

VIRTUAL PUBLIC FORUM – SUCCESS INDEX

OCTOBER 14, 2020

More than 200 participants attended the two public forums on the Success Index in French and English.

After opening remarks by Telefilm Canada’s Executive Director, Christa Dickenson, and Senior Director, Cultural Portfolio Management, René Bourdages, participants heard PowerPoint presentations by Charles Vallerand, Specialist, Program Optimization, on the Success Index, and Mathieu Perreault, Specialist, Economic Analysis and Program Performance, on the results of the online survey completed between September 20 and 27, 2020.

Discussions among participants covered the following main questions:

- Q1 How to find the right balance between fair access and rewarding success?
- Q2. How to find the right balance between Canadian and international audiences?
- Q3. Is it possible to predict future success based on the performance of a production company as reflected in the score?
- Q4. If the Success Index were discontinued, how could it be replaced in determining the allocation of automatic funding?

The following is a summary of the opinions and recommendations heard during the forums.

Note: The Development Townhall Summary document includes a lot of cross-over comments on the Categories presented below.

Opinions	Recommendations
Telefilm Mandate/Mission. Objectives and Key Performance Indicators	
What is Telefilm's desired outcome/objective: profitable companies that generate returns on investment for Telefilm? To reach audiences? The Canada Council for the Arts supports artists and Telefilm supports the industry.	

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<p>What is Telefilm’s mission? We see that it is talent development, international success, etc. but how does this relate to financing productions? What is Telefilm’s mission and how does it relate to those of us out here trying to make feature films?</p>	<p>Flexibility and fluidity are key. Telefilm is in a state of change and maintaining contact and not assuming knowledge and able to take input from a variety of sources from a variety of platforms and communities (including rural and urban – and the youth) is critical right now. Keep your ear to the ground, Telefilm!</p>
<p>If there’s going to be a system that reaches a lot of people it should have a broader mandate - If you have a broader definition of success, then we will all succeed.</p>	
<p>How are the current approaches working? What is the success of projects financed under the various streams (i.e., Automatic vs Selective). Don’t know if the Automatic/Fast Track has been successful on a predictable basis. Stats on fast track recipients are not available. Telefilm hasn’t shared the data on the Fast Track films.</p> <p>How many new companies receive automatic funding? Are they diverse? Are they always the same, year after year, same age/ generation Are the fast track producers always working with the same filmmakers?</p>	<p>More transparency is needed.</p> <p>Telefilm should publish detailed information on Automatic and Fast Track spend and success.</p> <p>What percentage of Telefilm’s budget is allocated to fast track projects?</p>
<p>Corporate philosophical question, automatic access allows for better planning</p>	
<p>Success Index – Scoring Elements, Measures and Weights</p>	
<p>It is the producers’ know-how that generates success; success must be recognized but be very clear on the notion of success.</p> <p>There is a dichotomy between production companies: some seek cultural success while others strive for commercial success.</p>	<p>Perhaps consider variations on various markers of success:</p> <ul style="list-style-type: none"> - Theatrical success in the domestic market - Success in major international festivals - Success in reaching a niche market or community through festivals and platforms

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<p>It is very difficult to please everyone, inequality in what is judged no matter what codification is used, some metrics will disadvantage some products and advantage others. There is no one concrete solution.</p> <p>Should we burn it all down? No – there was some wisdom in developing what we have in the first place. But do need to really consider what we want. We want certainty and flexibility.</p> <p>Track record can assure certain things; e.g., a film will get made on budget and delivered on time – but it cannot guarantee success.</p>	<p>Add indicators to the commercial component:</p> <ul style="list-style-type: none"> - Volume of international coproductions - Number of films - Creation of jobs for technicians <p>Since this is taxpayer’s money, we are responsible to Canada. But international sales should also be recognized, in terms of old or not sold since we won’t have access to audience data.</p>
<p>Success: what is it?</p> <ul style="list-style-type: none"> o What are the right parameters? Theatrical? o A film that does well internationally but is released straight to VOD domestically is not captured by the index. o There isn’t a right way to define success. o Metrics can be different: need a broader data set to allow to measure success in different ways o VOD has taken up a large space, and it’s not reflected by the index. <p>Is Telefilm trying to build companies or talent? The index is geared towards building corporations, not rewarding actual success. It is producer focussed. They get the credit and the automatic funding. Writer’s and director’s contribution is not recognized. They will have to work with the track record of the producer if they change for the next project.</p>	
<p>Success index is a barrier to entry.</p> <ul style="list-style-type: none"> o Bar is too high o No growth patterns o No mid-level success o Feels like a huge wall you can’t get over o Feels like a losing battle: difficult to achieve growth and make it to the top. o Barrier to entry for racialized people: 	

