

THINK TANK...
ON EUROPEAN FILM AND FILM POLICY

**SCANDINAVIAN
THINK TANK
ON FILMS, MARKETS,
AUDIENCES AND
FILM POLICY
COPENHAGEN
7-8 DECEMBER
2010**

REPORT BY EVA NOVRUP REDVALL & MICHAEL GUBBINS

INTRODUCTION & BACKGROUND

Scandinavian ThinkTank – on how to better prepare policy makers and industry for the next round of upheaval?

For the beneficiaries of public support film policy is about money – money for production mainly. But the demand on modern public film policy goes far beyond production funding. Dramatic changes in market conditions need coordinated responses. The fragmented structure of the production and distribution sectors in our countries is ill suited to help adjust strategies to deliver a sustainable and strong market.

The digital challenge is to come out stronger from the collapse of the old world. The consumers have taken over and don't want to be dictated when and how they may see a film. New legal ways of accessing content need to be established. We should bear in mind what happened to the music industry 10 years ago and avoid the same mistakes.

Young people flock to games, but are we prepared to compete for that market? Do funders and producers realize the importance of adding cultural identity and authenticity to the product?

All of the known conditions are in flux and call for new business models and new regulation of the market. This must be anticipated and addressed by the policy makers.

We also need to review professional educational policies to prepare a new generation to work in a diverse and complicated digital environment with many new cultural products. Is media literacy competently provided in primary and secondary schools? What are the viable policy initiatives?

The ThinkTank strategy

While the challenges and problems facing European film and film policy are shared by many countries, the differences in the actual conditions and political approaches are too diverse to be effectively addressed only from a pan-European point of view.

The Scandinavian countries (Denmark, Norway and Sweden) share comparable comprehensive film policy measures, fairly big domestic market shares, limited intra-Nordic and international penetration, high dependency on public support and collaboration with broadcasters. This ensures that any collaborative work takes place on equal footing and understanding yet still with enough divergent points of view and experiences to validate a close study ending up in a symposium, a Scandinavian ThinkTank.

The ThinkTank will create an environment where the relevant national institutional personnel and policy makers meet with pan-Scandinavian industry representatives and a few, select, high level international industry players and policy makers. The ThinkTank aims at asking the right questions to the right audience. There are no silver bullets to be had, but a depth of conversation and reflection from a deep pool of participants from similar film-making, funding, and distributing environments should better prepare the Scandinavian policy makers for the upcoming years.

The Scandinavian ThinkTank was made possible by financial contributions from the Scandinavian film institutes and Nordic Film & Television Fund.

The Film and Media Studies Departments of Copenhagen, Oslo and Lund universities have carried out a unique qualitative and quantitative study of Scandinavian film that will be published in a separate report "A small region in a global world".

Henning Camre, Executive director
European ThinkTank on Film and Film Policy

CONTENTS

05	Executive Summary 3
	Discussion paper:
07	Keynote Ted Hope: The fundamental changes are much bigger than we believe
09	Keynote Michael Gubbins: The challenges for Scandinavia and Europe in a digital age
11	Challenges for the Scandinavian film in a global digital media culture
15	Is the Scandinavian industry prepared for change?
20	Can we create a structure for innovation across Scandinavia?
22	Who should be responsible for encouraging new attitudes and new approaches?
24	Consumer behaviour
25	How will new forms of distribution change the business?
27	How do we find and service audiences?
30	How can we exploit our talents and strengthen the production environment infrastructure?
34	What innovation do we need and who will pay?
38	How do we create a culture and infrastructure for innovation based on proven concepts and data rather than guesswork?
39	How do we nurture and develop the best art and talent in an audience demand-driven digital age?
41	What are the next steps for the Scandinavian industry?
43	Planning team

EXECUTIVE SUMMARY

Introduction

The Scandinavian Think Tank in Copenhagen (7-8 December 2010) was the first 'cluster' think tank, addressing issues having an impact on the film industries across the region. The Think Tank was in part a response to the immediate challenges of digital transition, which have been undermining the existing business models.

However, the primary purpose was to seek a broader, holistic view of the future of the industry by critically investigating underlying factors that unite the countries much more than divide them. It looked at the strategic need to act collectively beyond the confines of national borders and individual industry disciplines.

The two-day programme was structured around presentations by experts from Scandinavia and around the world, and by panels representing a wide range of industry and academic expertise.

New research commissioned for the event was the starting point for discussions among the 150 participants, facilitated by the ConsensusOnline system.

ConsensusOnline was created to maximise participation, collecting a wide range of views through laptops on each table of delegates. The results are displayed on public screens and collated to produce a broad view of opinions among attendees.

Industry consensus, however, was not an end in itself. The core purpose was to engage freely and openly with the most important issues facing the industry and to determine a sense of strategic direction. This report reflects the multitude of views and perspectives expressed by allowing seemingly contradictory statements to be found side by side.

The report mirrors the outline of the programme for the event to make it easily accessible for delegates wanting to retrace certain points and to create a sense of the way in which the Scandinavian Think Tank aimed at establishing a coherent narrative bringing together new research and new perspectives to further informed debates.

Key topics

- The disconnection between industry and audience is holding back the potential of digital change.
 - The need to find mechanisms to create a two-way interaction with today's active audiences and turning customers into engaged communities.
 - Strategies for broadening the reach of Scandinavian film beyond national borders and to younger audiences.
 - The lack of transparent data about consumer behaviour and consumption outside the theatrical window.
 - The need for a public support strategy that allow establishing professional careers and building of sustainable and self-sufficient businesses.
 - The need for an innovation culture that does not rely on the limited resources of the specialised small-and-medium-sized companies that make up the Scandinavian industry.
-

-
- The efficiency and effectiveness of public subsidy in a changing digital economy.
 - How far is an industry built for an analogue age, ready for digital change?

Key solutions

New mechanisms for cross-border and inter-disciplinary cooperation need to be created. Co-production is not enough.

- New formal and informal Scandinavian bodies need to be build, pooling strengths and resources, intellectual and potentially financial.
 - A thorough review of existing industry practice with new structures for a demand-driven digital age built on transparency, credible data and sharing.
 - An innovation culture needs to be built, listening to fresh voices from within and without the industry. Public policy needs to be founded on this new mindset.
 - Public support needed to be reassessed with an eye on sustainable businesses capable of exploiting the new opportunities for creative engagement with audiences.
-

KEYNOTE TED HOPE: THE FUNDAMENTAL CHANGES ARE MUCH BIGGER THAN WE BELIEVE

Ted Hope, award-winning US producer and founder of 'This is that Corporation', started the event by outlining his view of digital change. He suggested the demands of today's audiences required a major rethink of the business, drawing on his experience in making 60 films in the last 20 years. From his perspective, the fundamental change has been the dramatic shift to a world of unlimited supply and open access. This overwhelming supply creates a need for trusted filters. Audiences still decide what to see on impulse. The question for the industry is how to further choice over impulse.

Hope believes the industry is too focused on one-off products instead of trying to build long-term engagement with the audience. Cinema is a dialogue, he said. It is wrong to think of filmmaking as having only the two pillars development and production.

