The Big Guns

By Bob Jenkins

To be successful in the international distribution business today, it takes a lot more than a catalogue chock full of programming that buyers want. It's necessary to come up with creative financing formulas, appreciate the challenges faced by independent producers, gather up-to-date knowledge of markets around the world and, of course, have a keen understanding of broadcasters' needs.

During the last ten years, a group of distribution companies in Europe have developed all these attributes and have become "mini-majors." They have the breadth of contacts and programming that allows them to sell around the world and become significant competitors for the Hollywood studios.

One of the continent's biggest distributors, with a catalogue of some 19,000 hours, is FremantleMedia Enterprises. This year's MIPCOM, says CEO David Ellender, "will really be more of the same from us, especially in reality. Season seven of American Idol premiered Stakeside in January, 2008, so we will be launching that at MIPCOM, where it will sit alongside the fourth season of Project Runway, the sixth season of The Apprentice and the second season of America's Got Talent. We also have a strong lineup of factual and documentary, in addition to the two BBC seasons of Sir Alan Sugar's The Apprentice, three returning Martha Stewart shows from NBC, The Justice Dickson Modeling Agency from Oxygen and a totally revamped Neighbours."

Ellender is especially enthused by the new version of the long-running Aussie soap, which launched at the end of July.

"I think it is important to appreciate that Neighbours has been on air now for 21 years, and we just felt that it needed some TLC [tender loving care]," explains Ellender. That TLC includes new opening credits and theme music, an increase in the use of locations and a switch to HD. "All the main characters are still there, but this is not the end of the process, but rather the start of one that will evolve over a period of time."

Granada International hopes that Daniel Radcliffe's first TV role since the Harry Potter franchise will add a little magic to its MIPCOM. Radcliffe stars in My Boy Jack, a moving version of Rudyard Kipling's account of his son going missing in action during World War I. The film also stars Kim Cattrall (Sex and the City). At the other end of the scale, Granada is also launching Bonav & Koala, which managing director Nadine Nohr describes as "a lively and fun preschool animation series, based on the two eponymous characters, already hugely popular with kids all over the world from the Bonav & Koala website. These two new series will fill an enormous stable, which runs to a total of excess of 35,000 hours across all genres."

SevenOne International has quickly established itself as one of the leading distributors in Europe. And for its managing director, Jens Richter, having a certain scale makes all the difference. "Size does matter," says Richter. "The product is always the most important thing, but you need the right product and the right amount of product. You have to get to the position where you are a steady, reliable source..."
of programming, and to do that you need a constant flow of new programming.

That constant flow can only be achieved with the resources of a large company: SevenOne has managed to become the destination for quality event mini-series and TV movies in a number of genres, particularly catastrophe features. “The first catastrophe program we offered was the mini-series Tornado and we sold it to more than 100 countries,” explains Richter. Then we introduced the TV movie Raging Inferno. At MIPCOM we will have a movie called FutureShock: Comet Impact, produced by Darlow Smithson in the UK. And in our upcoming lineup we’ll have movies like Coping with a Boy, Crash Point: Berlin and Aftermath.

Tornado has already started airing and is garnering very good audience shares, and as Richter explains, buyers have been equally struck by Raging Inferno. “They are very impressed by the level of CGI. They understand the quality SevenOne can offer when it comes to catastrophes and they buy into new product very early on. When they have a slot for product like this, they automatically come to us.”

Another huge highlight at MIPCOM will be the two-part Treasure Island, an adventure event for ProSieben that will be ready at the end of the year and has already sold to numerous countries, including France, Spain and Japan.

The second popular TV-movie genre for SevenOne is romance. “Every year we have between 40 and 50 TV movies, and within that lineup, we have romantic comedies that in France, Hungary or Italy are perfectly suited to access prime-time or afternoon time slots,” explains Richter. “Buyers acquire quite a bit of volume because they know that for their afternoon time slots, SevenOne is a great source of programming.”

