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Organisations as Ecosystems: the case of television production

Gillian Doyle

Introduction

The concept of 'ecosystems' is often deployed in analysis of patterns and modes of interdependence between a range of actors across the digital business environment (Corallo, Passiante and Prencipe, 2017; Valdez-De-Leon, 2019). However, as this chapter argues, the growing scale and complexity of some digital organizations is such that they can be seen ecosystems in their own right. As the spread of digital technologies has transformed markets and business models, one form of evolutionary response amongst organizations seeking to sustain their competitiveness has been to develop a complex of in-house subsidiary components that operate co-operatively and interdependently within an overarching corporate structure or 'ecosystem'.

Drawing on original empirical research funded by the UK Economic & Social Research Council into recent transformations across the television industry, this chapter examines how changing digital distribution technologies have encouraged consolidation and strategies of horizontal, vertical and transnational expansion in the production sector. Through takeovers and consolidation, the emergence of enlarged production entities characterized by myriads of interdependent in-house operating subsidiaries has resulted in business organizations that can be seen as functioning ecosystems. This chapter argues that, while the emergence of consolidated business entities that facilitate symbiosis between multiple in-house components to the advantage of all represents a logical strategic response to digitization and globalization, it also raises potential concern about the future sustainability and competitiveness of an 'independent' production sector.

The focus in this chapter is on three questions. What motives have driven recent strategies of acquisition and re-configurations of ownership in the television production sector? To what extent do emergent organizations conform with the concept of ecosystems? Does the dominance of so-called 'super-indies' in the production sector pose a threat to 'independent' production? Methods of research consisted of analysis of company statements and financial accounts for a sample of leading UK-based production companies over an eleven-year period from 2006-2017 plus interviews with a range of producers and industry experts. Interviews were carried out in 2018 and 2019 with senior executives at leading London-based production companies and with managers at production subsidiaries as well as with experienced corporate financiers who have specialized in takeovers in the UK and international television production industry.

Television production companies come in many shapes and sizes (Paterson, 2017) and are often defined by the genre of content they make. In the UK, the sector is comprised of many large entities but is also home to an abundance of very small independent production companies or 'indies' (Mediatique, 2015; Oliver & Ohlbaum, 2018). The term 'independent' generally distinguishes companies that are autonomous from production operations that are integrated within or cross-owned by broadcast organizations. Another prominent corporate ownership configuration in the television production sector is the conglomerate or 'super-indie' (Chalaby, 2010; Esser, 2016). Super-indies are effectively clusters of independent production businesses or subsidiary 'labels' operating, with levels of autonomy that vary from one group to another, under the collective ownership of consolidated parent companies (Doyle, Paterson and Barr,

2021). The scale of revenues earned by some super-indies now exceeds that of major broadcast organizations and many have well-developed in-house international distribution businesses, making these very powerful players in the television landscape (Lee, 2018).

The research presented in this chapter, which seeks to build understanding of the nature of relationship between acquisition strategies, corporate re-configuration and enhanced business performance on the part of enlarged, diversified transnational television production companies, is part of a wider project which involved a multiple case-study based research design. The case study companies we focused on included some 'indies' (Hartswood Film, Hat Trick Productions and Keo Films) some vertically-integrated entities (such as broadcaster ITV and its subsidiary Mammoth Screen; and pay-TV operator Sky Vision and its subsidiaries Blast! Films and Love Productions) plus some consolidated clusters and super-indies and their subsidiaries (for example, Endemol Shine and its subsidiary Kudos; and All3Media and its subsidiary Lion; and Tinopolis and its subsidiary Firecracker; and Sony Pictures Television and its subsidiary Left Bank). In this chapter particular attention is paid to 'super-indies' such as All3Media and Endemol Shine whose inter-connected and complex organizational forms, through providing a range of advantages that contribute to the sustainability of the entity as a whole, have contributed to a perception that such entities now represent successfully functioning corporate 'ecosystems' (Graboff, cited in Clarke, 2017).