One has to think of filmmaking as a process of:

1. Discovery
2. Participation
3. Presentation
4. Appreciation.

The cycle is not complete until a film meets its audience. The industry needs to reorder its priorities; aggregating and building an audience should be a key consideration from the very start of the filmmaking process.

The audience needs to be discovered from the very idea of a film and one has to think of filmmaking as a question of infrastructure rather than a question of product.

As Hope stated, art does not always lead, but also has to follow. Based on his childhood memory of always wanting to cut across the neighbour's lawn, he asked the delegates: Shouldn't the roads go where people walk?!

Hope finished by presenting examples of new methods and tools for encouraging participation and appreciation among audiences. To change things we need to think of audiences not as consumers, but as communities based on bonds between individuals. Hope concluded, the only sacred thing in the digital age is engagement with audiences.

Key points included:

- The industry has changed. From limited supply and control to unlimited supply and open access.
 - There are a number of new platforms, but people still want trusted filters. How do we create the right tools to filter?
 - Audiences still decide what to see on impulse – the most popular films on VOD, for example, start with the letter 'A'. How do we create choice over impulse?
 - Film is not a one-way conversation. Cinema is a dialogue. The cycle is not complete until a film meets its audience.
 - The film industry needs to change because it is the only industry that creates products without knowing its audience.
-

-
- Filmmaking is a long process. We have to use the process to create connections with an audience instead of only marketing a film for six weeks before the opening. It is wrong to think of film as a one-off product. We need to focus on a long-term engagement with the audience. The question today is not of product, but of infrastructure.
 - We need to re-think filmmaking as a process of 1) discovery 2) participation 3) presentation and 4) appreciation rather than a process of 1) development 2) production
 - We need to think of audiences not as consumers but as communities based on bonds between individuals. We have to define why people should come to us.
 - We have to restructure the process to create a natural flow between products and audiences. Today is a time of sharing, not of unique ownership. We have to create trust.

Key conclusions included:

- To encourage participation we need to build on the social aspects of cinema. People want to talk about film. Film is not only escapism, but can help us find our place in the world.
- Film should not be limited to the 90-minute format. We have to encourage risk and innovation and we have to demystify the process.
- We have to offer people choices. For example they might 1) get the film 2) get the film and an extra short 3) get the film and a t-shirt.
- We have to appreciate and educate all the fans out there. Film schools etc. are a way of educating fans!
- We have to provide people access to creators and to customize the work to local and individual audiences.
- We have to think of our films getting out there as 'curating'. People do it out of love and from a shared taste rather than for professional or economic reasons.
- We have to develop the right tools to help people filter. It is all about context and resonance. We have to help people create the right play lists.
- If we engage people rather than just sell our movies, they will come back.

Questions, reflections and input from delegates on ConsensusOnline:

- What happens to art if the audience is pleased all through the process?
 - Pleasing the audience all through the process would mean that we need storytellers able to work with business dogmas and new technologies as well as the apparatus of film ... Where do we find them?
 - How can a filmmaker engage in the 'ongoing conversation with audiences' instead of a 'one-product relationship' given the fact that a filmmaker makes one film every 3-5 years?
 - On curatorship: We have some advantages in the Nordic countries – the popular enlightenment tradition (the heritage of Grundtvig etc.), public service broadcasting, the (Norwegian) municipal cinema system – but all are under pressure and attack ...
 - We have to think of how to take advantage of immediate access. There is a new generation that wants to share and discuss immediately. We need a new kind of critics ...
 - Feature films on the internet is fine – but we really need to develop a new way of telling stories for the Information Age; one that integrates filmed materials with the strengths of the internet.
 - As well as to reinvent our relationship with the audience, we need to be aware that we might not find the final solution. We have to keep up pace and redefine that relationship **every year forward.**
-

KEYNOTE MICHAEL GUBBINS: THE CHALLENGES FOR SCANDINAVIA AND EUROPE IN A DIGITAL AGE

Michael Gubbins, consultant, analyst and writer, presented what he saw as the obstacles in the way of adapting industry to the needs of a demand-driven digital economy.

The presentation was based on two years of reports and analysis across all areas of the film business and new media, and five years as editor of Screen International.

He argued that digital innovation in film was far from complete, and that we were on the brink of another series of potentially disruptive changes, from nearly universal fast broadband speeds, Internet-enabled television, cloud computing, 3D TV, and major developments in mobile services.

The impact of these changes should not be seen as a series of technology breakthroughs. Instead we needed to focus on the transformation of consumer behaviour. The one fixed factor in this period is the constraint on time and we needed to see the future not in terms of competing media (e.g theatrical versus download) but as a fight for leisure time, he said.

The industry, however, has placed too many layers between producer and audience, he argued. Production and public funding support was out of kilter with demand, leading to over-production and a failure to exploit digital opportunities.

Too much of the digital debate was about 'digitising' the existing industry but this protectionist thinking was holding back change. It was important to understand that the nature of the Internet was fundamentally based on instant, ubiquitous access, perfect copying and sharing.

This in turn had helped create active audiences, with demands that transcended our current business models and scarcity models constraints, such as national borders and windows.

The problem for business today was that the active audience was itself fragmented by demographics, technical competence, taste, access to broadband, etc. Building models on these facts of digital life was difficult and we needed to accept that we were in a period of transition.

Key points included:

- We are heading into another stage of disruptive change with a range of new technologies changing the landscape.
 - The pace of digital change is not in the gift of industry but driven by consumer demand.
 - Consumer demand is fragmented because people adopt technologies at different speeds, making it hard to build broad business models.
 - Over-production is a symptom of a business where supply is out of kilter with demand.
 - Analogue business models are based on scarcity – windows and territorial rights – but digital was all about access without borders
 - We are in an era of 'active audiences' that are increasingly demanded control over what they see and when.
 - Social networks and on-demand services were growing fast, and were more attuned to demand.
 - The industry still lacked strong case studies and transparent data to support the case for change.
-

Key conclusions included:

- A fragmented Scandinavian film industry of small and medium-sized specialised businesses could not be relied on to provide the necessary innovation culture.
 - Cooperation is more important than competition during this period of transition.
 - We needed to understand and transparently measure performance beyond the theatrical window.
 - Digital hypotheses needed testing in transparent experiments with results shared across the industry.
 - Engagement, education and experience needed to be the watchwords of the Scandinavian industry of tomorrow.
-

CHALLENGES FOR THE SCANDINAVIAN FILM IN A GLOBAL DIGITAL MEDIA CULTURE

Speaker: Professor Ib Bondebjerg, Film and Media Studies Section at the University of Copenhagen

Professor Ib Bondebjerg presented the central conclusions from the report *A Small Region in a Global World. Patterns in Scandinavian Film and TV Culture* (co-authored by Ib Bondebjerg and Eva Novrup Redvall) commissioned by the Think Tank.

Based on analysis of Scandinavian film production and distribution between 2002-2006, the report investigates the state of the Nordic industry and raises questions about the effect and efficiency of public support in a globalised, multi-platform world.

