
Feasibility Study

for

A Screen-Based Content Producers Business Incubator Program

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EXECUTIVE SUMMARY

This feasibility study for a screen-based content-producers business incubator was undertaken by Centennial College. Its findings reveal an industry going through significant changes that require new ways of thinking and doing business.

This study found that the independent television documentary sub sector is under considerable stress due to a decline in production values caused by major broadcasters reducing their commissioning of documentary programming. Additionally, independent documentary producers are reporting a lack of business education and working capital to diversify their skill sets and collaborate with other cross-platform content producers.

An environmental scan of business incubators in the region found none that could meet the unique needs and challenges facing independent documentary producers. This report proposes a three-year pilot program based on a business incubator model for emerging and mid-career independent documentary producers.

SUMMARY OF RESEARCH FINDINGS:

- 1) In spite of a strong demand for documentaries, television documentary production is declining. As broadcaster license fees “trigger” most other sources of funding, independent documentary producers are facing extreme challenges. Accessing funding, sustaining working capital for their companies, and accessing professional development opportunities are all difficult tasks when the main source of funding is proving more elusive to finalize.
- 2) According to independent producers, Canadian broadcasters are overreaching in their demands, especially by requesting interactive components and assuming digital distribution rights without offering any incremental compensation or support.
- 3) A majority of independent producers expressed a need for affordable business training, mentorship and networking support with cross-platform content creators.
- 4) A majority of the research participants supported the idea of a business incubator model for independent producers.

STUDY PURPOSE AND OUTCOMES

The Centre of Entrepreneurship at Centennial College was established in 1998 and runs The Independent Television Producers Program funded by Employment Ontario.

The Independent Television Producers Program allows for a maximum of 25 participants to attend the program each year and was designed to meet the needs of those individuals in screen-based content production who experienced inconsistent employment or had expressed a desire to form their own independent business.

As a unique program in this sector, there has been a steady increase in applicants who are seeking to set up independent production companies and the college is experiencing a higher volume of applicants. However, many of the applicants do not meet all the criteria set out by Employment Ontario. In particular, because of the predominance of freelance and contract work in the film and television industry, most applicants do not meet the criteria of being a current Employment Insurance recipient at the time of application.

Hence, Centennial College is considering other ways to meet this increased and, in some ways different, need through complementary programs.

The main purpose of this study is to determine the extent and specifics of the need for business formation training and support in the city of Toronto for those in screen-based content production particularly for television and interactive media producers. More specifically, the study focuses on gauging the demand for this training and support among those who would not qualify for the current Employment Ontario-funded Independent Television Producers Program at Centennial College.

This feasibility study examines the needs of independent television documentary producers and the changes occurring in the independent television documentary production sector.

In addition, the research investigates the current (and future) environmental support within Toronto for mentoring and subsequent room for new small business formation.

As well as investigating the need for creating a complementary program to the current Independent Television Producers Program at Centennial College, expanding the current program may be a recommendation. The study attempts to review existing business incubation models and recommends a model framework that may fulfill

the business formation and growth needs identified through this research study of independent television documentary producers.

STUDY OUTCOMES

- 1) A comprehensive and realistic understanding of the independent television documentary production sector demand for training and support.
- 2) An identification of resources both financial and non financial available from the various sectors or industry organizations.
- 3) A feasible model for content and delivery of training and support that addresses the demand.

METHODOLOGY

The feasibility study was designed as a mixed methodology exploratory study. Following a rigorous process that included conducting both primary and secondary research, data was gathered over a 6-month period. The data from the research was then analyzed, and a business incubator model designed from the conclusions drawn from the research.

The research was conducted in the following order:

1) SECONDARY RESEARCH TO PROVIDE BACKGROUND OF INDUSTRY SIZE AND SPECIFICS

The feasibility study started with secondary research to review the current literature in order to assess the information available in various industry and business reports. Some of the resources reviewed were:

- "Death And Life Of Great American Cities" by Jane Jacobs.
- "The Rise of the Creative Class" and "Who's Your City?" by Richard Florida.
- "Profile 2010: An Economic Report on the Canadian Film and Television Industry" by Canadian Media Production Association.
- "Towards a Framework for Digital Rights" by Canadian Media Production Association. June 2010.
- "Getting Real - An Economic Profile of the Canadian Documentary Production Industry". Volume 4. Documentary Organization of Canada (DOC). March 2011.

2) PRIMARY RESEARCH USING THE FOLLOWING METHODS:

- An on-line survey was designed and sent to independent screen-based content producers to determine the demand for training and support; the specifics of the training and support needs, and the extent to which a business incubator model may be relevant. The on-line survey was sent to:
 - 150 Members of Documentary Organization of Canada (DOC)
 - Members of FilmOntario which includes 50 companies and organizations, including Canadian Media Production Association (CMPA), Computer Animation Studios of Ontario (CASO), Interactive Ontario (IO), Producers Roundtable of Ontario (PRO), and several other unions and guilds. These organizations combined have a total membership count of just over 30,000.