Findings of the wider UK Economic & Social Research Council-funded study of which this is a part, which are concerned with recent transformations in ownership across the television production industry and implications for business, content and policy-making, are reported in full elsewhere (Doyle, 2019; Doyle and Barr, 2019; Doyle, Paterson and Barr, 2021). In this chapter, the specific focus is on how, as part of adapting to the challenges of a more competitive and globalized business environment, firms in the television production sector are increasingly adopting forms based around ownership of portfolios of production 'labels', international networks of subsidiaries and of (vertically) complementary competencies which facilitate mutually beneficial exchange and can be reconfigured around emergent needs. Through takeovers and consolidation, the emergence of enlarged production entities characterized by numerous interdependent in-house operating subsidiaries has resulted in business organizations that, to some extent at least, can be seen as ecosystems in their own right. To that extent, it will be argued that the biological metaphor of 'ecosystems' has become increasingly pertinent to organizations that predominate in this sector.

Ecosystems – an expedient metaphor

The term 'ecosystems' has been used with increasing regularity in recent years in reference business environments, in particular the digital business environment (Corallo, Passiante and Prencipe, 2017). Ecosystems usually connote systems or communities of actors or stakeholders that operate in ways that are inter-connected, co-operative and inter-dependent. The notion of an inter-connected business environment has become more relevant because of the rise of digital networks (Valdez-De-Leon, 2019). Some studies have highlighted how the ecosystem concept is especially relevant in creative industries where collaboration and co-creation are routine aspects of the environment (Galateanu and Avasilcai, 2017). Others have analyzed use of the concept in the context of media, noting how the idea of ecosystems is often closely associated with 'fast-changing' environments and with platformization of markets (Kostovska, Raats, Donders and Ballon, 2021).

Although the concept of an ecosystem has been around for many years it lacks a clear definition. As Kostovska et al (2021) argue, ecosystem is 'a widespread yet ambiguous concept'. For one of the pioneers of analysis of business as ecosystems, James Moore, the term business ecosystem refers to 'intentional communities of economic actors whose individual business activities share in some large measure the fate of the whole community' (Moore,

2006: 37). Iansiti and Levien (2004: 35) place emphasis on fragmentation, interconnectedness, cooperation and competition as features of business ecosystems. For Peltoniemi and Vuori (2004: 2) typical features include 'self-organization, emergence, co-evolution, emergence, and adaptation'. In short, business ecosystems are generally thought to involve multiple inter-dependent actors, interacting and cooperating in ways that sustain the common whole.

As far as individual organizations are concerned, Iansiti and Levien (2004) identify a number of different sorts of roles that companies can play within business ecosystems, for example as 'keystones' or else as niche players. However, this chapter argues that, because of the increasing scale and complexity of some emergent organizations, the metaphor of the ecosystem can usefully be applied to the organization itself as an entity rather than merely to the environment within which it is a stakeholder. This chapter therefore builds on earlier research which has highlighted how ecosystem (as opposed to more traditional hierarchical) organizational forms have become more fitting as firms seek to master the challenges of the digital business environment (Moore, 2006: 34).

The ecosystem metaphor does *not* in all ways stretch easily to organizations. Organizations, unlike biological ecosystem, do not form 'naturally' or spontaneously. The general assumption, based on systems theory and complexity, that ecosystems are self-organizing (Mitleton-Kelly, 2003) clearly does not apply since, typically, organization are purposively directed and managed, often with centralized structures. On the other hand, to the extent that some emergent organizations are complex, adaptive systems made up a myriad of interconnected operating subsidiaries, interdependent and co-evolving, then use of the ecosystem concept may potentially offer valuable managerial insights.

Re-configuring through Merger & Acquisition (M&A) Activity

The relevance of the ecosystem concept, when it comes to the television production sector, stems from relationship between acquisition strategies, corporate re-configuration and enhanced business performance on the part of enlarged, diversified companies with multiple subsidiaries across a range of international territories such as, for example, Endemol Shine and All3Media. As Küng has argued, recent changes in organizational forms in the media underline links between 'the environment, strategy and structure' (Küng, 2017: 173). When the specific motives that have encouraged recent waves of M&A activity in the television production sector are examined, what emerges is that ownership of a collection of subsidiary operations – operations that, in some ways at least, exchange, interact and/or function inter-dependently as an ecosystem – reduces risks and strengthens the business performance and economic sustainability of parent organizations in the television production sector. Evidence gathered through interviews with leading executives across the television production industry confirms that the configuration of a production company – i.e. its scale, vertical structure and form and whether its activities are domestic or transnational – exerts a major influence over its business performance.