Ib Bondebjerg opened his talk by pointing to the fact that a report from Alsted Research in 1994 outlined a number of very similar challenges to the ones that the industry is addressing today: too little audience interest in films from the other Nordic countries and a failure for Nordic films to attract young audiences.

More dialogue between producers and distributors is needed as well as common marketing strategies and there is a tendency to only focus on the cinema as the best platform for a film rather than being open to considering different platforms.

However, digital change and the rapid increase in new platforms does present a number of new challenges. From a researcher's perspective, Ib Bondebjerg highlighted the fact it was very hard to find credible data about any other form of release than theatrical and subsequent television broadcast.

This has to change if we wish to have informed debates about the state of the industry.

Key points included:

The executive summary of the report was distributed at the conference and the entire report is now available on the Think Tank website. Instead of presenting the report in its entirety, Ib Bondebjerg presented six central challenges for the industry as a starting point for the following discussion with the response panel.

- Challenge no. 1: Co-producing is not enough. We need more focus on co-distribution.
 - Challenge no. 2: We need more focus on trans-national visions. Why does TV have an audience for Scandinavian film and drama, when Scandinavian films have a much harder time in the cinemas?
 - Challenge no. 3: The Nordic countries represent a small region with a weak and fragmented culture of production. We need to work more together, especially on distribution.
 - Challenge no. 4: Know your audience and meet them where they are.
 - Challenge no. 5: Make good film – in all genres. Why do we leave certain genres to the Americans?
 - Challenge no. 6: The digital future is already here – and it should be regarded as an opportunity, not as a threat.
-

Response panel:**Rumle Hammerich, film director, Denmark****Synnøve Hørsdal, producer, Norway****Charlotta Denward, head of production, Swedish Film Institute****Allan Hansen, CEO, Nordisk Film**

The panel had received the report prior to the event and had been asked to especially focus on the following questions:

- How far do we need to reassess and change public subsidy to influence the kind of content that might match audience demand outside domestic markets?
- Are we fixated on production and theatrical release as the centre of the film industry?
- How can co-production in Scandinavia contribute to improved distribution and not serve as a financing tool only?

Each panellist had 10 minutes to comment before an open debate. **Rumle Hammerich** opened the lively session by controversially suggesting that all national film schools and film institutes in Scandinavia should be replaced by a Scandinavian Film Academy and a Scandinavian Film Institute, thereby targeting the attractive Scandinavian market of 20 million people from the outset.

He also suggested merging the Scandinavian television news channels to create one channel offering the best of Scandinavian news coverage. According to Hammerich, something dramatic has to be done for change to occur. Minor adjustments won't help in a production landscape where the individual markets are too small for a hit to compensate for a miss.

Synnøve Hørsdal questioned whether we have a common public in the Scandinavian countries that would allow for this kind of change. She was open to drastic measures, but underlined that more research was definitely needed.

According to **Charlotta Denward** there is no need to get too depressed at the current state of the affairs. The local market shares are good, and the main reason for co-producing is to attain more money for producing individual titles to enhance the overall quality of a project rather than necessarily targeting the audiences of other countries.

She argued for acknowledging the value of producing for the national markets where Scandinavian filmmakers do seem to know what people want.

Allan Hansen pointed out that much has changed in Norway since the data from 2002-2006 before arguing for allocating more money to research and development at the expense of production subsidy for maybe one or two feature films a year. He found that co-production has too little effect on the distribution of the films. Allan Hansen also opened for discussions of how the film industry can make itself attractive to other lines of business.

Questions, reflections and input from the discussion and from ConsensusOnline:

- Has the *Millennium* trilogy changed the audience perception of Scandinavian genre films? Rumle Hammerich found that it has always been and still is hard making genre films for a national market, since you automatically limit your audience when choosing to work in a certain genre. The creation of a bigger market is needed to broaden that audience. Producer Vibeke Windeløv questioned whether the audience perceived a film like *Män som hatar kvinnor* as a Swedish film. Another delegate suggested that *Millennium* made an impact "in spite of" being Swedish, not "because of".
 - Producer Ib Tardini called for the need for the major A-festivals to acknowledge Scandinavia as a region.
 - Charlotte Denward argued for the value of the crucial knowledge exchange that is currently taking place when filmmakers and crews are working on co-productions in the neighbouring countries.
 - Rumle Hammerich criticised Scandinavian film for not thinking in bankable terms and utilising the possible synergy between film and television. We need to see that the industry is letting the audience down not the other way around, he said.
 - Ingolf Gabold, head of drama for DR, argued that a major problem for Scandinavian film is that the cinema is a hopelessly old-fashioned form of distribution. He considered a crucial issue to be the rules regarding hold back. According to him, the broadcasters are open to paying more for Scandinavian films if there isn't a hold-back of 24 months. He would like to see more experimentation with simultaneous releases on TV and in cinemas.
 - Could one use the Internet for a trans-national platform for marketing Nordic films? And could it be done by combining what Ted Hope argued for in his keynote, 'to start engaging two years before the opening of your film', with the idea of The Long Tail?
 - Do the numbers seem to indicate that the Norwegians are more open to Scandinavian cinema than the Danish and Swedish audiences?
Regarding challenge no. 1: Might the real problem be that we don't have a common sense of a Scandinavian public?
 - Do we know more specifically why people don't go to see Scandinavian films in the cinemas?
 - Can Nordisk Film & TV Fund create new initiatives to promote distribution of films in the other Nordic countries?
 - How can we strengthen distribution? What is needed? More public funded support schemes? A greater effort to brand Scandinavian films to the cinema owners? Choosing a few strong Scandinavian titles for cinema distribution, securing them a wider distribution and making them more visible? Or is it a question of habit and cultural perceptions: Are people just used to watching the Nordic fare on television?
 - Is it the case that a number of co-productions are primarily conceived to qualify for support from Eurimages?
 - Why not use Denmark as a test country for opening films simultaneously in the cinemas and as VOD? That would allow for a wide distribution of films that can only be seen in the major cities today.
 - If we make less national films, will we have a better market for Nordic films?
 - Does the audience perceive animated films as national films or do animated films stand a better chance of travelling than live action films?
 - Would it be possible to politically decide that the public service broadcasters have an obligation to air Scandinavian film and drama in prime time or late prime time?
-

-
- What is the use of having a big audience on TV if the broadcasters do not pay attractive prices? Production companies need to survive, so the traditional box office income is important.
 - Are there any obvious markets to compare with the Scandinavian market? Netherlands, Belgium and France? Could this be used as a tool to compare what the situation is like among other European countries?
 - If television can make Scandinavian drama travel, why can't the cinemas? What is the point of view of the Scandinavian distributors?
 - A Nordic ARTE TV-channel has been discussed, but who would want to watch that?
 - Isn't part of the problem in relation to the audience that a film in another Scandinavian language feels more foreign/unfamiliar than a film in English? Isn't this a more important aspect than the way the co-productions between the Scandinavian countries are structured?
-

IS THE SCANDINAVIAN INDUSTRY PREPARED FOR CHANGE?

Speakers:

Anna Cronemann, producer, Sweden

Jørgen Ramskov, director of the Copenhagen Film Festivals

Thomas Robsahm, producer and commissioning editor, Norwegian Film Institute

While research in the previous session raised questions about how the industry could change to create a more responsive and effective basis for business in a more demand-driven digital age. The focus of this session was whether the industry is in fact prepared for change.