**SPEAKING IN VOLUMES**

Having a certain scale is also critical in maintaining an ongoing dialogue with clients. With a constant flow of new product, you always have a reason to go back to a buyer and offer a new pitch. And having a broad catalogue that sells well provides the financial resources to make target sales trips to broadcasters around the world. “If we had only ten programs a year, it would not make sense for us economically to go to China ourselves,” says Richter. “It wouldn’t even pay for the first airline ticket!”

Direct contact with clients provides a much better sense of what their programming needs are, and this knowledge is very helpful when trying to assess what kind of worldwide license fees can be collected for a project still in development.

At MIPCOM, Channel 4 International will be launching The Secret's Apprentice, a Twenty Twenty Television production for CBBC. Over the course of 21 half-hour episodes, 14 lucky scholars are picked for an 18-day intensive training in the art of magic at a boarding school set deep in the heart of the British countryside.

A mystery of a different kind infuses another new offering from C4I. The Beating Silence is the much-anticipated follow-up to the multi-award-winning Touching the Void. The 76-minute special produced by Darlow Smithson follows Joe Simpson’s dogged battle to recover from his injuries, confront his demons and resume his career as a climber. “It is a very human, moving story, questioning exploration, and why we feel the need to test themselves in the planet’s most brutal and unforgiving places,” says Christina Willoughby, C4I’s head of international sales and co-productions.

ZDF Enterprises, the commercial arm of the German public broadcaster ZDF, is headed by president and CEO Alexander Coridass. It is arguably the most important distributor in Germany, and one of the major players in Europe, yet operates only in three genres: documentary, drama and children’s

Among ZDF’s documentary titles, China is a dominant theme in the run-up to the summer Olympic Games, to be held in Beijing next year. Coridass admits that “we will probably not be alone in offering a lot of factual titles on China, but we think two aspects of our offerings stand out. Firstly, our programs explore the history of China rather than the modern country,” he explains. “This is because we felt that it is not possible to understand modern China without first understanding its evolution. The second stand-out feature will be the quality of the programming. We have worked on these titles for three years with partners such as CCTV, top German producer Gruppes and top U.S. channels such as Discovery Channel, The History Channel and National Geographic.”

**EXPANDED OFFERINGS**

ZDF Enterprises made a decision approximately five years ago to enter the children’s market, and the move has so far proven to be a big success. H20: Just Add Water, the story of three girls living on Australia’s Gold Coast who magically become mermaids whenever they come into contact with water, is one of ZDF’s biggest hits.

In drama, returning crime series such as Coast Guard, Cologne R.D. and Leipzig Hotshots, alongside the new series Here Comes Kalle, which Coridass describes as “a very soft, gentle and warm series for the whole family.”

Event television is the house specialty at ZDF, and chairman and CEO Justin Bodie estimates that “at its maximum our catalogue would have about 2,000 hours in it, although...”
that figure does vary depending on the territory." The majority of this library is made up of mini-series and TV movies, and Boddle estimates that the company has "six or seven major mini-series slated over the next 18 months or so, two of which, *The Day of the Triffids* and *Leaves are both budgeted at $20 million."

Mini-series, however, are not the whole of Power's story. The company is also producing a number of series, including *Robinson Crusoe*, *Uncle 69* and one which is a particular favorite of Boddle's, *The Changing*, which is being produced for a major U.S. cable network and, as Boddle explains, "tells the story of two worlds, the real world and one inhabited by fairies, and it is going to be wonderful."

The company also has an in-house TV movie brand, Power Thrillers, and is distributing two CBS daytime dramas, *As the World Turns* and *Guiding Light*.