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- Focus groups were planned to gather more qualitative details of needs identified by independent screen-based content producers for training and support. Participants for the focus groups were invited through the on-line survey. Three separate focus groups of a total of thirty participants were conducted.
 - One-on-one in-depth interviews were conducted with two broadcasters, two distributors, and six independent screen-based content producers to further examine specific needs and determine components of a potential business incubator model to meet those needs.
 - One-on-one in-depth interviews were conducted with ten independent Executive Producers to test the proposed business incubator model and gauge potential stakeholders' interest in key components of the model.

3) SECONDARY RESEARCH TO EXAMINE CURRENT RELEVANT BUSINESS INCUBATOR MODELS

After a preliminary environmental scan of existing business incubator models, either standalone or within larger organizations, seven of them were shortlisted as more relevant to the objectives of the feasibility study. All of them had been in operation for over five years and were somewhat similar in meeting the needs of a business incubator in the creative industry. The following business incubator models were examined in detail:

- The Canary Collective
- Whistlestop Productions
- Liaison Of Independent Filmmakers Of Toronto (LIFT)
- The National Screen Institute (NSI)
- MaRS
- Ryerson University
- George Brown College

A NOTE ON THE RESULTS OF RESEARCH

The starting point for our primary research was an on-line survey sent to members of DOC and FilmOntario. The largest number of responses came from independent television documentary producers (42%).

What is the primary focus of your production activities?	Response Percent
Documentaries	42%
Children's Programming	5%
Education	5%
Commercial	7%
Animation	5%
Interactive Digital Media	10%
Drama	12%
Other	15%
	100%

Since our focus group participants were invited to participate through the on-line survey, this trend continued into the focus groups; a majority of the participants in the focus groups were independent television documentary producers.

Hence, the results of this research can be considered valid only to the extent of providing the views and business formation and growth needs of independent documentary producers working in television.

Small business drives the economy and business incubation programs, services, and resources provide a critical element of the infrastructure required to support and advance this large segment of the economy. As identified below, the characteristics of participating respondents are consistent with client companies that typically occupy an incubator – self-employed, work from home, early stage company, with a need for business and technical training to accelerate their business success.

- 68% own their own company
- 85% work from home
- 40% are early stage companies <5yrs
- 78% rate their business knowledge between low and medium
- 70% rate their education needs from medium to high
- 70% have not produced a program with a companion interactive element
- 68% would like to create a program with an interactive companion element.

INDUSTRY CHALLENGES - A CHANGING LANDSCAPE

According to Richard Florida, the author of “The Rise of the Creative Class” and “Who’s your City?” the “place” (the city) where we choose to live now exerts powerful influence over our lives and happiness. He further asserts that in a globalized world, it is all the more important for cities to be able to attract talent that can innovate and further the development of the city. For its part, the Toronto region certainly encompasses all the attributes of a vibrant center to attract a creative class to nurture and further the growth of a strong creative economy.

However, Toronto operates in the larger landscape of world economics, public policy, and disruptive technologies.

DIGITAL CONVERGENCE

A strong trend in the media landscape is convergence and the role digital media is playing in reshaping the Canadian media sector. New technologies have grown in influence and are providing audiences with more choice than ever before. The pressures created by convergence are requiring that new business models for the production of screen-based content be explored.

Interestingly, our research finds that among our survey sample, interactive producers and traditional producers are not necessarily talking to each other.

In our focus groups and in-depth interviews with broadcasters and independent producers, there was repeated emphasis on both the need for traditional producers to collaborate with interactive producers and a need for a platform to bring them together. In one of our broadcaster interviews, the interviewee remarked that from what he/she could tell at the recent Interactive Ontario’s X Summit conference this past October, the majority of individuals attending were from the interactive and gaming communities and not traditional producers.

The interviewee went on to note that this apparent lack of interaction and collaboration between traditional and interactive producers is becoming a critical issue for broadcasters since the birth of the Canada Media Fund, broadcasters are being required under the new guidelines to include on-line/interactive components.

MEDIA CONVERGENCE

Another strong trend in the media landscape has been the increased vertical integration and market consolidation in the Telecom, Media and Internet (TMI) sector.

The intervention submitted by DOC at recent Canadian Radio-television and Telecommunications Commission (CRTC) hearings, lays out the increasing vertical integration of the TMI sector and its effect on the bargaining power of the different players in the sector. "Over the last 10 years, each of Canada's largest communications companies has acquired a variety of assets which has positioned them as virtual monopolies controlling the majority of all Canadian programming choices from production to distribution. Independent producers, broadcasters, cable companies, wireless players and Internet Service Providers (ISPs) have little recourse but to play according to the terms set by these behemoths. This increasingly narrow control of the communications environment increases the risk of abuse where profits and the bottom line are the primary motives driving the broadcasting environment rather than the larger purposes set out by the Canada Broadcasting Act."¹

MARKET SIZE & VOLUME

With the 2008 economic downturn, Canadian television production decreased 3.4% from the year before to just under \$2 billion in 2009/10. This was largely caused by a sharp decrease in English-language production, particularly English-language fiction and documentary production. The decrease in English-language fiction and documentary production also led to significantly lower levels of television series and television movie production.²

The documentary genre experienced the largest annual decrease in production, \$47 million, or 14.5%, in 2009/10. The sharp retreat in production was concentrated in English-language production, where the volume of documentary television series declined sharply, as did the volume of Movies of the Week (MOW).³

Broadcasters are shifting away from documentaries and they are taking significant funding with them. The rise of cross-media platforms requires alternative funding models and makes it necessary for independent producers to develop their business skills along with extending their creative techniques in order to remain competitive.