The aim was to open a debate about industry practice, created for an analogue world based on the movement of physical goods (DVD, prints etc.), traditional release windows, single territory rights etc, and to try to identify in what areas new attention and fundamental reform is required.

Following three short presentations, an industry response panel commented on the presentations before opening the discussion to the floor and to input from ConsensusOnline.

Anna Cronemann opened the session by pointing to how few answers had come out of years of seminars and debates. She said the industry had always been sceptical about change; when the VCR was the new thing in town, MPAA president Jack Valenti compared its relationship to the American film industry to that of the Boston Strangler to women home alone.

According to Cronemann, a major problem in Scandinavian film is the difficulty of directors to build a relationship with an audience when only producing a film every fourth year. A recent study showed that Swedish male first-time directors are 37-years-old on average, while their female counterparts are 42-years-old. How can one build a relationship to an audience when there are only five films to build upon before retirement?

Anna Cronemann had done her own informal survey, coming to the conclusion that Swedish audiences were sceptical towards Norwegian fare, but generally positive towards Danish product. She explained this with Danish TV-drama building a relationship with the Swedish audience over a number of years.

The Swedish audience has learned to enjoy Danish series. Anna Cronemann called for more experimentation, especially to appeal to the younger segments, but emphasized that from a Swedish perspective the focus in the past years has primarily been on issues regarding cinema ownership rather than issues regarding production. One can experiment and make a wide variety of strong films, but if nobody has the opportunity to see them, there is no such thing as cultural diversity at play.

Jørgen Ramskov started his talk by highlighting that we do have substantial knowledge about the state of affairs and that the Scandinavian film industry has to acknowledge the fact that there is a widespread political support for film and – at least in Denmark – also a positive coverage of the industry in the press. Jørgen Ramskov stated that one of the things that we do know is that many people love films.

However, many filmmakers make films for people who don't go to the cinema very often. He emphasized the fact that films are unique products and yet we have a tendency to treat them all alike.

According to Ramskov, most people in the industry are aware that the films produced are too expensive and that too many films are made by financially weak companies. We spend too little money on development, and the public support systems are too focused on production and getting people into the cinemas.

Jørgen Ramskov stated that most people in the industry are aware of the major problems and challenges; the question is what to do. On the plus side, we are good at making films and we do have a solid domestic market.

Now is the time for the industry to try to find solutions to the challenges, before policy makers or others force solutions upon the industry. Jørgen Ramskov described the major problem in relation to this as the tendency to look for a single answer when in fact there are many answers and different approaches.

He finished by questioning whether it actually makes sense to think of the film industry as one industry and concluded that the identity of the industry will be challenged in the turbulent years to come. New demands will create new collaborations; finance from television and Internet should be looked at in a time when the traditional ways of film funding were under pressure.

Thomas Robsahm directed and produced films before becoming a commissioning editor for the Norwegian Film Institute and started by underlining that content remains king in all areas of film. He regarded a fundamental dichotomy in Scandinavian film as the way to view oneself as superior to the American fare: American films might have the audience, but we have the quality product. He questioned whether the audience is 'the problem' or rather a good excuse in any crisis.

The fact is that we produce many more films than the Americans, and – judging from the quality in the annual box of nominated titles from the European Film Academy – a great number of these should not have been made. We are too focused on production, and spend too little time thinking about audience and sales. Robsahm found that this might go back historically to an author like Henrik Ibsen stating that large audiences are bad audiences. However, we are all the large audience.

According to Robsahm, the audience fundamentally wants three things:

1. To know that the film exists
 2. To know whether the film might be about something of interest to them, since this is regarded as a positive element (!)
 3. To know whether the film is reasonably good so that we want to spend some of our valuable time watching it.
-

Robsahm singled out the producer as the advocate for the audience and ended his talk by arguing for three crucial elements for change: 1) we need producers with money in the bank 2) we need directors who are able to make more than five films before retiring 3) and we need a public support system emphasizing talent over screenplay ideas.

Industry Response Panel:

Hanne Palmquist, director of Nordic Film & Television FUND

John M. Jacobsen, producer, Filmkameratene, Norway

Thomas Runfors, director of communications, SF Bio AB, Sweden

Frederik Juul, head of distribution, Sandrew Metronome, Denmark

The panel had been asked in advance to particularly focus on the following questions:

- Can the current industry be adapted to service a demand-driven digital economy or will we need more fundamental change?
- Can we continue to work with today's industry practices, including release windows, territory rights etc. and what will change mean for the film economy?
- How far are we taking the right holistic proactive response as an industry, and how far are we sticking to the narrower interests of particular countries or disciplines?

Hanne Palmquist offered an update on the current state of Scandinavian titles in neighbouring countries as the opening of her response. The Danish documentary *Armadillo* is part of the Nordic High Five scheme and has been seen by 35.000 people in Norway so far. Susanne Bier's *Hævnen (In a Better World)* has sold 170.000 tickets in Sweden and the Swedish biopic *Cornelis* has sold around 50-60.000 tickets in Norway.

She saw these numbers as a positive sign. Hanne Palmquist also referred to having a minor revelation when reading Gunnar Wetterberg's book *Forbundsstaten Norden*, in which the author argues that in spite of only being around 22 million people in the Nordic countries, the region ranks between numbers 10 and 12 in the global economy. There is thus power in standing together, both in political, economical and environmental terms. Palmquist rhetorically asked whether we want to be big? If we so desired, we could be part of the G20. She found these facts to be an interesting way of broadening the perspective for the current debates. She also gave an overview of some of the most recent initiatives from NFTVF and mentioned how the Nordic Council is very interested in trying to brand the Nordic countries globally.

John M. Jacobsen put the current debates into a historical perspective. He underlined how the industry has always managed to adapt, but it has always taken time; it takes time for both the industry and the audience to get used to new technologies and new ways.

As he put it: A pioneer is a man with arrows in his back. It can often be hard to tell which way the new initiatives will take the industry. As an example John M. Jacobsen cited the coming of the multiplexes in the 1970s where everybody talked about the multiple screens allowing for screenings of art house titles along with the mainstream and blockbuster titles. This was not what happened. Instead of more titles, you saw the same titles on more screens. It is important to have thorough discussions since the path chosen has consequences.

Addressing the issue of hold back and windows, John M. Jacobsen told how the airing of *Max Manus* on Danish television a few days before its opening in Danish cinemas, cut film rental receipts by half.

Thomas Runfors from SF Bio addressed the current challenges from the point of view of the cinema owners. He regarded piracy as one of the most pressing issues to address. According to him, there are 1000 films in the Swedish market, but only 230 of these are shown in the cinemas. However, the cinema is still an important window for marketing films. Runfors placed great importance on the ongoing negotiation of a new Swedish Film Agreement between the state and the industry and emphasized how the cinema owners are important financiers of this agreement, being the industry partner contributing with the most money through the 10 per cent fee on cinema tickets.

