

Creative Commons Toolkit for Business

The 6 Benefits Explained in Detail

CC licenses can actually improve a company's business model by:

1. Reduce production costs

By using the available CC licensed works, you can significantly reduce the investment your company needs to do when launching a new product or service in the market.

Imagine you have a new product you are about to launch. Everything is ready but you need an appealing image to include. You are a startup or this is an innovative project and you are not so sure of its impact, and don't have enough money to cover the costs of hiring a professional service. By using CC licensed works (design, photography, film, music...), made available by a generous community of authors, you can produce effective materials without making huge investments. This can apply to many situations like product design and communication or even product development (namely, if you work in the creative sector).

The only disadvantage to this is, of course, one might find other products/ companies using the same CC licensed works to develop their own materials. But creativity is an infinite resource! It's up to each one to make the best use from it.

CC will always recommends companies to hire the many great creative professionals and/or companies that can develop solutions specially tailored to each one's particular needs. Until then, CC licensed works might be just the best option. And maybe (probably!), in the future, because you will have loved so much the CC work you once used when you most needed, you will come back to its author and hire his/ her specialized services directly!

This is not only true for a specific company or project but also (and maybe even especially) when producing collaboratively with others (through open innovation processes).

2. Reduce transaction costs and legal uncertainty

Standardized contracts are one means of reducing transaction costs and legal uncertainty often associated with copyright licensing.

Many of you who have ever tried to use copyrighted works owned by third parties are aware of how burdensome can the rights clearance process be. Authors and owners sometimes are difficult to locate; other times they are not interested in entering into negotiations; the terms and conditions imposed can also make it impossible for you to get a deal; finally, even you do reach an agreement, if you don't hire a specialized lawyer to draft the contract, you'll probably be at risk of not getting all the rights you need to proceed with the intended use.

Creative Commons has been working for more than 10 years with lawyers from all over the world so that its standardized license suite works in every single of the 70 jurisdictions where it is represented by affiliates. CC licenses are probably the free standardized copyright licenses with the highest global reach. CC licenses are currently used by millions of people and businesses, including by some of the biggest institutions in the world. And the few cases where the licenses have been challenged in court, they have been considered valid.

CC licenses can therefore be an effective means to help you reduce the costs of the transactions which would otherwise be necessary every time you would want to use and reuse a certain music, image or video in your business activity.

3. Increase access to innovation and reduce marketing costs

Using CC licenses on the content you produce and making it available to your target audience can reveal to be a very interesting way of doing market tests before you actually release the final product, allowing you to improve it while maximizing your future benefits and often reducing your innovation and marketing costs.

By doing so, you are allowing your potential clients (and partners) to actually try your product beforehand and give you feedback about it. This open innovation process is an excellent way to catch the attention of those early adopters that can actually influence the market you have targeted. On the other hand, by releasing and allowing them to reuse and readapt your product you can engage them in your product development process and make them as enthusiastic about it as you are. Because,

after all, they've become partners of a collaborative innovation process. And you might have just found the international R&D+i team you could have never afforded!

Make good use of that collaboration and ask them to not only send you feedback but also write reviews that you can publish in your promotional materials. If the product succeeds, they will probably be happy to share that success with their circles. This is the best marketing you could ever wish for!

Make sure you don't forget how important they were in the process and how much they've helped you create value, when you thought it was just a crazy idea. ;)

4. Increase first mover advantage

Intellectual property (IP) is a well-known barrier to market entry. In Economics, IP is regarded as a tool to prevent potential entrants to gain access to markets and thus compete with the dominant installed companies. This can happen in two ways:

- on one hand, it prevents you from openly using goods that are under IP protection and should be available to anyone (particularly, those that benefited from public funding to exist) and,
- on the other hand, it sometimes prevents your own creative/ innovative products to enter the market as it is often too expensive to protect them (and keep them protected!).

By licensing your own works under CC, you will be not only accelerating your access to the market and, thus, increase your chances to gain an interesting market share, but also raising awareness by adopting a more sustainable attitude and building a following which can continue to be used and expanded on an ongoing basis, not just at the front end.

If your product is really innovative this might mean you will have established a first mover advantage. This means that, while your competitors are still thinking of ways to copy your product, you will already be in a comfortable position to continue innovating and eventually making it ever more difficult for them to catch your pace.

On the other hand, by adopting CC licenses, you make sure that your work circulates more freely and, thus, becomes more accessible to your potential clients. This, of course, implies that you have developed an interesting business model around it.

For example, if you work in the creative sector this applies directly to your value proposition and you can always design different packages for your products: the more you use CC licensed works to develop them the lower the price you can apply to them (and attract new clients)! On the other hand (and once you caught your segment's attention), the more you tailor your product (and the more effort you put into it), the more your clients will be willing to pay for it.

As we've also seen, licensing work under CC and rapidly accessing the market can be used as a tool to test your potential clients and get precious feedback that will allow you to improve your product/ service in the future.

Again, this is, more evident for creative companies or professionals such as designers, architects, film producers, composers, performers, etc. But it is also true for any other industry (e.g.: IT)! Every company or independent professional develops creative work. And today even more: if you have the will to be innovative and sustainable in today's competitive global market, creativity is the key to success. CC licenses might just be the best way into it. You just need to be as creative when designing your business model as when designing your product/ service!

5. Increase "opportunity benefits" and build a reputation

You've probably heard about "opportunity costs" which mean that, whenever you make a choice there is a cost for not having taken the benefit of your second best choice.

When you use a CC license in a product, you will face an opportunity cost, of course, but you will also increase your chances to enjoy an opportunity benefit, i.e., the benefits you will have for not having decided otherwise. This means that, by making your product available for others to reuse, readapt and share you might be surprised by unexpected returns you would have otherwise never even guess, namely, the opportunity to find partners around the world that will invite you to develop other exciting projects.

Some of the CC licenses open up the possibility of forming a collaborative, distributed innovation network that can include fellow creators, end users, customers and partners who make improvements to the actual design or functionality of your product which can become integrated and core to its use going forwarded or can extend the core product in some way through add-ons.

Besides, when you mark a work with a CC license, you are also building a reputation: you are showing the public that you are broadly interested in collaboration and interaction — even outside the context of the CC license. That is to say that the use of CC is not only valuable from the perspective of its proven legal utility as a copyright license, it's also shorthand for "we get the Internet, we're on the right side of this debate, and we want our users/ clients to know that we see them as partners/collaborators." - your company becomes a fundamental knot of the world wide web.

6. Promote sustainability

The use of CC licenses or CC licensed work in projects sends a message to the public that your company is socially responsible and is working towards generating revenue but also in making sure that everyone can improve and benefit from the work that you have been developing, in many different ways.

The use of CC licenses, by placing your company in a network of collaborative clients, partners and suppliers, allows it to keep a light structure, reducing costs by only using the resources that are really essential to your business. You are also making sure that others get the chance to develop new business models, create new products and services and generate new jobs and revenue streams.

The use of CC licenses in businesses is a way to promote a network of sustainable open small and medium enterprises (SMEs) as opposed to a market ran by closed large corporations which, by creating global monopolies based on artificial scarcity, tend to leave so many users, workers and entrepreneurs aside.

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