Scale, Diversification and Risk Management

The benefits of re-configuring the organization through making corporate acquisitions – for example, buying up additional production subsidiaries that add to the mix - often relate to the scale of operations of large television production companies. Larger production firms and consolidated 'super-indies' tend to benefit from economies of scale in production, greater financial clout and their ability to spread risk.

It is widely recognized that television production is a risky and unpredictable business and therefore one of the main advantages of expansion through making acquisitions is risk mitigation. Owning several companies allows for cross-subsidization and smoothing out of the overall financial performance of the group over time, allowing for better planning. As the

Group Creative Director at parent company Tinopolis (an international production and distribution group with a portfolio spanning 13 content production subsidiaries) put it, a significant advantage of greater scale through cross-ownership of several productions subsidiaries is that the:

> peaks and troughs which are inevitable in TV production can be evened out so that if one of the major companies is having a bad time… someone else is doing well … it enables you to not panic about it, in a short term way, but actually take a slightly longer view
>
> (Willis, Interview, London, May 2018)

A major advantage of cross owning a portfolio of several different production companies or 'labels' is clearly that it helps to spread risk. Owning a range of production companies that specialize in differing genres of output (e.g. drama, factual entertainment etc.) helps guard against the risk of unexpected downturns in the popularity of one or other type of program. According to the Chief Executive Officer (CEO) at All3Media (a super-indie comprising 24 production companies in the UK and around the world plus distribution interests) having a balanced mix in terms of genres is 'a huge positive' and so her company's strategy over recent years has been to buy up additional 'very good scripted businesses' to ensure a suitable balance 'between scripted and non-scripted' (or non-fiction) in the parent company's portfolio (Turton, Interview, London, July 2018).

Another reason why parent companies are keen to reconfigure through buying up numerous production subsidiaries is because a mixed portfolio is conducive to creative replenishment. Owning a range of production companies helps to ensure access, somewhere within the organization, to the best talent across each genre. According to the Managing Director (MD) of Avalon, one of the few remaining sizeable and successful independent production companies in the UK, creative renewal has been a key motive driving acquisitions:

> big entertainment organizations find it hard to have interesting ideas. And so they pay what appear to be high multiples because they believe they're buying a future idea that will turn their business
>
> (Thoday, interview, London, March 2019)

Likewise, for the Co-CEO of Expectation Entertainment and former Chief Executive of Endemol UK (now part of Endemol Shine which, in turn, is now owned by Banijay) consolidated cross-ownership of a large portfolio of production subsidiaries helps defend the company against risk and, through supporting creative renewal and replenishing IPRs, it increases the 'chances of the next hit coming from your company' (Hincks, Interview, London, July 2018). The former chief executive of drama producer Kudos, a subsidiary of Endemol Shine, argues that, because 'there is a limit' to how much any individual production subsidiary or label can grow, ownership of a whole portfolio is the only way to achieve sustained growth for the organization as a whole (Featherstone, Interview, London, April 2019)

As the CEO of All3Media put it, building scale through ownership of a broad and balanced portfolio of outputs and production subsidiaries is central to the strength and sustainability of any television production business:

> [Scale] makes you more resilient. Your broader portfolio which you will tend to have in a bigger business means that if you lose a piece of IP or a commission or a piece of talent, you can bounce back because you have other things that pay the bills. So, to an

> extent it is about risk management spread over a broader portfolio of people and programs. And it is definitely helpful being bigger in that respect. It just simply makes you more resilient.
>
> (Turton, Interview, London, July 2018)