However, all may not be doom and gloom; some of the respondents in our focus groups and in-depth interviews pointed to recent anecdotal

evidence to show that the television market is stabilizing, thereby creating opportunities for niche producers and new content-delivery mechanisms.

THE DEMAND FOR DOCUMENTARIES

According to DOC's most recent study of the economic profile of the Canadian documentary and production industry, "Getting Real",⁴ there is a real demand for documentaries in theaters, at festivals, and through new digital mediums.

According to the study, "Documentary film-festival attendance is rising every year, sometimes by the tens of thousands. Feature-length documentary films have higher cumulative box-offices grosses faster. Interest is so keen that we have seen the emergence of citizen's groups that are programming documentary salons to screen films that are not shown in major theatres."⁵

The report states that over the last decade, the annual attendance at Hot Docs which is Canada's premiere Documentary film festival has skyrocketed from 16,000 to 136,000 – a 750% increase.⁶

Unlike other genres in the Canadian television and film industry, documentaries easily exploit the non-theatrical educational (NT) market, a sector that generates millions of dollars in revenue, both in Canada and abroad.⁷

Hence, despite declining production volumes and reduced commissioning from broadcasters, the demand for documentaries remains robust. Our research with independent producers found an openness to look towards different funding, distribution, and overall business models.

For the most part, independent documentary producers who participated in our research, agree that the industry is going through a difficult time. However, they indicated that there is a sense that various broadcasters may be ready to re-introduce one-hour documentary slots. Most independent producers agreed that this current flux in the documentary production sector requires new ways of thinking and new business models.

TESTING THE MODEL

RESULTS OF RESEARCH

The documentary sector within the creative economy is clustered around Toronto and finds itself in even greater flux than the creative sector as a whole. In fact, it can be said that the increased vertical integration and market consolidation in the TMI sector has had a disproportionately negative impact on documentary production volumes as compared to other genres.

In our focus groups with independent producers, there was a strong consensus that the CRTC is playing much less of a role in sustaining a balanced Canadian broadcasting ecology - one which includes a diversity of voices and ownership.

Our in-depth interviews with independent producers gave us further insight into the changing media landscape and how it is affecting the work of independent producers.

Below is a summary of the responses to one question we asked: "How have the changes in the industry in the past year or two affected the way you do your job?" It paints a picture of an industry in flux and independent producers feeling the pressure from several quarters:

- 1) There was a general sense that broadcasters were expecting more from independent producers without necessarily compensating them for it. For instance, the group agreed that although broadcasters were increasingly making the on-line interactive components an additional requirement in their projects, they (the broadcasters) were not willing to either additionally compensate or allow the independent producers to retain any additional rights.
- 2) Some of the respondents proposed that broadcasters may be "asking for more" knowing that it is impossible to deliver and hence pushing traditional independent producers out of the business. The respondents felt that not having enough work produced by independent producers would provide broadcasters a justification with the CRTC to bring projects and hence additional revenue opportunities in-house.
- 3) A need to learn and blend skills. Most independent producers felt they needed business skills such as marketing, accounting and fundraising for their companies and projects. They also expressed a strong need for learning ways of collaborating with interactive

producers. One of the producers remarked on the need for further training and skill-building: "...many of us are worried that we will not be in business in the next few years. The one thing that we do all agree upon is that there are opportunities out there but we don't have the education to really understand how to access them. We need training that is relevant to us and it has to be affordable."

THE NEEDS

In our on-line survey sent to Documentary Organization of Canada (DOC) and FilmOntario members, a little over 70% rated their need for business education as high or medium.

How would you rate your business education needs?

Answer Options	Response Percent
High	34%
Medium	37%
Low	29%

Additionally, when asked to rank in priority a list of business needs/services, marketing, raising funds, and incorporating interactive media were ranked the highest. These are services that can easily fall under a business incubator umbrella.

Business Needs	High	Priority			Low
		2	3	4	
Legal issues	31%	33%	15%	15%	5%
Creation of company business plan	21%	10%	31%	31%	8%
Financial component i.e. company cash flow	46%	13%	18%	18%	5%
Business process of starting a company	10%	18%	8%	21%	44%
Business process of growing the company	28%	21%	26%	15%	8%
Developing a company strategy to incorporate interactive media	33%	21%	26%	13%	8%
Sharing of resources i.e. equipment, software, meeting space	15%	8%	49%	15%	10%
Marketing	41%	23%	15%	13%	5%

Client management	13%	41%	15%	23%	8%
Understanding government funding agencies	54%	23%	13%	8%	3%
Understanding other sources of funding	69%	8%	13%	5%	3%
Means of raising capital	62%	21%	10%	5%	0%
Business accounting	46%	31%	13%	5%	5%

CHALLENGES AND BARRIERS – RESPONSES TO A SERIES OF OPEN ENDED QUESTIONS POSED TO OUR FOCUS GROUPS

These needs were echoed in the focus groups with responses such as those below to the question “What are your barriers to remaining in and growing your business?”