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<ul style="list-style-type: none"> Films by black filmmakers do well at festivals like Caribbean Tales, The Black Film Fest, but these are not recognized on the Index. 	
<p>There needs to be more discussions around audiences. Metrics can be different: need a broader data set to allow to measure success in different ways.</p> <p>A film may have millions of views on a VOD platform, but gross sales do not reflect this.</p> <p>The Index does not take this into account.</p>	<p>Need to measure across different platforms: technology exists</p> <p>What is the purpose of these data sets: is it to inform, learn about watching what; what drives discoverability?</p>
<p>The Index plays a useful role, given Telefilm's limited capacity. However, this should not be a constraint.</p> <p>The feeling of being at a disadvantage if you don't have a film that's a box-office or festival success... the other indicators are not taken into account.</p>	<p>Telefilm should have the discretion to recognize the merit of a project that does not fall within the scope of the Index.</p> <p>Review methodology for calculating points</p> <p>Review festival categories</p>
<p>The success metrics on the index were unrealistic. Some of the top-rated films on the cultural index indicators, were theatrical failures.</p> <p>Box office is gone – (maybe not in Quebec). Weight of audiences is shifting (COVID-19). There is a limited market for broadcast in Canada.</p> <p>A film that does well internationally but is released straight to VOD domestically is not captured by the index.</p> <p>Films made outside the Telefilm funding system don't count towards the success index, except for box-office; sales don't because there is no reporting on sales.</p> <p>Commercial success in theatres as a dollar figure doesn't always reflect how many people have come to see the film.</p> <p>English Canada has a dysfunctional market. It doesn't have a star system – as a result the success index is a disservice to Canada actors (production companies seeking non-Canadian marquee cast). The government is pushing</p>	<p>Need PLATFORM audience metrics</p> <p>The weighting should be revisited.</p> <p>Include more alternate platforms, such as VOD and streamers.</p> <p>Remove the commercial component. Make it 98% cultural.</p> <p>Review methodology for calculating points</p> <p>Self-releases should be measured differently</p>

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<p>money into the market place, but for a number of reasons and factors, there is no uptake from audiences.</p> <p>Quebec films do well – Quebec has a star system. But Quebec films are mostly all white.</p> <p>The feeling of being at a disadvantage if you don't have a film that's a box-office or festival success... the other indicators are not taken into account.</p>	
<p>The kinds of festivals that are on the index are less inclusive – need smaller festivals for diversity, genre, youth and animation.</p> <p>Don't let the programmers of a few major international festivals dictate the next wave of Canadian creators.</p> <p>Festivals are no measure of success. Do they have reach with audiences in Canada? Tiny fraction. Not to ignore them, but factor in other forms of audience engagement that are much more reflective of the marketplace.</p> <p>The festival circuit can be very long, and detrimental to a commercial life; appearing in festivals is never a guarantee of success for a film.</p>	<p>Update the list of very Eurocentric festivals, especially for group C. Just think about all the film festivals on human rights.</p> <p>One should not compare a prize/selection at Cannes with that of a genre festival – both should be worth the same score.</p> <p>Critical acclaim is difficult to measure and include in the scoring.</p> <p>Expand the list of festivals</p>
<p>Issue: make the best deals abroad:</p> <ul style="list-style-type: none"> • Audience vs. return on investment – what best represents success? • International recognition must be expressed in verifiable data: <ul style="list-style-type: none"> ○ Sales in \$ ○ # of views: not recognized by the Index (A film with 13 million viewers abroad, but not rewarded via the Index, means that the Index does not work.) 	
<p>A one-size fits all approach doesn't work</p> <p>Need different indicators for the different types of films.</p>	<p>BANG FOR THE BUCK: films of different budget levels should be measured differently.</p>