One of the principal sources of advantage for a consolidated super-indie is that, thanks to its secure financial position, it can provide each of its production subsidiaries with funding to finance development of new shows. According to the MD of production company Wonderhood Studios who previously worked in corporate finance at Grant Thornton and was a founding member of investment bank About Corporate Finance (ACF), advising in numerous M&A transactions in the production sector, because access to financing is relatively difficult for smaller independent production companies, the ability to deficit finance development and production is an important benefit for companies that form part of an enlarged organizational entity (Dosani, Interview, London, January 2019). The view that, in a business environment characterized by uncertainty, production labels benefit from the financial security of having a well-resourced parent and this helps with making more ambitious content is widely corroborated by producers. The Head of Business Affairs at drama production company Mammoth Screen, which is owned by ITV, says that 'one of the big attractions to having an acquirer … was having a pot of money to develop our own projects (Penny, Interview, London, January 2019). According to the Senior Business and Legal Affairs Manager at drama producer Left Bank Pictures which was bought by Sony Pictures TV International, when 'you have the backing of a large corporation that gives you a bit more clout [and] security. It gives you the ability to run at some big projects without too much concern' (Goldberg, Interview, London, November 2018). For the former President of the acquisitive Endemol Shine Group, aggregated ownership fosters success by facilitating the position of individual subsidiaries through:

> providing a cushion, because ultimately you're not looking at survival on a daily basis… [and] you might get some leverage through existing relationships …You will get more investment and be able to take more risks in your ideas.
>
> (Hincks, Interview, London, July 2018)

The configuration adopted by larger production firms and consolidated super-indies who typically own several subsidiaries means that they enjoy a range of advantages which stem not only from economies of scale, risk spreading, knowledge sharing and opportunities for creative renewal but also from being able to deficit-finance production, build up substantial library of IPRs and acquire the status of being important suppliers in the television industry with associated negotiating leverage (Doyle, Paterson and Barr, 2021).

Vertical Integration

Setting aside advantages related to scale, acquisitions in the television production sector are frequently motivated by strategic motives related to the desirability of a vertically integrated structure. Content service providers and distributors need secure access to good content while content-makers need access to markets. For broadcasters who are faced with increasing competition from digital rivals and from subscription video-on-demand (SVoD) services such as Netflix, vertical expansion upstream into television content creation makes great strategic sense (Esser, 2016). Consequently, many, including the US major networks, have become 'laser focused' on the need to acquire ownership of content production and IPRs in order to sustain 'maximum control over multiplatform distribution' (Littleton, 2016: 42).

Broadcasters are generally keen to increase levels of control over supplies of content and, in the UK, that has motivated free-to-air broadcaster ITV and UK-based pay-TV platform Sky to acquire numerous independent production companies over recent years (Davies, 2016). Control over content production is needed not just to service the needs of their own channels but also in order to keep that content away from rivals such as Netflix as Director of Television at ITV, explains:

> the way we looked at it was, in a perfect world …you want to own the content that you're commissioning. And from the moment you commission this programme through to the end of its life you want to be continuing to earn off that intellectual property…
>
> And for the parent company ITV, almost as important as the money – though probably not as important – is the control that you have over it. So the broadcaster can say, "Right, I don't want this appearing on another channel for x years." Whereas if you're dealing with an independent, that's a negotiation.
>
> (Lygo, Interview, London, December 2018)

While ITV's strategy of acquiring independent production companies has been driven at least partly by a wish to diversify revenues away from television advertising which is in decline, and partly by concerns about ensuring future access to a pipeline of content for its own channels, a very different set of motives has guided acquisitions of 'indies' at UK pay-TV rival Sky. The Managing Director at Sky's international distribution business Sky Vision, which has conducted a series of acquisitions, explains that the aim has been to develop a business model based on ownership and exploitation of content rights (Millichip, Interview, London, December 2018). Investment in a number of IPR-generating production companies such as Love Productions and Blast! Films has enabled Sky to build the success of its international distribution business.

The need for content that can be fed into the distribution arm of the business is frequently the main motive underlying acquisitions of independent production companies by consolidated 'super-indies' or larger television groups. Acquisitions have been driven by the ambition of vertically integrated distributor-producers 'trying to move up the value chain so that you keep as much of the value of the intellectual property (IP) that has been created as you possibly can' (Hincks, Interview, London, July 2018). An experienced corporate financier sums up the strategic coherence of cross-ownership of distribution plus a range of IPR-generating production companies as follows:

> The big groups, the consolidators, have certainly seen [acquisitions of indies] as strategic because the way they have typically operated is that they have a distribution business in the middle. Like, All3Media has something called All3Media International. And the job of All3Media International is to take the content or the IP which is owned by that group and sell it around the world. And so if you've got that in the middle - if you can buy independent companies who are effectively feeding content to the centre and then the centre is selling all around the world - that's where they see it as a sort of a '2 plus 2 makes 5'.
>
> (Dosani, Interview, London, January 2019).

