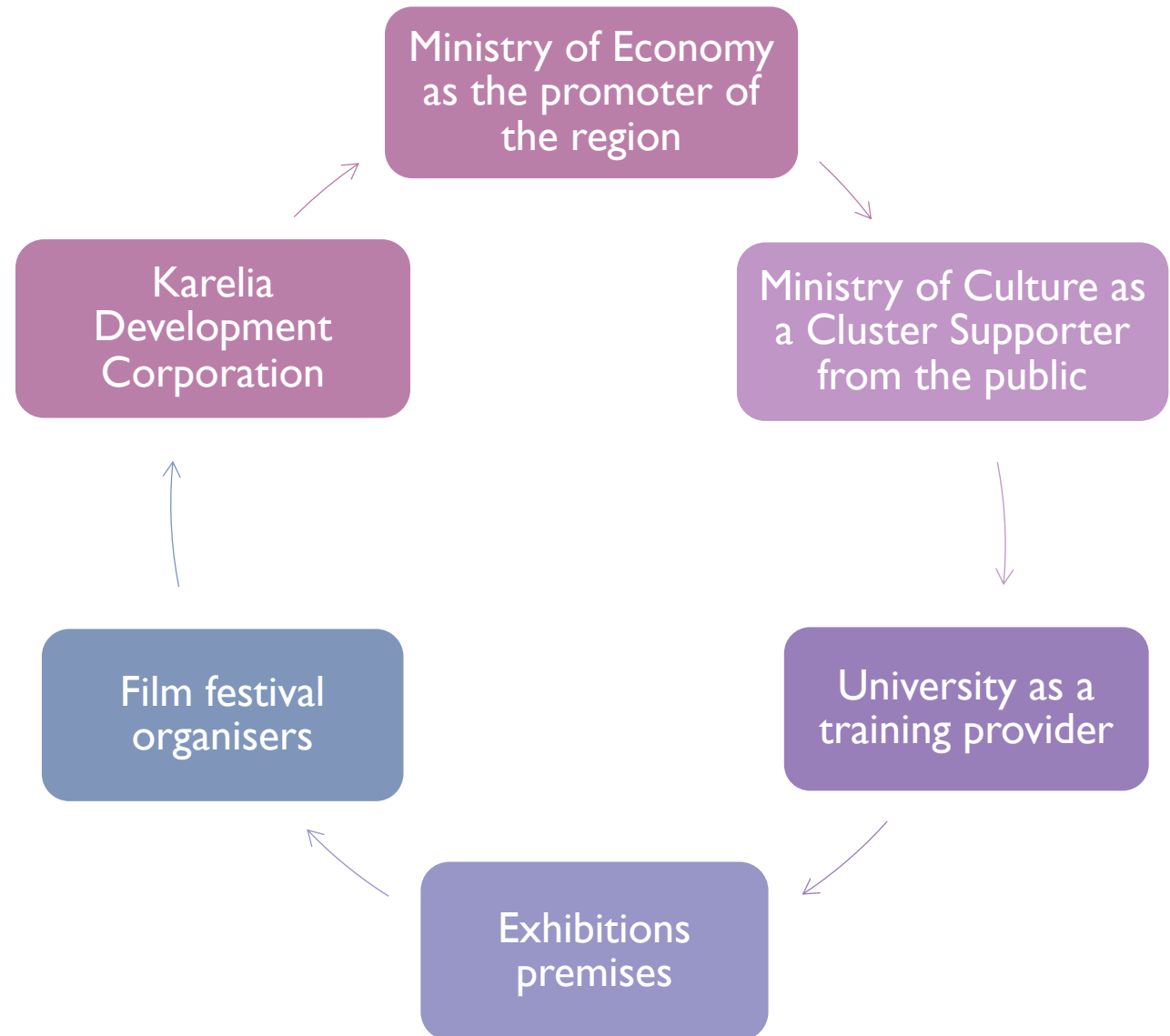
- Postproduction
- Leasing of equipment
- Casting
- Travelling
- Catering
- Hospitality and many others

Facilitator is at the heart of cluster's activities.