- 1) “Getting access to broadcasters and keeping up with broadcasters ever-changing moods (needs).”
- 2) “Staying abreast of the changing film/TV delivery modes and government financing to productions.”
- 3) “Learning how to manage financing and cash flow in the company.”

In the focus groups when asked “What kind of business training do you need or expect?” responses included:

- 1) “More training in marketing.”
- 2) “How to break into web as opposed to broadcast/to gain a better understanding of digital media.”
- 3) “Someone like a mentor to learn from.”
- 4) “Financial – how to stay afloat in this rough economy. Alternative ways of financing.”

Here is a summary of the comments we received when we asked the question “What are the barriers you face as you work to get your creative projects commissioned?”

- 1) Understanding broadcaster needs: “We are always trying to guess as to what the broadcaster wants. It’s like shooting fish in a barrel. By the time they tell us, and we are able to access the information, they have already changed their minds and are looking for something else. It is frustrating.”
- 2) Managing cash flow: “We don’t have the manpower to keep up. Our tax credits which were originally supposed to help us sustain as independents until our next project moves forward, are being

usurped into the building of project budgets. Broadcasters are demanding that we put up to 95% of our tax credits into project budgets which means that we don't have anything left to live on to get us through to the next stage. We need to level the playing field. And for that we need representation and a higher level of education. Most of us don't have enough business skill and knowledge and don't have the time or money to access it."

3) Partnerships: "We are also lacking in knowledge about partnerships with interactive producers."

THE SOLUTION – A BUSINESS INCUBATOR MODEL

In our focus groups with independent producers, participants strongly agreed that a well-designed business incubator model could be a good solution to overcome some of the barriers and challenges for them to remain and grow in their businesses.

THE SOLUTION – A BUSINESS INCUBATOR MODEL

Business incubators are programs designed to accelerate the successful development of entrepreneurial companies through an array of business support resources and services, developed and orchestrated by incubator management and offered both in the incubator and through its network of contacts. Incubators may vary in the way they deliver their services, in their organizational structure, and in the types of clients they serve. Some of the services that a Business Incubator may offer are a physical space; entrepreneurial training; business consulting; shared services and networking connections.

Our research (on-line survey, focus groups and in-depth interviews with independent producers, broadcasters, and distributors) indicates an overwhelming need for services for independent documentary producers that can fall under a business incubator umbrella.

When our focus groups were asked to discuss the benefits to independent producers regarding participation in a business incubator, their responses can be summarized as the following:

- 1) Credibility: "When you are approaching a broadcaster to get your projects commissioned, you are not coming from nowhere, (Independent), you will be coming from the incubator group so they will know you have the backing and skills they will need."
- 2) Mentorship: "Having access to a mentor would be ideal in order to provide lots of ideas and direction. They can also advise on creative ideas that from their experience have the strongest opportunity for broadcast."
- 3) Networking and Collaboration: "The business incubator will provide us an opportunity to network with other independent producers and perhaps provide us access to and a better understanding of the work of interactive producers."
- 4) Shared Space & Equipment: "In these tough economic times, it will be great to be able to work out of a shared affordable office space and have access to some basic equipment for our creative projects."

BROADCASTERS AGREE

In a one-on-one interview with a broadcaster, they welcomed the incubator model and thought it would be “extremely beneficial.” The broadcaster also pointed out some gaps in learning that could be filled by the incubator. For instance:

“There is so much confusion out there with regard to what everything means; Video on Demand (VOD); Pay per View; On Demand etc. Independent producers should have a way to learn about all of the business particulars of these details. We are not in a position to teach them yet we must work together. There is a significant gap in education for this sector.”

When we asked broadcasters what they observe to be barriers for independent producers, a lack of knowledge about what broadcasters are looking for and the trends in the industry are cited as foremost. “We do our best to educate the independent producer on what we are looking for but it is not possible for us to see every independent producer. It would be nice if independent producers had a way of staying ahead of the knowledge curve by accessing ongoing training on trends in the industry. It is frustrating when an independent producer comes in with material that just isn’t suitable for us.”

Another broadcaster added: “We feel that overall the producers that do the best are those who have a solid business sense as well as a creative understanding. We are looking for the best story first. It is always about the story, but we must feel that we can invest in the producer. If they are not business savvy then we cannot completely feel comfortable.”

DEVELOPING A BUSINESS INCUBATOR MODEL FOR INDEPENDENT PRODUCERS

Given the results of our primary research, the following components of a business incubator were identified as critical to meeting some of the business needs of independent producers:

1. Mentorship from and access to broadcasters/executive producers.
2. Cost-effective shared space and equipment.
3. Business education in the context of the content-creation industry.
4. Networking opportunities with other industry professionals (especially those working in interactive and cross-platform content.