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	The scoring should be adjusted for return on investment by comparing the commercial success to the amount of Telefilm's support.
The five-year period is too short. Development and production times are getting longer. Costs are rising. With few exceptions, it is becoming increasingly difficult to produce three films in five years.	Take into account a more extensive track record.
International success working on co-productions isn't recognized	Individual producer success needs to be rewarded – not just company success – e.g. Projects funded by foreign money – where the producer had to give up copyright – do not register on the success index
Companies are diversifying. The Success Index discriminates against companies who may be working in TV, not just in feature film. Feature film and television producers should not have access to Telefilm funding.	
Current Success Index shuts out some filmmakers and prevents certain collaborations or influences certain relationships because of the company element. Partnering with companies with high success index is more desirable. Filmmakers not in established companies are disadvantaged	Consider the influence of filmmakers; for example, a filmmaker like Tarkovsky would have low numbers in terms of mainstream engagement but his influence on the entire industry is immeasurable. We may not know how to measure this impact but should recognize that the value of such filmmakers as well as those who achieve massive audiences
	The Index could encourage collaboration between producers and distributors.
	Do creatives need a stream for development. Something they can use to support the creation of new scripted material and possibly some earlier packaging? The concern with attaching financing to a project before the producer is that it attaches a financial obligation to a project that could cause the project to become unattractive to producers. The fast-track production stream for Talent to Watch directors whose films received awards is an interesting concept.

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	Could there be a way for successful talent to bring their envelope to producers?
<p>How do you bring in marginalized communities into the measure of success?</p> <p>Can getting rid of automatic funding help meet gender parity / diversity goals?</p> <p>Have fast track recipients been contributing to these goals? NEED MORE TRANSPARENCY</p>	
<p>It was a good idea to put the Success Index on hold and look at different decision-making models.</p>	<p>Consult with industry like this more often. Telefilm should analyze itself more often and connect with the industry more often to keep up with the times.</p>
<p>Decision-making Models and Approaches – Automatic, Selective, Juries</p>	
<p>We are in a very difficult situation plus a difficult moment; e.g., Cineplex is going out of business and cinema will be changed (even when the pandemic is over). We need a system that can adapt to change - not a system stuck to scoring. Scoring systems become out of date.</p> <p>Past successes need to be considered, but it is challenging to have the right measure with the changing marketplace. Humans would do a better job at balancing and factoring measures of success than an algorithm.</p>	<p>Abolish the automatic streams. It keeps new voices out and is not balanced across the country, gender, sexual orientation, etc. Make the process people centered instead of math. This will ensure fair consideration is given to different elements. Even though people haven't made 3 films in last 5 years.</p> <p>We need a Selective system that can change and adapt/respond to environmental changes, industry needs as well as to individual projects. This is how Telefilm used to do it! It works. It is the most flexible system and what we need in this moment.</p>
<p>The fast track stream should apply to development only (e.g., corporate envelope).</p> <p>Automatic funding is not necessary for production. Need to have all the other elements in place. Having a window to spend the funding encourages a "use it or lose it" mentality when the project may have benefitted from more development.</p>	<p>Production assistance should be on a selective basis only, which takes into account the team's track record.</p>

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<p>The Success Index is very useful for development assistance, but in production too much money is earmarked for a few companies, jeopardizing good projects that are on hold.</p> <p>Abolish the fast track stream – the financing should be 100% selective. The funding of a subsequent film should not be an acquired right. Applicants should reset to 0 every time they have a new project.</p>	
<p>Access to an envelope provides freedom of production. Does success come from the freedom to select open-access projects?</p>	<p>Consider the SODEC model, which rewards successful companies through corporate development assistance.</p>
<p>Telefilm no longer triggers the project.</p> <p>Automatic assistance should be a foundation but not an end in itself. If there was enough money in the system, an automatic stream could be maintained by allowing more people to access it.</p> <p>Keep the selective stream for discovering new voices, new players.</p> <p>Is there a version of Automatic funding that works in smaller portions? Something that would re-evaluate the company on a more frequent basis for smaller amounts (with the ability to go in for top ups on more expansive films).</p>	<p>The Fast Track stream should not be abolished; ability to make stronger films</p> <p>Maintain the current budget distribution between the automatic and selective streams, but extend access to the automatic stream to 10 companies by:</p> <ul style="list-style-type: none"> - Reducing the amount granted per production company (e.g., to \$1.5 M) - Projects with larger budgets (+\$5M) would be eligible for additional selective assistance by being compared with all applications. <p>Perhaps a per film evaluation of success, that allocates a one-time guaranteed production envelope (\$500K- \$1M) to the production company. Then if that company is able to use the allocation to create another film that meets the same success evaluation, they would requalify to the envelope again.</p>
<p>The fast track system doesn't benefit the industry, by continuously giving most of the funds to companies that are successful. The fast track system fosters excessive privilege. Access is skewed. The number of companies that can access automatic funding in production is very limited. Being able to produce 3 features in five years is difficult to achieve for most production companies have no access to it. This creates inequity in the industry.</p>	<p>The automatic/fast track system should be abolished. All projects should be evaluated fairly using a selective process, based on their strengths.</p> <p>Replace the fast track system, with a selective process, that incorporates track record into the decision grid that incorporates track record into the decision grid.</p>

