



Inspired by Talent. Viewed Everywhere.

NOTES FOR AN ADDRESS BY
MICHEL ROY,
CHAIR OF THE BOARD

DELIVERED AT THE 2015 ANNUAL CONVENTION OF
L'ASSOCIATION QUÉBÉCOISE DE LA PRODUCTION MÉDIATIQUE

Theme

Reinventing our industry... Creating, producing and broadcasting for all screens

Thursday, May 7, 2015
FAIRMOUNT LE CHÂTEAU MONTEBELLO
MONTEBELLO, QUÉBEC

CHECK AGAINST DELIVERY

(1. Intro)

Ladies and Gentlemen, dear friends.

Exactly six years ago, I spoke to your organization when you were called *l'Association des producteurs de film et de télévision du Québec*. You subsequently changed your name to reflect your industry's new realities.

I delivered my remarks at your annual convention in May 2009, not far from here, in a city, Gatineau, that had only been known as Gatineau for seven years.

At the time, a lot of things had changed or were about to change.

This was a time when Telefilm Canada's discourse, although well-crafted, was sorely lacking in substance owing to the fact we didn't have a very clear vision of the future.

It was also a time when we focused exclusively on box-office performance to assess the films we funded. It goes without saying that market share for these films was well below the targets we set.

But the world was changing and we needed to change as well. We needed to change in a hurry.

The following year (2010) was an important one for Telefilm. First, the Board prepared a new corporate plan covering the period from 2011 to 2015 that set out the main lines of Telefilm's vision for the future. Then we engaged the services of a new executive director, Carolle Brabant, who helped us develop the corporate plan and who would, in the following years, implement it.

When the plan was launched, I chose the title *Dare to Change* for my remarks. A self-evident title, I think!

(2. The "Dare to Change" years)

"Dare to Change" was more than a tag line, or a slogan. It was a response to a state of things that forced us to ask fundamental questions about ourselves.

I mentioned earlier that our market share, based exclusively on box-office performance, was well below our target.

But when we looked at things a little more closely, we realized that box-office numbers accounted for only 20% of revenues across the country. Overall, we failed to take account of more than 80% of the total commercial value of our movies. In English Canada especially, box-office earnings accounted for only 8% of producers' gross revenues. And to think that we used box-office alone as an indicator of a movie's success!

Not only did this measurement fail to meet its target, but I don't think I'd be exaggerating if I said that it forced us into a "defeatist" mindset.

And the appearance of new distribution platforms only heightened this tendency. At the time, this was only a trend. But the trend increasingly gathered momentum in the years that followed. Last year, for example, movie theatres accounted for only 14% of overall sales.

I'm sure you've heard about the movie *Corner Gas*. It took in 700 000 dollars at the box office on its opening weekend. That was pretty good...

But when you look at all the viewing platforms the movie was screened on, you realize that seven million Canadians saw *Corner Gas*—in movie theatres, on TV and online. That’s a stunning one out of five Canadians! [Introduces Virginia Thompson]

Corner Gas, like *Aurélie Laflamme — Les pieds sur terre*, which has just opened in theatres, benefited from a dedicated fan base. Building a personalized relationship with fans, having conversations with them—before, during and after the production stage—is now a key part of a winning marketing strategy. That’s the new reality.

We absolutely had to *dare to change!*

Change, of course, to measure success in a fair and comprehensive manner. But especially, change to better highlight the excellence of our cinema.

The first initiatives we took involved meeting with you, members of Canada’s great audiovisual-production family. These consultations helped us to build our strategic plan, which focused on four well-defined roles for Telefilm:

1. A role as investor in feature film;
2. A role as promoter of the audiovisual industry and its talent at home and abroad;
3. A role as thought leader for the industry, which needed cutting-edge market intelligence to take advantage of new business opportunities; and, finally,
4. A role as an administrator of public and private funds whose total value, if we include the funding programs we manage for the Canada Media Fund, now stands at more than 450 million dollars a year.

On this last point, our management expenses continue to represent less than 6% of our budgets—5.3% for 2014-2015—something we're very proud of. And when we do generate additional savings, we put those savings right back into program funding.

We undertook these roles with much resolve and purpose and, may I say, with a lot of enthusiasm! Enthusiasm, because we knew that this country had talent. A lot of talent!

And so we changed.

We changed our programs. Streamlined our processes. Shortened our decision turnaround times.

We launched new initiatives, such as the Success Index, an essential tool for more accurately measuring the success of your productions. And the Micro-Budget Production Program, aimed at emerging filmmakers.

In terms of promotion, we've really shifted into high gear in all regions of the country and on the international scene.

Daring to change also meant thinking about how productions are funded.

With production costs rising all the time, and with public funding sometimes accounting for 75% of budgets, we needed to seriously consider looking at other sources of funding.

(3. Changes in the period 2010-2015)

With respect to funding, the biggest change has certainly been the Talent Fund, which Telefilm set up. Today, the Fund means a guaranteed injection of more than 15 million dollars, especially in our industry's emerging talent.

