



Inspired by Talent. Viewed Everywhere.

NOTES FOR AN ADDRESS BY

MICHEL ROY,
CHAIR OF THE BOARD

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CHECK AGAINST DELIVERY

Thank you, Michael.
Good morning, ladies and gentlemen.

Almost exactly five years ago – on February 19 – I spoke to you at this breakfast meeting, in this very hotel, at this very same Prime Time event, at the same hour.

At the time, I had just begun my third year as Telefilm's Chair, and my address was titled *Daring to Change*.

The year was 2010, and it promised to be one of change. It was a transitional year for the organization, for at least two reasons: we were in the process of putting the finishing touches on a new strategic plan and we were getting ready to welcome a new executive director.

That new executive director was Carolle Brabant, who continues to lead Telefilm Canada today, and who no longer needs introduction.

(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 the industry and about our organization.

At the time, we focused exclusively on box-office performance to assess the films we funded, and market share for these films were well below the targets that were set.

But when we looked at things a little more closely, we realized that these box-office numbers, in English Canada, for example, accounted for only 8% of producers' gross revenues.

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 kind of "loser" mindset.

If we were to apply this mindset today, we could say that *Corner Gas: The Movie* didn't really do all that well, earning only 700,000 dollars at the box office.

But when you consider all the viewing platforms now available, you realize that seven million Canadians saw *Corner Gas*. That's one out of five Canadians. Wow!...

That's why we had to dare to change!

Change, of course, to measure success in a fair and comprehensive manner but also change to better promote the excellence of our Canadian cinema.

Daring to change also meant thinking – rethinking – about the way productions were funded.

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

In my remarks in 2010, I also said that we had to move quickly in taking seriously the challenge posed by the multiplatform digital world then starting to take shape.

Those of you who believe in coincidence will appreciate the fact that around the same time – specifically, on January 27, 2010 –

Steve Jobs had just launched his latest invention. That invention was called the iPad.

A lot of financial analysts were a little skeptical about this strange device, which was neither a PC, nor a smartphone.

Let's fast forward: last year, more than 220 million tablets were sold around the world. So there's one obvious lesson here: it's sometimes better to listen to the talent rather than to the analysts!

(3. Changes in the period 2010-2015)

I'd like to come back to the dare to change years after 2010.

The first initiatives we took involved meeting with you, members of Canada's great audiovisual 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.

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

And so we changed.

You know how 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 accurately measuring the success of the productions we fund. Or the Microbudget Production Program, aimed at emerging filmmakers – those you'll be hearing about a lot in the years ahead.

In terms of promotion, we've really shifted into high gear in all regions of the country and on the international scene. The *Movie Night on the Hill* events held right here in Ottawa, on Parliament Hill, organized jointly with producers, distributors and other private and public partners, testify to these promotional efforts.

Indeed, I would like to salute the two ministers of Canadian Heritage and Official Languages for their involvement in these events and for graciously agreeing to host the evening screenings over the last five years: the Honourable James Moore and the Honourable Shelly Glover.

With respect to production funding, the most important achievement has certainly been the launch of the Talent Fund.

With this Fund, some additional 2 million dollars will be injected into production annually for the next 7 to 8 years. Given the size

of today's production budgets, the Fund offers private donors a new vehicle to channel their support into your projects.

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

Canada'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.

Your works have been winning awards around the world. A number of Canadian directors are now more in demand outside Canada than they are here at home. Canadian audiovisual production accounts for nearly 128 000 jobs across the country and contributes more than 7 billion dollars to our GDP.

We've changed.

You've changed.

But the world also has changed.

Audiences are changing. They're consuming content in a different way.

Old viewing habits are giving way to immediate, on-demand access. Today, everything is available instantly.

Thanks to technology, we have new ways of watching content. It's no longer a question of the big screen, but of five different screens: movie theatre, TV, tablet, smartphone and personal computer.

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

New players are making their mark. New streaming services Shomi and Crave TV launched in Canada in 2014. HBO's Standalone Service and Dish Network's Sling TV are slated to launch in the United States in 2015, joining Amazon Prime Instant Video. In Australia, Stan and Presto TV recently launched. On top of that, some of these new players – such as Amazon Studios, to name but one – are also moving into content production.

We're no longer talking about changes from year to year. It's now week to week.

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

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 this opportunity isn't limited to the domestic market – it's happening on a global scale.

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

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 efficient when it comes to funding our productions.

We need to do more promotion at home and elsewhere.

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 a uniquely Canadian reality.

(4. 2015-2018 strategic plan)

These are the realities targeted by our new strategic plan for 2015 to 2018. We've titled this plan "Inspired by Talent. Viewed Everywhere." In light of the situation I've just described, this title seems self-evident.

Of course, the strategic plan we're launching this morning 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 do this together.

We will try to align everything we do at Telefilm to the goal of knowing and understanding our audiences and the new ways they consume audiovisual entertainment content. And this will apply in Canada as well as 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 will seek out new funding and promotion partners.

Our long-term goal is clear: we want Canadian 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.

But that won't be our sole raison d'être. Our organization exists today to develop an industry and promote the excellence of its product.

Briefly, our new strategic plan focuses on six broad priorities:

- promoting the value of Canadian content;
- encouraging the industry to innovate in its marketing practices;
- gathering and sharing market intelligence;
- diversifying sources of funding;
- developing a production-company ecosystem; and, finally,
- ensuring that Telefilm maintains organizational excellence.

With respect to the latter point, our management expenses continue to take up less than 6% of our budgets – something we're very proud of. And when we do generate additional savings, we put those savings right back into program funding.

But I won't get into the details of each of these priorities.

Looking over this list, you realize that we're truly working in a spirit of continuity. We're going to work together to build an even stronger industry, but the foundations are already firmly in place.

We'll continue with our promotional efforts. We're going to aim these efforts particularly at Canadians in order to raise their level of interest in our talents and our successes.

We will keep a close and relevant eye on the market and on the changes it's undergoing. We'll bring in or create our own relevant performance measurements, particularly as these apply to the viewing of content.

We know that when Canadians watch Canadian movies, more than 90% of their viewing is done via television.

Once a production is available on TV, it's available 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.

The set objectives of the new plan are in line with the success we've achieved over the last few years.

We want to build an industrial ecosystem able to deliver expected results:

- the creation of compelling, appealing works;
- audiences that are moved and amazed by what they watch;
- recognized talents;
- strong, vital players;

- a healthy, long-lasting industry sustained by a variety of financial resources.

I'm thinking here about the Talent Fund as a lever for development, but also about co-production and the involvement of new private partners.

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

You represent one of Canada's finest industries.

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

Your industry truly is an economic and cultural jewel for the entire country.

You make products that do Canada proud in a variety of mediums, platforms, on the national and international stage, and which connect with different audiences.

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

Together.

(5. Conclusion)

I wouldn't want to end my remarks without saying hello to Michael Gubbins, who is your next keynote speaker.

Michael is passionate about the future of independent cinema. And like Mr. Gubbins, we believe very strongly in the future of cinema. In *our* cinema.

We have pictures to show to Canadians and to the world at large. We have stories to tell. Feelings and emotions to convey. We have first-rate creative talents to encourage and cheer on.

It's essential for the entire industry that we work together, as a team, to promote these Canadian talents.

And in this regard, I'd like to say emphatically that we should *never* stop daring to change!

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

- End of remarks -