The CEO of super-indie All3Media also confirms that a key motive for building scale through acquisition of new production subsidiaries is to 'replenish the IP catalogue' which feeds through to the international distribution business (Turton, Interview, London, July 2018). According to the Head of Acquisitions at Endemol Shine International, 'the free market for IP

…is very small' and, since 'you need a large amount of content to drive your distribution machine', ownership of production companies is very helpful:

> You need to own that supply chain and that's what it's about. Owning those companies is just filling your [distribution] pipeline at lower risk
>
> (Cox, Interview, London, May 2018)

Internationalization

One of the major forces propelling M&A activity in the television industry over recent has been pursuit of value through marrying IPR generation with increasing opportunities for distribution across international territories. This has fueled strategies of vertical and horizontal expansion at a transnational level amongst leading super-indies in recent years (Esser, 2016). 'Having a ready-made network' in-house which facilitates international distribution of hit shows is a major source of advantage, according to the former CEO of Endemol UK and producer of many internationally successful formats including Big Brother (Bazalgette, Interview, London, April 2019). The strategic complementarity between IPR generation and international distribution explains why, at the BBC, it has been the corporation's international distribution arm which has led on acquisitions of independent television production companies over recent years. According to the CEO of investment bank ACF which specializes in buying and selling production companies, there are major business advantages for television production conglomerates that consist of both a cluster of production subsidiaries plus a well-developed in-house international distribution arm:

> If you've now got a big international distribution team, you're going to be invited along to the fairs; you're going to go to MIPCOM and MIPTV; they're going to push your content into international markets and hopefully you're going to get access to more international markets through the [group's] network. So [for production subsidiaries] there's definitely going to be an increase in exposure on the international front.
>
> (Dey, Interview, Edinburgh/LA, February 2019)

Clearly, a vertically integrated structure facilitates more effective exploitation of IPRs but an organizational form that promotes cooperation and exchange between international subsidiaries brings additional advantages through, for example, sharing market intelligence across what Dey refers to as the group's 'network'. Being part of a global production entity brings useful insights and market intelligence, for example, about what sort of content is in development and in demand across the globe. The findings of our research underline the significance of knowledge as a source of competitive advantage for media organizations. They also corroborate other recent studies which suggest that the formation of transnational conglomerates in the television production sector is propelled by 'pursuit of profitable, reproducible practices and IPRs' (Van Kuelen, Bauwens and Krijnen, 2019: 14).

From Organisational Configuration to Ecosystem

When, in 2017, super-indie All3Media announced the acquisition of two new production subsidiaries from Discovery, the latter's Head of Global Business & Legal Affairs went on to say that the deal made sense because All3Media's 'dynamic and creative ecosystem' was 'the best environment in which to nurture further growth and success' for the two newly acquired companies, Raw and Betty (Graboff, cited in Clarke, 2017). His use of this metaphor underlines how, on account of their growing scale and complexity, some consolidated television production groups or super-indies are now regarded as 'ecosystems' and their capacity to function as ecosystems helps to sustain their success and competitiveness.

As the evidence presented briefly in this chapter shows, the motives which have driven strategies of acquisition and re-configurations of ownership in the television production sector over recent years are centred around three potential sources of strategic and economic advantage: scale, vertical structure and international reach. These findings are analyzed in further depth and detail elsewhere (Doyle, Paterson and Barr, 2021). But the key point here is that recent acquisition strategies have been predicated on a general understanding across the sector and amongst investment specialists that, in the digital era, organizational forms which, akin to ecosystems, offer environments that foster interaction, co-dependence, coopetition and exchange between subsidiaries and across networks, are a source of competitive advantage.