INCUBATOR CASE STUDIES

This section examines seven existing business incubators to assess their components and how they might be relevant to the needs identified by independent producers in the research findings. This environmental scan, our on-line survey, focus groups and one-on-one interviews provide the basis for proposing a one-year pilot business incubation model for independent documentary producers at the end of the next section.

1) NATIONAL SCREEN INSTITUTE (NSI)

MANDATE

The National Screen Institute - Canada (NSI) is a non-profit organization with headquarters in Winnipeg. Its mandate is to be Canada's national film, television and digital media training school for writers, directors and producers.

PROGRAM DESIGN

The Institute has a number of training programs for different levels of experience (emerging, mid-career) and different formats (short film, feature film, television, etc.) Although the Institute is based in Winnipeg, it pegs itself as a "school without walls" with participants coming together for short, concentrated training sessions delivered by experts in the field. Participants, who may join the program from across Canada, then go home and are paired by NSI with local industry mentors. Over the course of the year, participants continue to prepare their creative projects for international markets, work with a script consultant, prepare pitches or embark on program-based internships.

BUDGETS AND FUNDING

NSI reports that for fiscal 2009-10 it derived 40% of its total revenues from corporate sponsorships, another 1% from earned revenues from its programs and the remaining 59% from various federal, provincial and municipal government and agency sources in addition to private foundations.

2) THE CANARY COLLECTIVE

MANDATE

The Canary Collective based in New Orleans, Louisiana is a design and development studio collective with a team of designers, illustrators, photographers, videographers and practitioners specializing in offering

its creative services to clients such as small startups, foundations and universities.

PROGRAM DESIGN

A core group of design practitioners, with other highly skilled people added as needed, the collective takes on collaborative work projects from clients looking for help in launching or revamping their brand design. The structure is designed to develop the skills of all of the participants and the collaborative mandate is met as they work together in a physical space as well as in virtual collaboration.

BUDGETS AND FUNDING

This is a private sector enterprise and derives its funding from fees & income generated from working on clients' projects and its own creative activities.

3) WHISTLESTOP PRODUCTIONS

MANDATE

Whistlestop Productions is a private company specializing in broadcast and video production and editing. It recently launched a 3D Centre of Excellence in partnership with Loyalist College in Picton. The mandate is to deliver educational post secondary programs to students that are interested in entering the field of 3D content generation.

PROGRAM DESIGN

Managed with Loyalist College, participants earn a diploma in 3D Video Production. Working out of a shared space with shared equipment, participants work with industry practitioners on Whistlestop Productions projects gaining real-world experience.

BUDGETS AND FUNDING

Although privately owned, the 3D Center of Excellence was provided startup funding from the Federal Community Futures Development program. Ongoing funding for the center is through fees for services and development of television programming.

4) LIAISON OF INDEPENDENT FILMMAKERS OF TORONTO (LIFT)

MANDATE

LIFT is an artist-run charitable organization dedicated to facilitating excellence in moving image through media arts education and production resources. LIFT provides support and encouragement for filmmakers and artists through affordable access to production, post-production and exhibition equipment; professional and creative

development; workshops and courses; commissioning and exhibitions; and artist-residencies.

PROGRAM DESIGN

LIFT provides cost-effective access to equipment, networking opportunities, creative workshops and a space for presenting/exhibiting work. As a hub for film-related practices, LIFT provides a membership structure where members are able to access its programs and services for lower fees.

BUDGETS AND FUNDING

A majority of LIFT's revenue is generated through membership fees, fees for equipment and space rental and fees for trainings/workshops. LIFT also receives some government and sponsorship funding.

5) MARS

MANDATE

MaRS provides resources — people, programs, physical facilities, funding and networks — to entrepreneurs in the science, technology and social fields. MaRS self-declared mission is to “stimulate, identify and harness great ideas, nurture their development and guide the transformation of those ideas into reality. We measure our success through the companies that emerge after receiving help from MaRS.”

PROGRAM DESIGN

MaRS is a broad-based Business Incubator working mostly with emerging innovative startup companies in diverse fields. MaRS provides mentorship, rental space, networking opportunities and business services to these emerging entrepreneurs.

BUDGETS AND FUNDING

With its original mandate to create a hub that connected the worlds of science, business and government, MaRS received much startup funding from the government, foundations and institutional partners such as universities and hospitals. Although MaRS continues to receive government funding, a major portion of its revenues is now generated from tenant fees.

6) RYERSON UNIVERSITY - DMZ: DIGITAL MEDIA ZONE

MANDATE

Ryerson University's Digital Media Zone (DMZ) is a workplace designed for young entrepreneurs where Ryerson students and alumni come to innovate, collaborate and market their products and services, and where commercial enterprises can turn to for progressive and creative digital solutions.