CLUSTER:
SUPPORT FIRMS
LEVEL

- Marketing and promotion agencies
- Travel agencies
- Visa support
- Legal services
- Exhibition and festival organisers
- Mass media

CLUSTER: SOFT INFRASTRUCTURE LEVEL



CLUSTER:
PHYSICAL
INFRASTRUCTURE
LEVEL

- Karelia itself as a territory
- One international airport
- Rail network
- Road network
- The border with the EU: direct access to Finland



LOKKI AS A FACILITATOR: ROADMAP

1. Short-term tactical agenda

- Visibility of the cluster: logo, slogan, promotion materials, etc.
- Assessment of local companies to identify what they can provide for the cluster development
- Competition on the cluster name
- Presentation of the cluster



LOKKI AS A FACILITATOR: ROADMAP

2. Formalising and launching

- Introducing changes to the local regulation of film making to promote the cluster domestically and internationally
- Compiling the list of services and service providers

3. Evaluation and benchmarking



LOKKI AS A FACILITATOR: ROADMAP

4. Long-term strategic agenda

- Event strategy with a specific focus on film making, initially targeting regional and domestic audiences, and then wider international ones (festivals, hackathons, etc.)
- Promotion of education in film making in Karelia, such as summer camps, higher education, professional training programmes
- Linking the cluster with customers

EXPECTED BENEFITS TO KARELIA

Film making

- Karelia turns into an established film making destination
- Film making becomes a driver of local economic development: new jobs and increasing tax revenues
- Karelia population is stable or growing
- Film Cluster attracts more businesses to Karelia

Youth population

- Many events going on around Karelia arouse interest among youth
- Young persons contribute to the local film making activities
- Young people have film education university programmes available for them
- Younger generation stays in the region eyeing the local opportunities



TEAM LOKKI

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THANK YOU!

Project Abstract

This project is a collaborative project between the Union of Cinematographer of Karelia “LOKKI” and international project and programmes division in PetrSU, which started in 2019. This project was launched in order to create the only professional film studio and film pavilion in Karelia for shooting movies, as well as create a database of film industry specialists. In 2019, there were some events held in Karelia and Finland, such as the film forum «Severnoe kino» and the children’s film contest «Bud’ v kino». In this way, The project has been working energetically. One of their remarkable achievements was the opening of a film-incubator at the cinema, «Premier» which represents a few renovated cinema rooms with equipment for sound and video recording, editing and creating animations. Recently, Netflix implements projects in Finland and neighboring Karelia is considered as a potentially interesting location for filming. Karelia has potential to be the center of film-making in Europe only if Karelia is widely recognized by people.

The resources (or advantages) that they already got

- the beautiful landscape
- Cheaper (approx 5 time cheaper than in Finland) and easier film production & 25% rebate for film producers
- Cross-border cooperation network with Finland (Euroregion Karelia)
- Governmental support from Republic of Karelia
- Premier Center with staffed film incubator for youth
- Film industry cluster in Karelia with 17 members aboard

Problem Statement

These are the tasks that the project “LOKKI” assigned us

- Create a strategy to increase interest in the film industry among schoolchildren: development of film culture, film-incubator, etc.
- Proposal of ideas on attracting film studios to Karelia for shooting films.

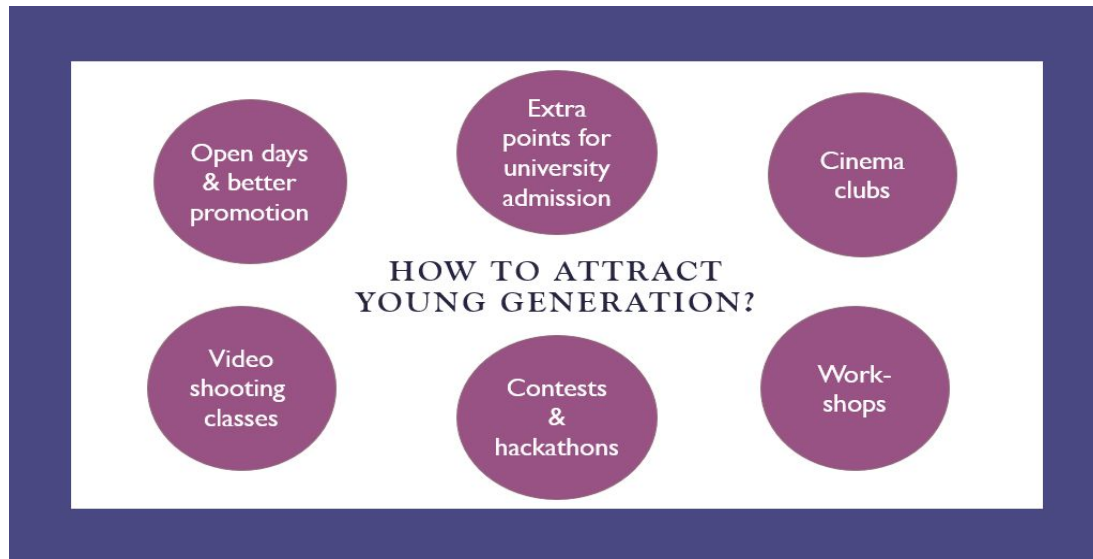
Why?

