

TBI Television Business International **Special Report**

Content Creation In A New Era



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Looking back on lockdown

Eyes wide open



Covid-19's impact on the TV business has been immense, but not all the ramifications are negative. Richard Middleton and Mark Layton find out how content creation and delivery might look after lockdown

Just when the world's content industry will return to some sort of business as usual is, at this stage, anybody's guess.

Speak to some producers, and the hope is that shows in hiatus will be able to get wrapped quickly and make it onto screen at top speed. Commissioners tell TBI they are trying to prep for the future by keeping orders and development conversations moving; trade bodies are doing their utmost to support at-risk freelancers; and corporate giants are bolstering their cash reserves by promising investors that the good times will return.

But there seems little doubt that the over-arching impact of Covid-19 will be some sort of global recession, with its myriad impacts on the content business and all who are supported by it. And while series stitched

Rhys Darby In Japan is on new outfit Abacus Media Right's inaugural slate

\$12m

Channel 4's spending on programming for the remainder of 2020

together from archives and innovative 'at home' programming might suffice for the time being, it is clear that for entertainment and particularly drama, Covid-19 and social distancing means production will be disrupted well into 2021 if not longer. But as we've discussed in the previous chapters of this report, the effects are disparate and despite the fairly grim outlook, there are slivers of hope remaining.

Entering a new world?

Some of this hope comes in the form of inward investment. Endemol Shine Group's former COO Marina Williams, for example, recently unveiled Asacha Media Group, a private equity-backed firm launched with Zodiak Media alums Gaspard de

Chavagnac and Marc-Antoine d'Halluin, which maintained its course despite the crisis. Ex-Kew Media Distribution chief Jonathan Ford was also able to steer his fledgling firm Abacus Media Rights onto the market, with *Superbug*, from *Leaving Neverland*'s Dan Reed, joining others such as CBC drama *Trickster*, *High Maintenance* and *Rhys Darby In Japan* on its inaugural sales slate. As Ford points out, recession or no recession, networks and streamers will still require content for viewers and acquisitions will likely provide a cost-efficient mechanism to stock services, at least in the short term.

Further, the impact of lockdown on key annual events – ranging from the Olympics and football's European Championships to the hit on the US pilot season – means acquisition executives will have to buy product to fill gaps. Opportunities will emerge.

But there is agreement that the sector emerging from lockdown will likely look quite different to the one that was in operation just a few months ago. Not least will be the impact on production staff working on a project-by-project basis, who are having to weather out the lockdown with little support.

"It is really devastating for freelancers because there's just no end in sight," says Jacqueline Hower, co-CEO of UK-based outfit Brown Bob Productions. "You just don't know when things are going to get back to normal. If people knew it was going to be three months or six months – it just means at least you can plan or budget or do something completely different. This is like an earthquake, really – the solid ground that you had absolutely taken for granted turns out to not be so solid."

Hower, like others in the industry, suggests that the types of contract might be streamlined or there may be fewer people "who are comfortable being freelancers and want to be staff."

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Jeremy Roberts,
Sheridans



Production on *Peaky Blinders* has been affected by Covid-19

Jeremy Roberts, partner and head of broadcasting and content distribution at UK legal firm Sheridans, points out that producers and broadcasters will also have to tackle the potential of more Covid-19 lockdowns – and the lack of insurance to guard against them. "Each new production will face a new 'known unknown' risk," he says, "the chance of another lockdown, meaning potential absences of onscreen talent, cost overruns and delayed delivery."

There are work-arounds, Roberts adds, such as getting contracts agreed upon and in place – as far as is feasible – so shows can get underway immediately once lockdown is over. Looking beyond that, buyers and producers will have to work together, he says, to agree on timings and flexibility.

"Producers and buyers want to line up productions ready to go as soon as the current restrictions are lifted, but the route to greenlight looks harder than ever," he concedes. And while freelancers are uppermost of many people's thoughts right now, there are knock-on effects of strengthened contracts.

"Rightly, UK unions such as Equity and Bectu are fighting hard for their members, but they should bear in mind that the more robust the protections for cast and crew, the higher the costs of a shutdown.

"In turn that will mean that fewer shows get made, hurting their members. They should accept more flexibility than they would otherwise like for the greater good," he suggests.

Commissions & acquisitions

The full extent of the impact from Covid-19 on companies that are acquiring and commissioning product remains shrouded in unknowns, but there is consensus that budgets will be squeezed and commissions likely reduced.