Many takeovers of UK independent companies have been driven by the aspirations of ambitious production entities whose aim is to become consolidated super-indies that can harness and exploit advantages of scale while, at the same, offering an environment in which interaction amongst and between differing labels and the wider commissioning environment enables such advantages as information sharing and spreading of risks. In a number of cases the chief motive for making acquisitions has been vertical integration, bringing together within the ecosystem of the enlarged group subsidiary operations (for example, in content-making plus broadcasting, or, content-making plus distribution) that are not only complementary but also highly inter-dependent. Takeovers in the television production sector have also been driven by the strategic aim of bringing together networks of subsidiaries across a range of international territories, extending both vertical and global reach.

Some management theorists have argued that, with the emergence of digital platforms and businesses such as Alibaba whose aim, very explicitly, is to be an 'ecosystem', the framework for understanding value creation in the modern industrial era ought to move 'from value chains to digital ecosystems' (Valdez-de-Leon, 2019: 43). Few if any television companies have corporate mission statements that explicitly specify the ambition of becoming an ecosystem. However, as the findings presented above show, it remains that recent strategies of acquisition and of reconfiguration of ownership in the television production sector have resulted in the formation of organizational entities which exhibit features commonly associated with ecosystems.

Many consolidated super-indies – for example All3Media, Endemol Shine or Tinopolis - are comprised of a complex network of subsidiary companies whose connections to one another and to their wider environment and whose propensities to interact and exchange provide a range of benefits to the overall corporate entity that promote competitiveness, success and economic sustainability. The reason why television production entities are reconfiguring is at least partly explained by the insight, first formalized by economist Ronald Coase (1937), that integrating transactions within the firm can be less costly and risky than leaving them to the marketplace. So, although the explanatory power of traditional theories governing propensities towards acquisition and consolidation – such as, in economics, in the domain of industrial organization (Coase, 1937; McEachern, 2010; Williamson and Winter, 1993) or, in media analysis, global value chains (Chalaby, 2016; 2019; Evens and Donders, 2018) – is still as important as ever in understanding media corporate strategies, notions of the 'ecosystem' – of organizational configurations that entail inter-connected and inter-dependent networks operating components – also offer a framework which is potentially of value in the digital era in understanding how media companies vie for dominance.

Kostovska et al argue that 'compared to business ecosystems, media ecosystems often are much more deeply embedded in national boundaries and affected by governments' regulations and interventions' (Kostovska, Raats, Donders and Ballon, 2021). However, this is not true for the television production sector where ecosystems typically extend beyond national boundaries and indeed, a major part of their raison d'être is to facilitate cross-border exchanges of knowledge and strategies of globalized distribution. Historically, theorization around

multinational enterprises tended to focus on transaction costs (McManus, 1972; Buckley and Casson, 1976) but more recent theoretical work has emphasized the role of networks and global value chains. In the context of television production, consolidated production groups who form into international networks that enable components to work 'closely together' and foster interdependencies and knowledge flows will enjoy enhanced creativity and profitability (van Keulen, Bauwens and Krijnen, 2020).

Findings presented here point to the many ways that expansionist strategies can strengthen the business performance of enlarged television production entities. One inevitable corollary is that companies that choose to remain as small stand-alone or independent operations and that forego the benefits enjoyed by rivals that are integrated within consolidated super-groups are likely to find themselves at a disadvantage. At a time when the performance of creative enterprises is something that most Governments around the globe are very sensitively attuned to, any potential impediment to the development of independent creative producers is liable to warrant attention (CBI, 2019). For example in the UK a recent report by the department of Trade & Investment (UKTI) highlighted as a problem the fact that creative businesses which achieve early success are frequently bought up by international players and that local companies find it difficult to scale up and remain independent (Create UK, 2014). Are the advantages that accrue to enlarged groups in the television production sector so great as to suggest that, outside of the 'ecosystems' provided by entities such as All3Media and Endemol Shine, survival for independent producers is impossible?

Our empirical findings, in line with earlier studies (Oliver & Ohlbaum, 2015: 59), clearly suggest that consolidated conglomerates or so-called 'super-indies' enjoy substantial advantages. However, it cannot be assumed that scale in the production sector always confers advantages (Bourreau, Gensollen and Perani, 2002). North and Oliver have argued that, whereas both larger sized 'super-indies' who have 'scale and financial resources' and small niche players who are 'streamlined enough' to eke out a living from a handful of commissions are well placed for survival, it is medium-sized television production companies in the UK that are likely to struggle for a living in an increasingly competitive landscape (North and Oliver, 2010: 35).