PROGRAM DESIGN

Participants in the program are Ryerson students from various disciplines who may have a business idea focused on creative digital media. The Digital Media Zone provides a workspace, equipment, mentorship and business plan counseling through practitioners hired by the University.

BUDGETS AND FUNDING

Funded by Ryerson University.

7) GEORGE BROWN COLLEGE

MANDATE

George Brown College recently launched a new digital media and gaming incubator to support the city's digital sectors by providing affordable space, business and professional services, technology and human resources.

PROGRAM DESIGN

The incubator shares space with that of George Brown College, School of Design, occupying 2000 square feet in a 26,000 square foot facility. The incubator provides rental space and business services such as travel bookings, information on conferences and events in the gaming sector as well as training and funding opportunities.

BUDGETS AND FUNDING

The incubator is funded by George Brown College and space rental fees.

PROPOSED BUSINESS INCUBATOR MODEL

MANDATE

Given the findings of this research study, the research team proposes a three-year pilot business incubator program with a mandate to provide support to independent documentary producers. This will be made possible through cost-effective access to office space and equipment, business training and mentorship, networking opportunities with other forms of content-creators and a variety of other benefits and services. We propose a one year residency for businesses entering the incubator. The success of the pilot will be determined by milestones and metrics that will be fully developed as part of the implementation plan.

PROGRAM DESIGN – PARTICIPANTS

The participants in the pilot incubator program will be independent documentary producers who could be considered in the industry at an intermediate level of their careers with 1- 3 broadcast credits as producers. These participants must clearly identify that their companies are in need of growth development. The motivation for independent producers to join the program will be to grow their companies by learning from and working with seasoned professionals on the creative and business level. This incubator is not intended to serve the start-up community.

The participants will be expected to join the program with one creative project in development having already concluded the research phase.

PROGRAM DESIGN – BUSINESS INCUBATOR COMPONENTS

SHARED SPACE AND EQUIPMENT

We recommend that the incubator offer shared physical office space; production and post-production equipment to participants which will include:

- Private cubicles
- Shared board room
- Shared post-production facilities
- Shared administrative resources including photocopier, fax, scanner, etc.
- Sony EX – 3 cameras
- Sony EX – 1 cameras

-
- Canon 5D - 2 cameras
 - Two full digital editing suites with Macs and all appropriate software including editing software Final Cut Pro.
 - Technical support – editors may be hired as part of the program to assist producers in post-production

A 3,000 square feet space located in close proximity to other production studios, associations and artist-run collectives would be ideal.

One such location (as suggested by our focus group) may be in the Lansdowne/Dupont area where rental units are reasonably priced and long-term rates are available. There are several studios engaged in creative activities operating in the area, most notably Bradshaw Studios. During our research activities we approached this Studio manager and confirmed that an incubator of this type would indeed be allowable in this facility.

Another location suggested may be 401 Richmond which has a vibrant tenant base that reflects the variety of artistic practices and entrepreneurial endeavors taking place in Toronto's cultural centre.

MENTORSHIP AND BUSINESS EDUCATION AND TRAINING

Given the overwhelming need for mentoring and business education and training expressed by respondents in the on-line survey and emphasized in our focus groups and in-depth interviews, we propose that mentorship and business workshops with industry professionals be key components of the incubator program.

In our research with industry professionals (executive producers, interactive producers, broadcasters and distributors), we determined that there is interest from them to participate in the business incubator program as mentors and/or executive producers to the participants and their creative projects.

Hence, we envision offering a mentor to every participant in the business incubator program. The role of the mentor will be to guide the participant through the course of developing, producing and distributing their creative content. The mentor, if interested, may also choose to be an executive producer on the participant's project. In addition to mentoring one participant, the industry professionals will also be asked to conduct one or more business training workshops for all the participants.

Workshop topics will include those identified in this research project as high priority education and training needs of independent producers.

These may include topics such as:

- Navigating funding and broadcast requirements
- Traditional and alternate financing options
- Rights management and entertainment law
- Partnerships and working with interactive producers

The business incubator's relationship with industry professionals who may wish to be mentors, conduct workshops and/or executive produce a project may be bound in an annual contract. Depending on their commitment and level of involvement, they may be offered a fee for service.

Distribution and display are critical issues following the idea, script, execution and foremost – financing. The incubator could potentially play a critical role in creating alliances/opportunities for distribution.

Efforts will be made to guarantee a level of product quality and pre-screening opportunities through agreements with the approximately 40 film festivals that take place annually in the Greater Toronto Area.

PROGRAM DESIGN – OPERATIONS

We recommend that the operations of the business incubator are supported by a strong, solid advisory board that consists of seasoned industry professionals (broadcasters, distributors, executive producers).

The operations will be managed by a program coordinator and a full-time executive assistant.

ESTIMATED PROGRAM COSTS

A detailed cost analysis will be conducted in our next steps as part of designing the financing budget for the program.