Frederik Juul from the distribution company Sandrew Metronome use his attendance at a Champions League match with FCK in the evening to illustrate how people still want to go to major live events. However, he questioned whether the cinemas are still the most important platform for films or whether we are just raised to think this way. It is questions of habits – and these habits might very well be changing.

Frederik Juul called for tests of opening films simultaneously in the cinemas and on VOD. He said it was currently hard to see how to make money on VOD, but he would very much like to experiment with new ways of opening films using new platforms and new marketing strategies.

Questions, reflections and input from the discussion and from ConsensusOnline:

- The panel was provocatively asked whether the public support schemes should be removed all together? No one thought this to be a good idea, but everyone agreed that changes are needed. Jørgen Ramskov stressed the importance of having larger companies with the strength to develop projects. He also wanted changes in the approach to hold back and compared the current debates discussing whether to change the terms as moving around commas in a burning piece of paper. Anna Croneman found a major problem to be the under-financing of the films. She suggested that fewer films with better financing should be made to consolidate the industry. Frederik Juul called for concrete attempts as solutions regarding hold back.
 - Producer Ib Tardini stated that he doesn't want to sell mouldy films. He wanted to be free to sell his films to the TV stations while they were new and interesting.
 - Producer Sarita Christensen called for more cases where people actually offer concrete data from their experiences with trying new ways. She told how the idea behind her company Copenhagen Bombay is the belief that the right story can succeed even though it might seem like a 'small story'. It is about finding the right platforms – and it is about using substantial time catering to the many partners involved.
 - Since only around 15% of all Danish households can rent VOD on their TVs, one could assume that it was relatively safe to experiment with simultaneous openings in cinemas and on VOD?
 - What would happen if the public support was partly regulated according to the success of the film with audiences? A delegate answered on ConsensusOnline: This has been done in Norway since 1964. The so-called box-office bonuses (e.g. post support, "billetstøtte") were specifically designed to compensate for a non-functioning market after
-

the arrival of television. Since the 1970's, however, production support has been introduced to secure the production of less commercial films. In terms of financing, some research suggests that this dual-level support system is more efficient than a single-level system in attracting outside/private investment.

- A suggestion was made on ConsensusOnline that the cinema window is better thought of as an event (not a habit). It is an EVENT to go out of the house usually with other people. It is the event aspect that is the core key emotional pull that differentiates film (in the cinema) from for example TV. Once the event notion is wired into the creative process, the marketing and the distribution, the film has a chance of connecting with an audience.
-

CAN WE CREATE A STRUCTURE FOR INNOVATION ACROSS SCANDINAVIA?

Consensus Online contribution 1

Following the two panels on the challenges for the Scandinavian film in a global, digital media culture and whether the industry is prepared for change, the delegates were asked to identify issues from the presentations and panel discussions that ought to be firmly on the industry agenda and to suggest action points for progress. This was the ConsensusOnline input from the various groups of delegates dealing with the first question asked about how to create possible new structures for innovation that will allow the Scandinavian film industry collectively to try new models and learn from both success and failure in new forms of distribution:

- We can use Nordic Film & TV Fund.
 - The Think Tank approach is probably the best solution. We need to actively exchange knowledge.
 - The structure of innovation must be driven by the audience. There is very little data available on audience behaviour. We need strategies that demonstrate common behaviour to develop best practices.
 - It is necessary to move away from old analogue ways of thinking. This requires new partners. Discussions around windows for example are not helpful for a truly innovative collaboration. Take them offline in this discussion. Start with the real new.
 - Maybe an interactive forum organized by Nordic Film & TV Fund could be established, in co-operation with the film institutes. This should facilitate exchange of experiences and it could co-finance experiments of new ways of distribution. It should be organised as an open environment and it could also include seminars. It needs to be integrated in the "regular business" and not be yet another bureaucracy.
 - We need new partners: Technologists, digital agencies, the open source community; all the people who are not in the room today. It is hard to attract the interest of new partners, but they are out there. We need new forms of collaboration, tools and services. The right kind of applications to transform access to the audience can emerge if the new partners come into the room. They are crucial for creating the right tools to work with.
 - A common movie academy could be a solution. We should look at Scandinavia as one market, and we need political support and power to be able to try out new models. At least in Sweden, we are stuck in old structures as long as we have the current film agreement.
 - One solution could be to start a new Scandinavian TV channel. TV would open the market for a Nordic exchange of films.
 - A TV channel could be a possibility provided that issues of rights and compensation have been cleared (SFI seems to have this settled already), provided that competent academic resources are involved (the business schools seem better qualified for this than the film departments at the universities) and provided that it happens within the structure of a vertically integrated company (SF or Nordisk) where other parameters can be measured in parallel. Who should do it? Nordic Film & TV Fund is an obvious candidate, but with a competent research reference group.
 - It is essential that we develop a system where results are shared with the rest of the industry. It should be fully funded projects where it is ensured that intelligence is pooled.
 - The Danish Film School is currently working on developing a department for artistic and commercial research, regarding new formats, new distribution methods, production methods, development methods etc. The School suggests that this practical research
-

should be constructed as a dialogue among Nordic and North European film schools, as very few commercial structures appear able to support such research. The Danish Film School hopes that this kind of initiative will encourage similar research and practical investigations in other film institutes and in commercial companies, in order for the business to find both artistic and commercial solutions for practical use and to open discussions across the industry.

- Install an alternative support and development system at each film institute in Scandinavia working across borders focusing on alternative distribution - somebody has to keep focus and fight until a solution emerges. No more talking about VOD - ACTION!!!
 - We have two suggestions. The first is to strengthen Nordic Film & TV Fund financially and create a strong Nordic institution as a supplement to the national institutes within this proven system. Secondly, establish one Scandinavian film school.
 - There should be a possibility to pick talents and projects for development from any Scandinavian country and not count national points to be supported. The easiest way might be under the umbrella of Nordic Film & TV Fund. This should also go for distribution, where it would be preferable with a Nordic and not only national support systems to learn more from each other and to improve. A common film academy sounds like a great plan.
 - Producers and distributors need to work closer together and take responsibility for the new developments. This co-operation should be supported by the film institutes.
 - We would like to see the Nordic Film & TV Fund support all kinds of distribution, including on-line and even mobile distribution.
 - We need to include all players in the market; distributors, producers, national institutes, and broadband companies. We should also allocate a portion of national institute funds for trans-Scandinavian pilot projects into distribution and trans-media developments.
 - Innovation and ideas do exist, but there is not enough benefit for taking the risk among distributors and exhibitors. There will not be a change in this regard until innovation is politically encouraged. Nordic Film & TV Fund can administer it.
 - By the end of the day, the distributors will be forced to act. They will need to create or invent new structures and strategies. And they will need to differentiate between different types of films to a much greater extent.
 - We propose a one percent tax on all cinema tickets sold in Scandinavia to finance a structure for ensuring innovation and to finance the actions taken by this structure.
 - We propose a structure with national film schools with a centralised academy and a master degree for specialising the best talents across borders.
-

WHO SHOULD BE RESPONSIBLE FOR ENCOURAGING NEW ATTITUDES AND NEW APPROACHES?