Broadcasters around the world have been hardest hit to date and there is little doubt that will continue. Advertising does not appear to be returning to normal levels soon – although traditional heavy spenders such as food and drinks companies are largely weathering the storm – and that has already resulted in networks slashing programming budgets.

SVOD's have benefitted in subscriber terms but the global nature of some means currency fluctuations have affected revenues. Other regional players, such as Nordic Entertainment Group's Viaplay, have been hit by their affiliation to losses at their parent companies. And the booming AVOD sector looks likely to cool its growth trajectory, although the increased uptake from locked down viewers could mean higher audience numbers and bigger returns – and potentially more acquisitions down the line.





For some on the factual side, meanwhile, lockdown has meant turning to archive for new shows. Hewer says that the hope is that “when it pings back, it will ping back big time. There are gaps in schedules and there’ll be, hopefully, money to be spent, so it might just be a blip and then it all picks up. And we’ll all feel incredibly grateful for what we’ve got because we’ve realised how good it was.”

Formats face a trickier future, as Siobhan Crawford, head of sales and acquisitions at Belgian format distributor Primitives, points out. New ideas will face a tough time against almost risk-free, established format juggernauts from the world’s biggest production and distribution houses. Her part of the business faces “immense challenges,” she adds, as creatives attempt to keep the sector going. “Come MIPCOM, pipelines are expected to be dry in the non-scripted format genre as production simply will not have moved forward since February – and even MIPCOM will be uncertain,” she says.

“This is our pipeline – our arena for sales and our ability to forecast – all in disarray. And what is the silver lining in all this? Netflix and its competitors announce acquisitions as normal. So, who is everybody trying to target, and in-so-doing giving the platforms plenty of choice and power to drive down commercial terms? The same platforms. This is just realism at work. It will of course provide a lifeline for some.”

Lucas Green, content chief at Banijay Group – the *Survivor* and *Temptation Island* firm that is in the midst of subsuming *MasterChef* and *Peaky Blinders* outfit Endemol Shine Group – says the world “will be very different” once the industry resumes its business in earnest.

“Every nation is affected, which is utterly unique. Audiences will look for escapism through uplifting content that offers comfort after the storm. As a

Atlantica delivered the latest episodes of *Berry Bees* despite Covid-19 restrictions in Italy

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Lucas Green,
Banijay Group



business, we will have learnt more efficient ways of working and inevitably this will have a positive impact on levels of travel. And, with broadcasters impacted across the globe, we will have to think of smarter ways of making shows to meet their financial needs.”

Richard Tulk-Hart, co-CEO at Buccaneer Media, says longer-term effects “will ultimately be driven by the likes of the broadcasters and how they want to work with us and what’s going to happen to scripted once we come out of this.”

He adds that he doesn’t expect huge changes in quantity but “we’ll be looking for different genres and more uplifting content perhaps – I can imagine that that would be the case. This will all, perhaps, change tastes more than it will change anything else.”

For scripted producers mid-production, the hope is to wrap existing commitments quickly and embrace streamers in need of content to sustain viewers who gobbled up programming during lockdown. Streamers will, it seems, be better placed to pay for it than broadcasters but there are huge questions around talent availability. And most industry insiders suggest even more reliance on co-productions as cash-strapped channels look for cost-effective ways to pool resources. Private equity, distributors and third-party financiers will also become increasingly vital players.

Tapping tech & efficiency drives

There also seems to be an acceptance that more efficient ways of developing, producing and selling shows will emerge. More post-production is being done at home using state-of-the art software that cuts down costs while the TV event calendar looks set to thin out – not just because of short-term restrictions but because there are now myriad companies offering sales solutions for buyers. And those execs are now likely to have had some experience using these services.

Chiara Cardoso, head of development at London’s BlackBox Multimedia, which is behind projects including *Brandenburg*, says lockdown has underlined the fact that tech has already brought people closer.

“In a way, given that we at BlackBox work with so many different countries, [lockdown] has not drastically changed the way in which we operate. Zoom calls were already part of our daily reality.”

Caterina Vacchi, EP and head of production and distribution at Italy’s Atlantica Entertainment, echoes the point. “We’ve all learned what it means working from home: no commuting, no pauses; less distraction; more work. We are able to communicate in so many different ways that I can receive 10 different requests on multiple platforms. We’ve learned to multi-task even more than we were already.” **TBI**