It's a new vehicle that allows private donors to channel their financial support into your projects.

Yes, we've changed. But you've also changed a lot... and in only five years!

Canada and Quebec's profile on the international film scene has never been higher than it is today. More and more, we're being seen as a country that produces talent.

We saw evidence of this again at MIPTV 2015, where innovative 3D cinematic virtual reality content stole the show. We're also looking forward to the major TV series *Versailles*, commissioned by Canal+. It's a coproduction between Montreal company Incendo (owned by Jean Bureau) with European companies Capa Drama and Zodiak Fiction.

And for a second year running, a Quebec filmmaker is in competition at Cannes for the Palme d'or. So we say, "Break a leg, Denis Villeneuve," and congratulations to Xavier Dolan, who is going back to Cannes in a big way this year as a member of the jury.

With their works winning more and more international awards around the world, our directors, producers and actors are being courted by the world's most renowned filmmakers.

(4. The world has also changed)

Yes, we've changed.

Yes, you've changed.

But look out, the world is still changing!

Audiences are consuming content in a different way. This is an era where everything is available instantly and on demand.

Technology has opened up new ways of watching content. It's no longer a question of the big screen, but of five different screens: movie theatres, TV, tablets, smartphones and personal computers.

Technology isn't the only force that's altering the landscape.

New players are making their mark.

We're no longer talking about changes from year to year. It's now week to week, not to say day to day.

These new players don't simply want to enter the market. They're coming in with new business models.

Indeed, they're entering into several different markets by offering your stories to their customers.

That's good news. There's never been a better opportunity than there is today for audiences to watch your works. And it's happening on a global scale.

What else do we need to change to succeed in this ever-evolving environment?

Well, we need to work together to be stronger.

We need to adapt to this New World. On a week-to-week basis.

We need to continue producing outstanding stories.

We need to be smarter about how we connect with audiences.

We need to be more effective when it comes to funding our productions.

We need to do more promotion at home and elsewhere.

And finally, we need to refine the way we think about and assess our industry, which isn't just a business but a cultural and social force as well. It's also a global ambassador for the uniquely Canadian reality.

(5. 2015-2018 corporate plan)

These are the realities targeted by our new strategic plan for 2015 to 2018, which we released last month. We've titled this plan *Inspired by Talent. Viewed Everywhere*.

Of course, this plan builds on the approach we've taken since 2010, since we *Dared to Change*.

But the overriding idea for the next three years is our determination to focus all our efforts toward building audiences.

And we'll achieve this together.

We will try to align everything we do at Telefilm to the goal of knowing and understanding our audiences and to the new ways they consume audiovisual entertainment content, both in Canada and elsewhere around the world.

This means that we will scrutinize consumer needs and tastes more closely.

We will take an active interest in new distribution models.

We'll cast an analytical eye on the market and on the changes it's undergoing. We'll bring in or create our own relevant performance measurements, particularly those that apply to the viewing of content.

We know that most movie viewing is done via TV—indeed, more than 90% of movie viewing is done via television. And once it's on TV, it's on all platforms.

To better gauge how a production performs, we'll now have to measure the number of viewers based on the audience figures we would have targeted.

We'll seek out new funding and promotion partners.

Our long-term goal is clear: we want Canadian and Quebec creative content to be accessible. To be viewed. To be easily consumed everywhere. On all platforms. At home and around the world.

That's our vision. That's our ambition.

Clearly, we're going to continue funding movies. To manage programs. That our primary *raison d'être*... but no longer our sole *raison d'être*. Our organization exists today to develop an industry and promote the excellence of its product.

We want to build an industrial ecosystem that can deliver expected results, that is to say:

- Compelling, appealing works;
- Audiences that are moved and amazed by what they watch;
- Recognized talents;
- Strong, vital players; and
- A healthy, long-lasting industry sustained by a variety of financial resources.

We'll do all of this together, in partnership with production companies, industry associations and guilds.

(6. Conclusion)

You represent one of the finest industries in the country.

You make it possible for talented artists to flourish, to create, to be innovative.

Your industry truly is an economic and cultural jewel. More than 125 000 jobs in Canada—35 000 of them in Quebec. A contribution of more than 7 billion dollars to the national GDP.

You make products that do us proud on the national and international stages, and which connect with a diversity of audiences.

We stand alongside you to help you make your projects a reality. To bring imagination and creativity to life.

You have moving images to show to audiences here and around the world. You have stories to tell. Feelings and emotions to convey. We have first-rate creative talent to encourage and cheer on.

It's essential for the entire industry that we work together, as a team, to promote this talent.

Together, we'll *reinvent our industry*, as you expressed it so well in the theme for your convention this year.

Let's all agree that this is an amazing challenge!

Thank you for your attention, and enjoy the rest of the session.

- End of remarks -

(Original French remarks: 2044 words: 17 minutes at 120 words/min.)