POTENTIAL FUNDING STRUCTURE FOR THE PROGRAM

In our environmental scan of business incubators we found that most of them use a combination of public and private funding and fee-for-services to meet their financial needs. Although determining a complete budget will be part of our next steps and detailed implementation plan, we have identified some potential sources of funding as follows:

PUBLIC FINANCIAL RESOURCES:

There are several funding opportunities at all levels of Government. Here are a few examples:

- Federal: FedDev Ontario or The Federal Economic Development Agency for Southern Ontario; Community Future Development Agencies across Ontario
- Provincial: The Ministry of Economic Development and Innovation, Ontario, Creative Communities Prosperity Fund
- Municipal: City of Toronto Economic Development and Culture
- Arms-Length organizations: Telefilm Canada

PRIVATE FINANCIAL RESOURCES:

There are several private sector organizations that support creative and arts-based organizations as part of their marketing and/or corporate social responsibility mandates. These may be:

- Businesses with direct hardware interest: Sony or Samsung that are marketing new and innovative equipment often support with in-kind contributions.
- Foundations: Royal Bank of Canada (RBC) Financial Foundation has an interest in funding new ventures with an educational component.

INDUSTRY EXPRESSIONS OF INTEREST IN THE PROPOSED BUSINESS INCUBATOR MODEL

The Independent Television Producers Program at Centennial College has been established for fourteen years. Some of the past participants of the program are now highly successful and well-established producers. We selected ten of them to gauge their interest in becoming part of the program as mentors, trainers, and Executive Producers.

Eight of them responded with a high level of interest and asked to be approached once the project was implemented and participants were selected. They expressed an interest in learning about the specific participants and their projects before committing to a specific level of involvement (mentor, workshop trainer or Executive Producer).

Out of the eight that responded with this level of interest, six offered to become mentors/Executive Producers/trainers once the program was implemented.

There is additional anecdotal evidence gathered by the administrators of the ITP program from other executive producers over the years who have expressed an interest in participating in such a program once it is fully designed and implemented.

One of the broadcasters who participated in our in-depth interview was approached again to test the business incubator model as designed.

The broadcaster strongly supported the design and indicated that potential interest in further exploring the possibility of presenting completed projects on their television channel could be included in our next steps.

The potential for a broadcast credit would be a significant benefit to participants. Also, DOC Toronto has expressed a keen interest in the proposed incubator model as a potential partner/collaborator.

IMPLEMENTATION PLAN

As next steps, we propose that once the Advisory Board adopts the basic model, full financials be created to support it. DOC Toronto may be informally approached to review the proposed model and be asked to provide input into financial considerations. Once this process is completed DOC will be approached to request a partnership. A partnership with DOC will not only add to the credibility of the business incubator but will also provide opportunities for funding from sources that may not be available to the incubator independently.

DOC's potential partnership will be important to the proposed business incubator project but is not critical to its advancement.

After discussions with DOC, a final detailed budget with costs and a funding plan will be drawn up. The next step will be formalizing the broadcaster and industry specialist relationships and accessing the funding partners. Further to this will then come the securing of space and equipment along with appropriate personnel. Once these are in place, the pilot program will be ready to accept its first participants.

A milestone table and measurement of success of the program will also be fully designed. Potential measurements of success could be the completion of the intended project with a commitment of exposure from a broadcaster, distributor, and/or film festival, and/or demonstration of a successful cross-platform, and/or transmedia component complementing the television project.

CONCLUSION

This feasibility study recommends that a three-year pilot business incubator program for independent documentary producers be established based on the model proposed as part of this study.

This report provides a realistic understanding of the trends and changes in the sector and the findings of the study reveal a real need for support for business training and formation for independent documentary producers. An environmental scan of other business incubators suggests that none exists in the Greater Toronto Area to meet the unique needs of independent documentary producers. The report proposes a business incubator model to meet the needs identified in this research study and suggests a process and road map to follow. As the project moves forward, the program design and funding model will evolve. However, this study clearly provides resources to access and a roadmap to follow to “get to the destination” that being a fully and richly realized business incubator institution for independent screen-based content creators.

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APPENDIX A

CENTENNIAL COLLEGE OVERVIEW

Centennial College, established in 1966, is Ontario's first publicly funded community college and primarily serves the eastern part of the Greater Toronto Area. There are four campuses, one satellite location and one administrative complex in Toronto. The College has many International partnerships, with offices in China, India, Korea, Panama, Mexico and Turkey.

Centennial has a lengthy history of exemplary teaching, innovative programming and extensive partnership building. The College is recognized as one of the most culturally diverse post-secondary institutions in Canada, with almost 100 ethno-cultural groups represented and 80 languages spoken on campus.

Centennial offers more than 100 certificate, diploma and degree programs on a full and part-time basis in business, community and consumer services, engineering technology, hospitality, health, transportation and communication arts. These career-oriented programs emphasize practical experience with laboratory learning, industry and agency placements, as well as co-operative education. Through all of our many campuses, students may also prepare for college and university through the General Arts and Science programs and English language training. Centennial enrolls over 14,000 full-time students, 1,800 international students and 28,000 part-time students study in our Continuing Education programs.

APPENDIX B

RESULTS OF ON-LINE SURVEY

How many years have you been working in the screen-based production industry?