Consensus Online contribution 2

In the second question of the debate following the panels, the delegates were asked to propose solutions to where the responsibility for encouraging new attitudes and new approaches should be placed. Should the film institutes maybe deal with this or rather the film schools? This was the ConsensusOnline input from the various groups of delegates trying to find answers to the question of how to make change happen as an industry:

- Make already existing networks come together and have Nordic Film & TV Fund, the producers' guild and the film schools in the centre of the process with a clear and specific goal.
 - Film schools ought to taking a leading role and yet students are often among the most conservative. We should be sharing ideas and approaches throughout the Scandinavian schools.
 - It is the film industry and the industry alone that has to change its attitudes. The public support system should take away obstacles for new distribution models. There should be a possibility to support interesting initiatives.
 - A council from the film industry consisting of representative screenwriters, producers, directors, distributors, cinema owners, film schools and film institutes should deal with the issues.
 - Open source is an answer.
 - To a large extent, the responsibility lies with ourselves. These are the new realities of the market.
 - Dialogue has to be facilitated between those both inside and outside of the industry. Cinema is a dialogue with the audience. As creators and distributors we have to understand both what people want and what they appreciate, as these two aspects are not the same thing.
 - The film institutes should have the overall responsibility, but in close liaison with the production environment and the film schools; we are all responsible. The challenge is to lift Nordic co-financed productions allowing Nordic films to enjoy a proportionally larger share of their joint home markets. We have to integrate research from universities into the film production environment.
 - The institutes have a great responsibility as well as the possibilities to create change because they are among the ones who can take the risks and be pioneers. There should also be stronger connection between the film business and the film schools. The producers need to learn more about how to take care of the distribution. This could be learned through the film schools. The film business must also join together and take their responsibility for the future film landscape.
 - The obvious candidates are the development departments of the institutes. They have a mandate to develop and assist the industry, they have the resources (or should have), and they should be in command of the necessary competence, in-house or outsourced. They should approach this task as open networking with industry and academic resources.
 - The institutes should be the moderator together with all players in the business.
 - The film industry has to experience and initiate these changes from within. The industry needs to be driven by the realisation that change is the only way forward. The institutes should facilitate the process by creating funding systems that allow for venturing into new forms of distribution, in other words support mechanisms that are not tied to theatrical distribution. The film schools need to teach new forms of production and not focus on theatrical distribution as the only measure of success.
-

-
- Film schools must definitely take up the challenge.
 - The specific producer will be responsible, by himself or in collaboration with other colleagues, to improve and to force the distributors to approach the audience. It should neither be the responsibility of the institutes nor of the governments.
-

CONSUMER BEHAVIOUR

Presenter: Jørgen Ramskov, Director, Copenhagen Film Festivals

Studies commissioned for the Scandinavian Think Tank investigated the realities of consumer demand and demonstrated how digital change may affect thinking and behaviour. Jørgen Ramskov presented the results of a survey from Denmark, Norway and Sweden with 2000 respondents in each country examining issues of choice preferences according to age groups and origins of films.

As the survey is available on the Think Tank website, the results will not be dealt with in more detail in this report. The standout fact was that respondents said they were prepared to pay a premium price (up to 25 €) to watch a day-and-date release of a movie through a VOD channel in their own homes. The Swedish respondents generally showed a higher interest in VOD than the respondents from Denmark and Norway.

The apparent willingness of respondents to pay the equivalent of two cinema tickets for simultaneous VOD was discussed, since a number of delegates questioned whether this is in fact the case or whether people agree to this hypothetical scenario since it seems fair, but will not act accordingly when presented with the actual choice.

Overall, the study showed that a strong majority of people in all three countries still prefers to watch a film in the cinemas because of the quality and the experience of the big-screen format. Most respondents indicated that a possible end of a distinct theatrical window would make little or no difference to their cinema-going habits.

Henning Camre wrapped up the day by making a short summary of major points and by asking the rhetorical question for a state-subsidised film industry to ponder upon before gathering for the second day: How should we think of public support for film. As something that supports or as something that strengthens?

HOW WILL NEW FORMS OF DISTRIBUTION CHANGE THE BUSINESS?

For the first session of the second day, four speakers looked at new forms of digital distribution and attempted to offer viable on-demand services, primarily from a producer's perspective. This was followed by a second session offering the perspective of digital distributors who are trying out different approaches to create services in tune with audience demand.

Speakers:

Ted Hope, producer, This is that corporation

Kjetil Omberg, producer, Euforia Film

Ronnie Fridthjof, producer, MyFilmStation

Torstein Nybø, producer, release on Pirate Bay

Ted Hope offered a four-point guide to digital distribution.

1. It is a whole new sector, built on direct links with the audience.
2. Digital does not recognise national boundaries.
3. The value of work is no longer fixed.
4. The focus has to be on the audience and the major question is thus how to engage?

These new realities strongly challenge today's business practice and mindset and suggest the need for fresh thinking about audience engagement and the meaning of value to consumers. Hope also questioned the role of the distributor in the new landscape and asked "What can they add to my film?"

Kjetil Omberg did not see the challenge as getting your film out there. The challenge is how to make money from having your film in digital distribution on different kinds of platforms. He described Norway as the last communist state of Europe because of the Norwegian system of municipal cinemas securing a wide distribution of also less mainstream titles. How can one create an equivalent to this in digital terms where there is also money to be made?

Ronnie Fridthjof controversially started out by showing how easy it is to download a film before presenting the new site MyFilmStation, which is planned to go online in March. MyFilmStation will be the legal alternative to downloading where you can both find information on the cinema screenings of a film, watch the films as VOD or buy it on DVD. Ronnie Fridthjof called for changes in legislation that will allow producers to track and charge illegal downloads.

Torstein Nybø used *The Age of Stupid* as an opening case study of the possibilities of digital distribution. According to him, the film has been seen by 61 million worldwide. In less than a year, the film earned 200.000 GBP in Pay Per View and downloads. Torstein Nybo showed how he had made his Swedish film *Du sköna* (*The Beauty*, directed by Stina Bergman) available on Torrents. The film could be watched for free, but people were encouraged to make a donation.

In the following discussion, a number of delegates were curious to learn more about Ted Hope's approach to building director-fan relationships. As a producer, does he invest in this? And does this kind of investment pay off? Is this a step back to the studio system days and contract directors? Ted Hope emphasized the community aspect highlighted in his keynote. He has the film *Super* by James Gunn opening in the US on April 1. The star of the

film twitters, which is one example of creating value. However, he agreed that there are very different models for already established creatives and for unknowns. As an example of a successful digital launch, Ted Hope mentioned Edward Burns' film *Nice Guy Johnny*, which was released on iTunes and Comcast and earned seven times the cost of the film in two weeks.

The discussion generally revolved around the questions of how to earn money from digital distribution. One delegate pointed to the fact that we are making still more films in Europe and with new digital distribution channels the total revenue per film will decrease. How can we solve this equation? Another delegate brought up the issue of the money generally changing hands in the industry at the moment, using YouSee as an example. With YouSee you pay for the box and the transmission of the film, while the films are normally rather cheap. Will this model change? And is it possible to make any real revenues from festival distribution? Questions were also raised in relation to the idea of audience donations. How generous can one expect people to be after having watched a film if one wants to count on donations?

