

Tuesday, November 19, 2013

Canada Media Fund
4-50 Wellington Street East
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Submitted via email: info@cmf-fmc.ca

RE: CMF STAKEHOLDER CONSULTATIONS 2013

Thank you for the opportunity to provide insight as part of the current CMF Consultation Process.

Sticky Brain Studios is a newly incorporated independent interactive studio based in Toronto, Ontario and founded by two industry professionals who have a combined 30+ years of experience in the Canadian interactive digital media sector working with and within television production companies, digital media studios, broadcasters, and funding agencies. We think highly of the work the Canada Media Fund has done since its inception in 2010 for the industry, and are excited at the opportunity to contribute to the CMF's ongoing evolution.

Further to the input provided by Interactive Ontario (of which we are a member), we would like to share additional thoughts in a variety of areas.

Experimental Stream

The Experimental Stream has identified two key criteria for funded projects: Innovation and Return on Investment. However, the two concepts often conflict. To be truly innovative, projects may not have a clear business plan. For a strong ROI, projects may not be innovative. The world in-between is murky and may not always lead to the best user experiences. We feel this lack of clarity is in part why this stream is so hugely oversubscribed. We have the following recommendations to the Canada Media Fund in response to the inquiries posed to the industry:

Should innovation remain the main evaluation criteria?

Innovation as a word is too broadly defined, and often too narrowly interpreted. It can divert from making content suitable for a competitive global digital environment, as innovation is not always immediately useable. Innovation as a criteria helps to weed out commercial products that could access funding elsewhere, but what the CMF is looking for in innovation is not always clear to applicants. Additionally, the requirement for ROI and detailed business models often conflict with the innovation requirement. Some remarkably innovative products and services are created before there is a clear, obvious market in place for exploitation.

Sticky Brain Studios urges the CMF to continue to support innovation, but to clarify the relationship between innovation and ROI.

Has the jury process worked well?

The approach of involving an independent jury is a good one, but the execution has its flaws. Too many applicants receive conflicting feedback when their application is turned down. It is our understanding that the CMF splits the production proposals, giving only half of a proposal to the jury, with the other of the proposal half evaluated internally. This means an applicant who spends weeks honing a complete and clear story does not have that complete story reviewed as part of the jury process. How is a jury to evaluate the legitimacy of a concept without understanding the budget and contribution request? How is an analyst who is unfamiliar with the detailed project creative able to effectively analyze a budget and business plan? While the professionals the CMF deploys as a jury are impressive thought leaders, they are not always versed in all aspects of interactive production. Are mobile app experts asked to review games? Are games executives asked to review transmedia properties?

The Bell Broadcast and New Media Fund uses independent evaluators who review complete packages and provide recommendations to the Board for approval. The Ontario Media Development Corporation's Interactive Digital Media Fund uses a two-step review process, first by an independent "Advisor" or product specialist who reviews the base materials for feasibility and accuracy, then a jury reviews the complete proposal assisted by the Advisor notes. This process ensures that, for example, a game analyst who may be less familiar with elearning is provided additional notes from an independent elearning expert, and is not making a decision without some understanding of the product type landscape. It is recommended the Canada Media Fund examine these models to provide multiple levels of expertise to the evaluation process, particularly if innovation is to remain as a goal of the fund.

Regardless of the model the CMF decides to continue with, it should be made very clear to applicants how a proposal is evaluated. This clarity will assist in the writing of proposals to better fit the CMF decision process.

Should CMF continue to fund projects at 3 different stages?

While already stated by Interactive Ontario, we at Sticky Brain Studios would like to emphasize the recommendation to collapse the Development and Production Stages into a single 'product' stage. When supporting other digital studios with their CMF Experimental proposals, the number one question from our clients is "where do we fit?"

The product development cycle for interactive digital media is not as clear-cut as it is for film or television properties. For example, the development cycle might include making and releasing a stage 1 market-ready product, but not a complete product. Is this considered Development or Production?

Currently, many studios will apply for Production, and guess at the full project scope because targeting a market-ready prototype is apparently beyond the scope of development. If complete contributions accrue for recoupment purposes and are then capped, it might reduce the financial asks, and focus applicants more on specific deliverables.

What is the success of past funded projects?

The CMF's Experimental Stream is nearing completing of its fourth cycle. What are the results of projects created? How is the industry learning from past applicants' successes and failures? While the CMF is exploring standardized success metrics, can case studies be published on the CMF website about the execution of these innovative past-funded projects? How did the projects change from proposal to completion? How much flexibility was there for the project to respond to markets? What tactics were used to help projects reach their goals?

While industry stakeholders always have ideas for going forward, the ability to learn from past projects is truly the best guide for designing future policy, and building the industry.

Convergent Stream

We would like to express our support for the idea of a 15% in-house production cap on the Convergent Digital Media Incentive (CDMI) program as outlined by our colleagues at Stitch Media. This is the same benchmark currently in place for the television production industry, to support the independent production community, and the same cap is required for the interactive digital media sector. Interactive digital media producers, while providing a diverse voice for Canadians across the country, are competing in a global environment and need every opportunity to build sustainable businesses.

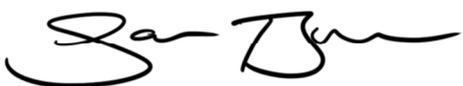
Sticky Brain Studios would also like to express support for Interactive Ontario's proposal to increase the funding to the CDMI, and we urge CMF to explore alternatives for the administration of the Incentive. Deploying the entire program in a single day means that new projects developed later in the year struggle to see their digital media component funded at all, as the Broadcast Performance Envelopes are mostly allocated to television programming.

Objects of CMF Financing

Interactive Ontario has asked the CMF to look at supporting content creators in the market outreach of their products to consumers. We propose the creation of a single consumer marketing program, accessible to content creators of both Convergent and Experimental projects. Digital media products are not necessarily delivered in specific time slots the way television series are; great projects can have a much longer life. Initiatives like #eyeonCanada are well-intentioned, but are too broad-reaching for interactive digital media products that tend to be developed for specific targets or niches. If producers of Experimental projects and Digital Media Components could instead tap into additional funding or support for marketing and promotion, we could help build audiences by directly reaching audiences using additional market channel partners.

Again, we thank the Canada Media Fund for the opportunity to share our insight. We would be pleased to provide further clarification as needed.

Sincerely,



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