If the overall size of Power's library seems small in comparison to some top European distributors, then that is only a reflection of how young a company it is compared to many in that select group. The same is true of ALLMEDIA, although Louise Pedersen, the managing director of the distribution arm, ALLMEDIA International, estimates that the British mini-major has "between 2,000 and 2,500 hours, depending on how many you count for [the serial drama] *Hearts*". ALLMEDIA owns a number of production companies, each of which is known for its specialization in one particular area. The company deals in four areas: drama, factual, formats and children's. "Our big new drama shows," says Pedersen, "are *Siesta* and *Cape Wrath* and George Cunliffe and, of course, we have our two major staples, *Midsomer Murders* and *Vindaloo at Heart*. Our latest offerings in factual are *Guarding the Queen*, *Great Wall of China* and a fly-on-the-wall look at America's police special tactics squad, *USA SWAT*. In formats, we have a new season of our eco-friendly series *WAITED* and a great new format called *Your Wedding in Their Hands*, all about the planning of, and the run-up to, a wedding."

Of course, no discussion of the European formats business would be complete without a mention of Endemol, a company that its director of format sales, Annemieke Noest, believes "probably has the largest format catalogue in the world, which, aside from new content, has more than 800 formats that have all been produced in at least one territory." Alongside returning staples such as *Deal or No Deal* and *Big Brother*, the Dutch behemoth will debut two new series at MIPCOM.

Golden Balls, which has offered ITV much-needed relief in the afternoon, where it has been beating *The Weakest Link* on the BBC, and *What Women Want*, which pairs attractive 18-year-old males, who have real women problems, with a group of 30- and 40-year-old women. They all live in a luxury loft for eight weeks as the women try to educate the macho men, the geeks and the downright ladeys. Each week one contestant gets voted off by the women.

**BRITISH MIGHT**

BBC Worldwide is a major player in the global distribution business. "BBC Worldwide has between 4,000 and 2,000 hours of new programming every year, which is a significant factor in our ability to maintain our position as the number-one exporter of programming in Europe," says Melissa Caron, the director of development territories for BBC Worldwide.

The company's highlights at MIPCOM include *Cranford*, a five-part drama starring Judi Dench and based on the novels of Elizabeth Gaskell, as well as a six-part docudrama, *Warriors*, co-produced with Discovery, ProSieben and ERT Greece, which retells the lives of six remarkable men who shaped the world around them. And despite earlier assurances that he was finally handing up his boot, it seems that Michael Palin cannot get the travel bug out of his system. In *Michael Palin's New Europe*, the peripatetic presenter travels around Eastern Europe.

New programming is vital to markets such as MIPCOM. It is the exciting scent that draws buyers to a stand, but in any one typical year, how much of a distribution company's turnover is made up of sales of new programming, and to what extent do they rely on past glories in the back catalogue?

"It is impossible to put a figure on the split between catalogue and new programming in any one year because we are selling both all the time and to many different platforms," says Caron.

The task is a little easier for Granada International, where Noller reveals that in 2006, the split was roughly 40 percent for new programming and 40 percent for catalogue sales, which, he notes, is not only their own production going back to the dawn of ITV but also the Rank Film Library and the library of Lew Grade's old company, ITC.

The much newer Channel 4 library features a very similar split, which Willoughby estimates as 70 percent new titles and 30 percent catalogue titles. "But she points out that "as there is ferocious competition to secure new titles, we are increasingly pre-selling titles well in advance of completion."

FremantleMedia's Ellender says it is "far to say that a large percentage of our back catalogue is more or less permanently under license in the U.K., which is hardly surprising given the voracious appetite of cable and satellite channels and our strong U.K. heritage through Thames [TV's catalogue]." But it speaks volumes for the level of sales achieved by the new shows coming through the FremantleMedia pipeline that Ellender puts the split at his company between library and new sales at 20 percent library and 80 percent new programming.

This is the same split for ZDF Enterprises, says Coridass, who goes on to assess the relative sales of each of the genres in which ZDF operates as being "60 percent for drama, 30 percent documentaries and 10 percent kids."

A very different split is evident at Power, where Boddle puts the ratio between sales of new programs and catalogue sales at 40:60. "We are a relatively new production company so there is much greater value to be had from our catalogue than from..."
some belonging to older companies, simply because it is newer,” says Bodde. “But equally, our new titles are so vast, they generate very large sales as well.”