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<p>In film animation, there are significant differences between both language markets. It is very difficult to make local (Quebec) animated films. More funding available in English. A lot of reliance on international support.</p> <p>The scale of the reward for one film success is too large.</p> <p>Mid-level success is not recognized. Feels like a losing battle: difficult to achieve growth and make it to the top.</p> <p>Most companies have produced more than one successful film. Automatic funding is given to producers who have not made any.</p> <p>When do people get off the gravy train – real success means they are sustainable and can stop accessing Telefilm.</p> <p>It's important to recognize success, perhaps in a different way than the Fast Track stream: need an incentive.</p>	<p>A hybrid model: keep the index as an indicator of success, lower the bar, make it easier to be considered successful, but maintain selective decision-making</p> <p>Recognize the track record using different criteria to give those who are disadvantaged a chance (CLOSM/OLMC)</p> <p>A company that makes a successful movie should get a bonus for their next project, but not automatic funding for a period of time.</p> <p>Fast track companies should be accountable – access must be earned; if you produce a flop, you should lose your access to fast track.</p> <p>There should be limits on the duration of fast track access. Once a producer reaches a certain level of success they should be cut off.</p> <p>Commercial producers should not be supported by Telefilm.</p> <p>Fast-track producers should have a limited time to spend their production funding allocation. When expired, the money should go back to selective.</p>
<p>The selection criteria are more vague in the selective stream than in the automatic stream.</p>	<p>The selective system is unfair – should be more automatic.</p> <p>Can a hybrid system be found? Keep the index as an indicator of success, lower the bar, make it easier to be considered successful, but maintain selective decision-making</p> <p>We need to factor in qualitative success.</p>
<p>Juries are costly and the money should be kept in project funding. The same result can be achieved by using external readers.</p> <p>It can be difficult to have a true peer jury. There is an issue with professionals reading scripts who are also your colleagues. Who is to select jury members. Judgement is often proven to be wrong in this business. Numbers speak.</p> <p>Automatic can be ok if the right measures are found.</p>	<p>Jury must reflective of the Canadian landscape.</p> <p>Consider blind juries to remove bias (i.e., director, writer and company not named).</p> <p>Consider other international models and see what is working and what is not working (e.g., Scandinavia – with rotating curators and peer juries).</p>

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	<p>Apply the Talent to Watch jury system to include measures of success and make it representational.</p> <p>Take the working elements of the Success Index and include them in a decision matrix for a jury process.</p>
<p>The expertise at Telefilm needs to be recognized – it is very important and we should not undermine it with 100% external decision-making. There is a risk of partiality without Telefilm’s input. Telefilm is not an arts council but is a cultural institution – AND it has commercial expertise – we need the balance in our spending of public dollars.</p>	<p>Telefilm staff should be involved in decision-making to ensure balance. Have mixed internal/external juries.</p>
<p>\$200K in automatic development assistance for companies in the fast track stream, at \$40K per project for five projects, it's too much for the same company which has no choice but to seek out collaboration. This is one of the adverse effects of the system.</p> <p>The system is not fair. It benefits the same companies that work with the same writers, and does not contribute to the diversity of Canadian cinema.</p> <p>Difficulty with the notion of rewarding success, which means financing films based primarily on commercial success.</p>	<p>Distribute the budget share in a different way in the automatic and selective streams.</p> <p>Companies that do well would have the least need for Telefilm’s development assistance.</p>
<p>There is a disproportionate distribution of funds between the Selective and Fast Track streams; there is never enough selective funding to bridge the financial structures.</p> <p>Selective funding is too reliant on the fast track stream; impression that the rest is left to the selective stream</p>	
	<p>Telefilm should consider bringing in interns to speak to staff and players – give opinions and share knowledge from different communities and about the shifting marketplace. Have focus groups and cross-pollinate.</p>
<p>The market consideration is based on the distributor’s participation.</p>	<p>Consider a good marketing plan, not just the distributor's amounts.</p>