Most production executives who participated in our research took the view that, despite the many advantages associated with being part of a larger group, television production is an activity in which small niche players can survive well. The concept of a minimum efficient scale or MES (the lowest output level necessary in any given sector to achieve all the economies of scale required in order to operate efficiently) does not apply to the television production sector (Doyle, Paterson and Barr, 2021) and survival outside of a corporate 'ecosystem' for producers who are genuinely independent is entirely feasible.

This is partly because, as earlier research about creative industries has noted, 'the conception stage of texts remains small scale and relatively inexpensive' this facilitates the continued presence of small companies, even as large corporations become more dominant (Hesmondhalgh, 2013: 209). As the Head of Business Affairs at Mammoth Screen points out, when it comes to television production 'the barriers to entry are not that high and, while some companies disappear or wither, you're constantly kept on your feet [by the arrival of new start-ups]' (Penny, Interview, London, January 2019). The President of International Production at Sony Pictures Television (SPTV), points to the distinction between 'lifestyle' and 'business' orientated production companies or small companies that 'treasure their independence and want to do one or two projects a year' versus companies that are 'ambitious for scale' and therefore 'have to part of a bigger organization', noting that both approaches work 'absolutely fine' (Garvie, Interview, London, May 2018). The Senior Business and Legal Affairs Manager at Sony subsidiary Left Bank Pictures agrees that it is feasible for small and low-cost 'production companies that consist of a handful of people' can operate successfully on a

commercial basis (Goldberg, Interview, London, November 2018). Despite the many advantages enjoyed by large scale consolidated television production entities, there is plentiful evidence that this sector remains open to market entry by new firms (Ofcom, 2019; Oliver & Ohlbaum, 2019) and therefore to new voices and to creative renewal.

However, as Lee has observed, setting aside 'high-profile commercial success stories among the 'super-indies' and 'mega-indies'' (Lee, 2018: 43), it remains that many smaller indies struggle for financial survival. What is clear is that an 'unlevel playing field' exists between production companies that, as part of enlarged entities, enjoy advantages when it comes to financing, distribution, access to international markets, information etc. versus small indies. For example, for indies, it is much more challenging than it is for competitors who are part of a sizeable, well-connected network of companies to acquire knowledge about the pricing of content that can inform and strengthen their negotiating positions in commissioning deals. So production companies that, as a result of being acquired, become part of a symbiotic in-house ecosystem are likely to benefit through informational asymmetries stemming from their superior market knowledge as well as host of other benefits (Doyle, Paterson and Barr, 2021). This finding is in line with earlier research which has pointed to the growing significance of information, knowledge and capacity for learning as sources of organizational advantage (Barney, 2000; Namada, 2018).

As suggested by Kostovska et al, 'the ecosystem concept is of increasing interest among media management and media economics' researchers (Kostovska, Raats, Donders and Ballon, 2021). Whereas earlier theorization in the realm of digital business ecosystems is generally based on the idea of the business environment as an ecosystem and of the ecosystem encompassing a set of external actors that contribute to the focal firm's value proposition (Kapoor, 2018), this chapter argues that the ecosystem concept may also be usefully applied to the individual media firm and to the set of actors encompassed within the firm. Through takeovers and consolidation, the emergence of enlarged and complex television production entities characterized by myriads of interdependent in-house operating subsidiaries has resulted in organizations that can be seen as ecosystems in their own right. In much the same ways as digital platform ecosystems constituting 'meta-organizations' operate within much wider digital ecosystems (Rietveld and Schilling, 2020), enlarged production entities may also be conceived of as, in a sense, ecosystems within ecosystems. Consolidated production groups, parent companies and constituent subsidiaries alike attest to important advantages conferred by being part of an enlarged and connected whole, particularly in the context of a digital multi-platform distribution environment. The implication is that one of the reasons why ownership configuration is an influential determinant of performance is because the strategies, cost-efficiencies, exchanges and interactions made possible through being part of an internal organizational ecosystem are highly conducive to business success in the digital era.

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