More questions than answers were in the air, and the session ended by raising the issue of how to convince the cinemas that digital distribution should be established. Is political involvement needed to get this going?

HOW DO WE FIND AND SERVICE AUDIENCES?

The second session of the day was based in presentations from people in the industry turning to more proactive means to reach audiences since many innovators argue that we need to spend less time trying to work out how to make new audiences come to us and more time devising means to reach them where they are. Efe Cakarel told about MUBI and the idea behind an art house streaming site directly to the television through a deal with Sony PlayStation; Rob Kenny told about how Curzon Artificial Eye now has day-and-date releases with Sky Movie Channel and a new VOD channel; Peter Buckingham talked about the work of the UK Film Council's innovation fund on connecting with audiences. The presentations of the three panellists were followed by an industry response panel addressing the issues raised in this and the previous session.

Speakers:

Efe Cakarel, founder and CEO, MUBI

Rob Kenny, operations director, Curzon ArtificialEye

Peter Buckingham, head of Innovation Fund, UK Film Council

Efe Cakarel opened the session by telling about MUBI.com, a streaming site for quality independent film. MUBI was founded in 2007 and now has 850.000 registered members and one million visitors every day. Efe Cakarel argued that a completely new media-eco system is emerging. He found that the audience is definitely there. The problem is distribution. According to Efe Cakarel, one particularly has to be aware of two aspects of the current changes.

1. It is a new audience network where people pull content instead of distributors pushing content
2. The revolution is not about technology. It is about a rapid change in behaviour where we have to understand what it means to be social on the web.

As a consequence of these two aspects, your only hope of distribution is making sure that people are motivated enough to do it for you. Efe Cakarel ended his talk by presenting the set up behind MUBI's new collaboration with PlayStation 3, which had just been launched in 18 countries with all together 16 million consoles in private homes.

Rob Kenny presented the thoughts behind making Curzon Artificial Eye a recognizable brand for quality product. Curzon Artificial Eye is the only vertically integrated cinema and media group in the UK. A new website, Curzon on Demand, was set to launch on the very day of the presentation, allowing people to access the films online. Curzon Artificial Eye has partnered with Sky Movie Channel to offer audiences the possibility of viewing films for a price similar to a cinema ticket.

Another partnership with HMV, has led to a new cinema within an HMV shop in London, which opened in October 2009. It has been a challenge making people accustomed to the idea of a cinema with three screens inside a shop. The aim with the re-branding is that the cinema and the online initiatives in combination will give audiences the sense that Curzon Artificial Eye connect customers to quality content and talent across platforms.

Peter Buckingham structured his talk around the idea of metadata and looked at ways might created new models and revenues. Buckingham is convinced that metadata can help

rights holders develop stronger relationships with their customers, offering attractive information about the content and the characters of a film as well as about its products or locations. Metadata is a way to have multiple entry points to a film.

Peter Buckingham pointed to the potential benefits of tools and services to support sponsorships and product placement. He argued that we needed to test new ways of creating value, as described in books like *Wikinomics* (by Don Tapscott and Anthony D. Williams) to approach distribution with new ways of thinking. He ended his talk by introducing the idea of the synecdoche, wherein a specific part of something is used to refer to the whole, as a different way of thinking about marketing films.

Industry response panel:

Steffen Andersen-Møller, head of Audience and Promotion, Danish Film Institute.
Kenneth Wiberg, managing director of International Sales, Nordisk Film
Sarita Christensen, producer, Copenhagen Bombay
Frida Ohrvik, CEO, Sandrew Metronome, Oslo

The industry response panel was asked to comment on all aspects raised by the previous two panels, but the following questions had been given priority in advance:

- How far do new models challenge the existing business – including windows and territory rights?
- How far are we adequately equipped to deal with the opportunities in terms of skills, audience data and industry practice?
- What is the shape of the value chain from producer, distributor and exhibition in its various forms?
- What is the role of public support in connecting with audiences?

Steffen Andersen Møller said nobody wanted a passive film; everyone wanted to reach audiences but the question was how to do it right. A delegate asked why there were still no concrete data and case studies from VOD, particularly since the Danish Film Institute had called for them a year ago. Møller said that sometimes the right thing is to say no and wait, since it was crucial to choose the best digital means of distribution at this point in time.

Kenneth Wiberg, commenting from the perspective of both distributor and co-producer, said there were still big challenges for digital retail in Scandinavia. According to him, only 15% of Danish households are able to watch on-demand channels and that number has to increase to create viable business. Wiberg said Nordisk Film collaborates with all the serious platforms for VOD, currently around 25 different platforms.

Sarita Christensen called for the industry to improve its record on servicing customers. She argued for the value of creating partnerships with other media and industries even though this often entails a great deal of extra work. Sarita Christensen insisted on the importance of daring to innovate and learning from the mistakes – and preferably not only from one's own mistakes, but also from the mistakes of others. The industry needs to get better at sharing experiences and cases with each other.

Frida Ohrvik saw the new digital landscape as a catalyst for change in the films opening in the cinemas. Today, a number of films open only for the sake of getting reviews for the DVD cover. According to Ohrvik, some kinds of films will soon disappear from the cinemas, e.g. the American B-film, while the big films will get bigger even faster from the availability of the many new platforms. This had implications for the Scandinavian industry, she suggested.

Questions, reflections and input from the discussion and from ConsensusOnline:

- How does MUBI clear rights across territories and pay revenues to rights holders? And what is the role of the distributor in this picture?
- How can we create a Scandinavian resource or body to share knowledge in areas such as metadata, digital distribution, brand development etc.?
- Numbers from today's newspapers: the cable-TV provider YouSee is close to one million on demand rentals in Denmark in 2010.
- Taking into consideration that the cinemas are against VOD and simultaneous releases, how can we explain this: There are loads of sport events on TV and logically there are loads of sport events not on TV. But there does not seem to be a connection between the popularity of live sporting events whether they are shown on TV or not. People don't stay at home if they are on TV. More likely the opposite is the case: The more a sport is shown on TV, the more people go to live events. Thus the hypothesis would be the following: The more something is available on TV, the more popular it gets. Why does this not make sense to the cinemas?
- The former director of the (municipal) Oslo cinemas used to claim that "the cinema is to filmed content what the concert is to music". Given the tone of references to the music industry and its recent experiences, this should be considered as good news for the cinemas.

The session ended by the Danish cable-TV provider YouSee proposing an opportunity to research the effect of simultaneous release in cinemas and on VOD through a case study in 2011, supported by YouSee. This was generally greeted with enthusiasm, since most delegates seemed to agree that more research into VOD releases is crucial. Henrik Bo Nielsen, CEO of the Danish Film Institute, welcomed the initiative and stated that the institute is willing to be part of research along these lines. However, he predicted that it would be hard finding five producers wanting to run the risk of upsetting the cinema owners.

HOW CAN WE EXPLOIT OUR TALENTS AND STRENGTHEN PRODUCTION ENVIRONMENT INFRASTRUCTURE?