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Diversity and Access	
<p>Creators from racialized groups want to connect with and speak to their communities. We need to build these audiences.</p> <p>Producers don't have a complete picture of who is watching their films and what those numbers are.</p>	<p>Consider audience impact in international communities (e.g., if a black filmmaker's film is seen in a community part of that diaspora, that should be included in the "score").</p> <p>Consider subgroups/subcommunities. For example, if a film is about an LGBTQ2+ experience, and has that smaller marketplace – but has more resonance, it should be considered success. Ditto for genres, target audiences, diverse creators, etc. – consider the impact on the target (don't compare with mass appeal products).</p>
<p>How do we adapt the measure of success given the mistakes we've made in the past, in terms of a lack of inclusion? Gender programs have only benefited white women.</p> <p>Often find that diversity is discussed as in opposition to success and merit. We need to avoid this and reframe. Voices who have not achieved success under existing measures don't necessarily have no merit. Success index is a barrier to entry for racialized people.</p> <p>One can ask Telefilm to have objectives to promote diversity and fairness, but it's harder to ask the same thing of producers who make a film every two or four years. It's easier to do in development, however.</p>	<p>We need to talk about equity if we're going to talk about success. The index should include criteria for racialized people's projects.</p> <p>A bonus could be given for contributing to the objectives of equity, diversity, inclusion and eco-responsibility. Do not restrict merit – recognize it.</p> <p>Is there a way to have a parallel system for projects coming from the diversity objectives?</p>
<p>Telefilm's focus on diversity is too narrow: Producer, writer, director – it should go beyond.</p>	
<p>The automatic stream puts more pressure on the selective stream for diversity objectives, whereas the fast track stream does not have to meet these parity and diversity objectives.</p>	<p>Apply the same requirements to the fast track stream.</p> <p>Telefilm should mandate inclusion riders in all financing contracts.</p> <p>There should be conditions on fast track companies:</p> <ul style="list-style-type: none"> • Who they work with

Opinions	Recommendations
	<ul style="list-style-type: none"> • Gender parity / diversity mandates
<p>It's important to support success, but not at the expense of new companies. If we're only looking backward, we're never bringing in new people.</p>	<p>Ideally would take the past success and pair it with emerging talent – that would be a positive application of track record. There should be more trust that experienced producers won't disadvantage new talent within these partnerships.</p>
<p>There is disproportionate access across the country. Atlantic Canada and the West do not have equitable access.</p> <p>Success in automatic is skewed heavily on the Quebec side because they are much more funded by Provincial money.</p> <p>The Success Index system is appreciated in Quebec because it serves them well. It blocks access to emerging filmmakers and from other regions who are frustrated and don't even bother applying.</p>	<p>The share of budget allocation between the French and English language market should be reviewed to adjust to population.</p> <p>Would be interested in talking about supporting each region distinctly.</p>
<p>Why does access have to be balanced? The companies with fast track access don't really need it – Telefilm should favor equitable access, NOT balanced access.</p>	
<p>General Comments</p>	
<p>From a performance perspective it would help if producers could distribute their own films. It would also help to promote projects that come from diversity.</p>	<p>Give less importance to upstream market share.</p> <p>Look at how distribution is financed.</p> <p>Think about how to make films accessible.</p>
<p>Accessibility to Canadian audiences is an issue: distributors have too much power; they have control over audiences.</p>	<p>Change the way things are done in order to attract an audience. Partners/presenters should be more involved in promotion.</p>
<p>Development is vital for production companies and the quality of projects.</p>	<p>Telefilm should support at least one project in development per year if it wants to ensure their sustainability.</p>

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<p>It is difficult for a producer to survive in a development year. Writers and directors will move on to other projects if the producer cannot afford to keep them busy.</p> <p>Predictable financing for development is necessary. Automatic financing in development works well and is appreciated since it gives more leeway and allows for better planning. It is a mark of confidence. The money is quickly disbursed. It helps prevent the back and forth of a selective process that lengthens the timelines.</p> <p>The end of the Harold Greenberg Fund was a heavy blow. One could count on \$36K in assistance, including expenses, such as the option on a book, that are not eligible for Telefilm support.</p>	<p>The objective of greater diversity and inclusion is laudable, but be careful not to make established companies more precarious.</p>
<p>Has Telefilm ever discussed eliminating the corridors or taking a second seat in recoupment to private investment to help filmmakers find private investment easier to get their films made when aren't fortunate enough to receive production funding?</p>	<p>Consider leaving recoupment to the producer.</p>
<p>Variations between both language markets:</p> <ul style="list-style-type: none"> • Animation in Quebec is an issue • A lot of reliance on international support • It's easier to do animation in English vs. French – more funding available • Very difficult to make local (Quebec) animation films 	
<p>Producers incur the expenses of entering their films in festivals from their own limited resources.</p>	<p>Expenses of sales agents and distributors should be eligible.</p>
<p>COPRODUCTIONS: timelines are too short / unrealistic to close the funding. Too many restrictions with fiscal years.</p>	<p>More flexibility to make better films</p>