At Endemol, Noest puts sales of new formats in 2006 at just 15 percent, the remaining 85 percent being ascribed to sales of existing formats. This, however, is a reflection of the nature of the format business, where once major hits such as Big Brother and Deal or No Deal have established themselves in a market, broadcasters will want to continue producing more of these instead of risking a new show which might not work as well.

CLASSIC FARE
ALLMEDIA’s Pedersen makes the point that as a relatively new company, much of the catalogue is itself still quite new and therefore relatively more valuable than might be the case at some other companies. However, “there are some catalogue titles that work much better than others in secondary or even tertiary sales. Midsomer Murders is the obvious one, and our word show format Verso is another that sells over and over again.”

Whatever the split between catalogue and new titles may be, Pedersen is clear that “the big opportunities at the moment are new media and,” echoing FremantleMedia’s Ellender, “the dramatic growth of the U.K. secondary market.” Although she does caution, “to make the most of these opportunities you have to do the right deal at the right time. You could spend 25 hours a day working on new opportunities and still only generate one percent of your turnover.” When pressed, Pedersen admits that “video on demand will turn out to be the new media where there is serious money to be made,” although “it is still early days yet.”

Power’s Bodde also sees the potential for VOD and IPTV, but adds, “while both technologies represent an opportunity we should seek to grow, I also think that they will have a significant impact on other ancillary revenue streams such as DVD. Care should be taken in growing these opportunities not to damage our core revenue streams, which are from broadcasters.”

FremantleMedia’s Ellender believes that “managing the fragmentation of the audience is the biggest challenge facing FremantleMedia and, I would suggest, everyone else.” Elaborating on this, he explains, “knowing which consumers are going to be on which platforms and how to aggregate that knowledge into meaningful numbers is not only the key challenge facing everybody, but also the key opportunity. The winners in this new world will be those who can figure out how to create multifaceted content that will draw in the consumer, be sticky and allow full interaction.”

Endemol’s Noest, who sees “a mountain of opportunities for the future in the speed of technological development,” thinks Endemol may have developed part of that technological change to do exactly that. It’s called “virtual reality.” Noest reveals that “over the past year we have partnered with Electronic Arts to create Virtual Me, an application that will allow viewers to participate in game shows on the Internet via their own avatars.” She goes on to underline the potential importance of this development. “At the moment, license deals are still very much focused on TV broadcasts, but I think the next generation of viewers will consume content in a very different way, and these platforms can play a big role in getting content across to target audiences.”

The most important markets for most of these major European distributors, not surprisingly, are the U.S., Western Europe and Australia. But Central and Eastern Europe and Latin America are becoming significantly more important. “The economic climate in Latin America has improved greatly over the past few years, and our decision to open an office in the region has definitely allowed us to capitalize on this and the hunger there is for our programming,” says Granada International’s Nohr. “Central and Eastern Europe are increasingly developing a strong production base, opening up great format opportunities.” But Nohr is keen to make one other point as well: Television is a cyclical business and distribution is no different,” she says. “Our huge catalogue and continuing production means we can provide the right programs at the right time to clients worldwide as needs and tastes change, and anniversaries need to be marked.”

ZDF’s Condas, however, differs in one interesting way: “For us,” he asserts, “it is important to make a distinction between fiction and documentaries. In the latter case, the most important markets are the English-speaking markets, in particular, the U.S. and Australia. In fiction, however, these markets are deeply reluctant to buy anything that is not shot in English. So, for our fiction, the important markets are European, especially France, Italy, Central and Eastern Europe and Benelux.”

Whether to neighboring countries, or stretching into Central and Eastern Europe, or across the ocean to North and South America and even Asia, major European distributors are selling their wide catalogues of programming to buyers around the world. And they show no signs of becoming less powerful, or less of a competitive force to counter the Hollywood studios.