Answer Options	Response Percent
<1 year	2%
1-2 years	0%
3-5 year	15%
6-10 years	15%
>10 years	68%

What is the primary focus of your production activities?

Answer Options	Response Percent
Documentaries	42%
Children's programming	5%
Education	5%
Commercial	7%
Animation	5%
Interactive digital media	10%
Drama	12%
Other	15%

Do you own your own production company?

Answer Options	Response Percent
Yes	68%
Have previously set up a company that is not currently operating	15%
tried but was unsuccessful in setting up a company	0%
No, never tried to set up a company	17%

If you do/did own your own company, what is/was the duration of operation? (If you do not own a company, answer NA)

Answer Options	Response Percent
NA	15%
< 1 year	23%
1-2 years	8%
3-5 years	20%
6-10 years	5%
>10 years	30%

Is your primary job

Answer Options	Response Percent
Producer	37%
Producer/Director	37%
Interactive Producer	10%
Other	17%

Is your company...(if you do not own a company, please answer NA)

Answer Options	Response Percent
NA	13%
Sole proprietor	38%
Incorporated	50%

Have you produced a program with a companion interactive element?

Answer Options	Response Percent
Yes	30%
No	70%

If yes i.e. you have experience in interactive media production, please indicate whether you:
(if this question does not apply, please answer NA)

Answer Options	Response Percent
NA	60%
Hired an interactive producer	6%
Worked on the content yourself	23%
Collaborated with an interactive producer	9%
Own the intellectual property to the production	0%
Other	3%

Would you like to produce programs with a companion interactive element?

Answer Options	Response Percent
Yes	68%
No	5%
Maybe	27%

What is your level of business training/education?

Answer Options	Response Percent
Self-taught	22%
Industry or association seminars/workshops	42%
Business certificate	10%
Business degree	12%
Graduate degree in business	2%
Other	12%

Do you own the intellectual property for productions?

Answer Options	Response Percent
Yes	78%
No	22%

Do you work from:	
Answer Options	Response Percent
Home	85%
Independent office/studio	12%
Shared office/studio	0%
Other	2%

How would you rate your current business knowledge?	
Answer Options	Response Percent
High	22%
Medium	61%
Low	17%
Non-existent	0%

Have you been formally mentored?	
Answer Options	Response Percent
Yes	40%
No	60%

Please rate the following business needs that may apply to you with 1 as High Priority and 5 as Low Priority

Answer Options	Priority				
Business Needs	HIGH	2	3	4	LOW
Legal issues	31%	33%	15%	15%	5%
Creation of company business plan	21%	10%	31%	31%	8%
Financial component i.e. company cash flow	46%	13%	18%	18%	5%
Business process of starting a company	10%	18%	8%	21%	44%
Business process of growing the company	28%	21%	26%	15%	8%
Developing a company strategy to incorporate interactive media	33%	21%	26%	13%	8%
Sharing of resources i.e. equipment, software, meeting space	15%	8%	49%	15%	10%
Marketing	41%	23%	15%	13%	5%
Client management	13%	41%	15%	23%	8%
Understanding government funding agencies	54%	23%	13%	8%	3%
Understanding other sources of funding	69%	8%	13%	5%	3%
Means of raising capital	62%	21%	10%	5%	0%
Business accounting	46%	31%	13%	5%	5%

Have you worked within or had access to a business incubator environment in the past?

Answer Options	Response Percent
Yes	10.0%
No	90.0%

If an incubator was available to you, please rate the importance of the following components:

Answer Options	HIGH	2	3	4	LOW
Office space-own with a lock and door	35%	15%	31%	12%	8%
Office space-open, shared	4%	26%	44%	15%	11%
Production space	30%	22%	26%	11%	11%
Market rates for space	22%	19%	37%	15%	7%
Discounted/subsidized office rates	56%	19%	19%	4%	4%
Access to business training	43%	32%	14%	7%	4%
Access to potential project collaborators (broadcast producers and interactive producers under the same roof)	64%	21%	11%	4%	0%
Access to mentors	75%	11%	7%	4%	4%
Sharing of resources (i.e. equipment; software; meeting space)	43%	25%	29%	0%	4%
Sharing support staff e.g. reception, bookkeeping	36%	29%	21%	11%	4%
Sharing information, expertise, and providing support	68%	21%	11%	0%	0%

APPENDIX C

LIST OF ACRONYMS

CASO	Computer Animation Studios of Ontario
CMPA	Canadian Media Production Association
CRTC	Canadian Radio-television and Telecommunications Commission
DMZ	Digital Media Zone
DOC	Documentary Organization of Canada
GTA	Greater Toronto Area
IO	Interactive Ontario
ISP	Internet Service Provider
ITP	Independent Producers Program
LIFT	Liaison Of Independent Filmmakers Of Toronto
MOW	Movies of the Week
NSI	National Screen Institute
NT	Non-Theatrical
PRO	Producers Roundtable of Ontario
RBC	Royal Bank of Canada
TMI	Telecom, Media and Internet
VOD	Video on Demand