Since in Petrozavodsk, the capital city of Karelia, the young people are moving out to St. Petersburg or Finland to seek opportunities to get more variety of jobs or have a better education. In addition, even though they have got a great facility for professional filming and editing, it has not been well-advertised nor well-known. Hence, it is hard to expect attracting people and film productions from both domestic and international level, unless it attracts people in Karelia, especially youth.

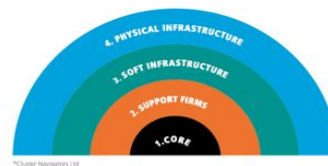
As it mentioned, a lack of advertising strategy leads poor communication to the market and customers. What is more, there is no sufficient capacity yet to be ready for potential customers, where they can go out to eat and stay.

Solution

As for gaining young interest toward the film industry in Karelia. Those suggestions below help this project by keeping young generations' interest among film-making in Karelia.



As for an idea that attracts film-makers to Karelia, we strongly suggest introducing the cinema cluster structure including local businesses to Karelia. Since it underpins the future productivity growth and name value while gaining the interest from young generations toward the film industry in Karelia.



- Why cluster?
 - Cluster is a regional economic development tool
 - Cluster reinforces the efforts of companies, infrastructure and citizens
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How do those suggestions work?

Those suggested events draw many young generations' attention toward the film industry continuously. For instance, open days or work-shops can be good opportunities to let school kids in Karelia know about what is film-making. Cinema clubs create an

opportunity to gather passionate mates and share knowledge. Offering video shooting classes nurture the young generation by teaching practical techniques and theories. Holding a movie contest on a regular basis like a hackathon in the IT field, would be a perfect stage for the young to show what they have trained throughout the film-making education in Karelia. Then, the result in the contest shall be considered as extra points for the university admission of PetrSU, where the young can continue further education of film-making with experts.

As for cluster structure, Republic of Karelia already has the foundation to establish a cinema cluster. For instance, there is the great filming facility as a core of the cluster and the physical infrastructure such as road/rail network, renewed international airport and direct access to the EU (Finland) . On top of that, there are supporting companies which can be peripheral companies that are Travel company, catering business, Hotel and many others. In addition, there is also governmental support, for instance, the ministry of economy in Karelia takes a role as a promoter of the region, while the ministry of culture takes a role as a project supporter. And the new tax break for film-making has been ratified in Karelia recently.

Here is the roadmap for Lokki to build up a sustainable cinema cluster in Karelia.

Step 1. Short-term tactical agenda

An attractive logo, slogan and promotion materials are needed in order to make good visibility of the cluster and make Petrozavodsk well known. Then, assessment of local companies is required, in order to identify what they can provide for the cluster development, since the cluster consists of a mass of various types of local businesses. Competition on the cluster name would be a great idea in order to make Petrozavodsk catchy and familiar for both domestic and international people. Lastly, the presentation of the cluster must be done before launching, in order to clarify the concept of the cluster for people who are involved in this project.

Step 2. formalizing and launching.

Introducing changes to the local regulation of film making to promote the cluster inside Russia and internationally. And compiling the list of service and service providers. By this process, it can be seen the outline of the cluster.

Step 3. Evaluation and benchmarking.

This process is needed to see the project is going along with how it planned so far. Some modification for the project may be needed at some point.

Step 4. Long-term strategic agenda

Create an event strategy with a specific focus on film-making, initially targeting regional and domestic audiences, and then wider international ones, like festivals, hackathons, and so on. Then, the promotion of education in film-making in Karelia, such as summer camps, higher education, professional training programmes.