Presenter: Henning Camre, European Think Tank on Film and Film Policy

Henning Camre presented an analysis produced for the Scandinavian Think Tank revealing the wasteful reality of a film economy which makes it very difficult to plant roots. A study of 2002-2010 production levels for directors, writers, producers and production companies in Scandinavia shows how frequently a single work is created and then the company talent and experience is lost. Markets and public support for film have not created structures on which sustainable companies can be built, raising serious questions for the digital era.

Since the analysis is available on the Think Tank website, it will not be presented in great detail in this report, but some major points will be emphasized along with the comments from the response panel.

The data for the analysis consisted of 620 feature films made between 2002-2010. The aim was to investigate whether there is a core of people and companies producing the Scandinavian feature films.

The picture that emerged was that of a weak and fragmented production culture. Taking Sweden as an example, 163 production companies were involved in 229 films – 118 companies only made one film. In Norway, 140 directors made films. 100 of them only made one. In Denmark, 115 screenwriters were engaged in writing for the screen, but 81 of them only wrote one screenplay.

Henning Camre said this problematic lack of sustainability and the lack of continuity in the careers of creatives was in some ways the unintended result of the Scandinavian subsidy systems. He asked whether how it was possible to create a critical mass of competent people within each company when production is so fragmented. He encouraged a re-thinking of the support strategies to help create an industry leaning less on public support. As a guiding principle, he suggested thinking of the public financing as money strengthening rather than supporting an industry, which needs to be more independent in the years to come.

There seemed to be a general state of shock following the striking results from the study. One delegate asked whether one can trace a similar pattern in comparable countries or regions.

Camre concluded countries such as Austria, France, Spain and several others faced similar difficulties, but said there was generally no point in trying to find comfort in other countries' problems. Change was needed, he said. A common condition on the European film scene is that the industry has been too dependent on public support. According to Camre, this is the major reason behind the fragmented European film industry.

Response panel:

Charlotta Denward, head of production, Swedish Film Institute

Erik Poppe, film director, Norway

Bo Ehrhardt, producer, Nimbus Film, Denmark

Claus Ladegaard, head of Production, Danish Film Institute

Charlotta Denward acknowledged that the numbers point to a problem that has been a challenge for the industry over many years: The call for new talent and trends has a tendency to take priority over long-term planning and there has been some marginalizing of established names, making it hard to build a continuous artistic career.

Denward saw the numbers as an indicator of a generational shift taking place, and also for a tendency – at least in Sweden – for first time filmmakers to make their own feature films outside the regular companies and support mechanisms.

She explained how the Swedish Film Institute has tried to address the issue of the many newcomers, by raising the bar for applying for support. As a consequence, the consultants of the SFI now have an average of 250 applications annually compared to the previous 500 applications.

The numbers for Swedish film show that 36% of all feature films have been made by first time directors in the past 25 years. As for the many years between each film in the life of directors, Denward noted that we should not forget how many directors are working extensively on other projects than feature films, e.g. directing television drama.

Erik Poppe saw the numbers as the proof of a first time filmmaker-regime that has long dominated, at least in Norway. From a Norwegian perspective, he tried to explain the numbers by pointing to the establishment of the Norwegian Film School 10 years ago.

The school has been focusing on so-called triangle collaborations between producers, directors and screenwriters. Since the coming of the school, the industry has looked to its graduates for new talent. Norwegian film is thus dominated by a young generation of filmmakers.

Also, it is hard to earn a living only making films. Thus many directors start focusing on other areas of income in the course of their careers. Poppe asked who chooses whom on a film production. The remarkable number of first time directors might be explained by producers finding new talent to be less inclined to argue and have certain demands.

Bo Ehrhardt started out by quoting Churchill stating that one should never trust statistics if you have not manipulated the numbers yourself. He rhetorically asked whether the numbers indicate a clear strategy or rather chance? He suggested thinking of the emerging picture as the result of circumstances.

He agreed that a new generation is knocking on the doors of the established industry before presenting the numbers for his own production company Nimbus Film: Out of 40 feature films produced, 58% of the films have been directed by the same five people while the remaining 42% have been directed by 16 different directors.

Ehrhardt explained how Nimbus was established around long-term collaborations among graduates of the Danish Film School, building on previous experiences and a common language. However, in the past, there had been a sense of the company being too closed around itself and making all films in the same way. The strength became a weakness. Thus Nimbus decided to try out new ways by making films with no public support and by new names. One needs fresh air and new energy once in a while to keep making interesting films.

Claus Ladegaard accepted that a major challenge in the years ahead would be the move from one-off support towards more continuity in the industry. However, looking at the situation among Danish production companies, he noted that half of the Danish feature films are made by the same three companies.

While there are a number of small companies making only one or two films, there are also some major players. Ladegaard said he would like to see the emergence of more solid companies and revealed that the DFI has considered creating support schemes for company development. He agreed that the focus on first-time directors and the high number of one-timers is important to address, but one should not forget what he termed the crisis of the third feature; it is often very hard to make the third feature film.

He stated that all experience indicates that the first films of directors who are now considered to be the best are often not hailed as the work of indisputable talent. It takes a number of films to develop as a director.

Ladegaard saw another challenge for the Scandinavian industry – keeping the successful directors in the region instead of relocating to Hollywood.

The following discussion was marked by discussions of how the public systems were created to fight the negative effects of commercialization. However, one also has to fight the negative effects of the support systems. Camre controversially stated that if the public support would be drastically diminished, the Scandinavian industry would collapse because of the weak infrastructure.

A number of delegates asked what might be learned from comparing with the US industry working on the principles of the market. Some suggested that one should have more specific demands on distribution at the very outset of a project. Denward mentioned how she had found inspiration in the American producer Christine Vachon talking about the difference in producing for a publicly supported vs. a commercially functioning market.

Questions, reflections and input from the discussion and from ConsensusOnline:

- In relation to the new film act, the DFI has announced that it will now try with some kinds of funding for company development within the support scheme New Danish Screen. Does this mean allocating more money into bricks rather than aiming at supporting initiatives than can be seen on the screen?
 - A comment regarding professionalism. Directors also do commercials and TV. Writers also do plays and novels. Some ideas are good for feature films. Some are better for other formats. The problem is the number of unprofessional producers.
 - How are companies with separate entities for the production of each title registered?
 - How do the Nordic figures compare to a non-subsidy film industry like the American? There is a huge percentage of one-film-directors and producers outside the studio system as well.
 - How does Henning Camre's call for an increased level of professionalization in the Nordic film business correspond with the ideal of diversity when it comes to the genres, which we talked about yesterday?
 - How many of the companies do not exist anymore?
-

-
- Do you have numbers on the impact from television production? A large number of directors, writers and producers make both television and cinema.
 - The figures also tell how a number of new talents get a chance every year.
 - To what extent should other parameters such as plans of distribution, audience potential and marketing play a part in allocating public production support?
 - Would slate funding for production help building directors' careers?
-

WHAT INNOVATION DO WE NEED AND WHO WILL PAY?

This session was intended to raise questions about innovation. It is clear that we are entering a period of accelerated evolution, but it is less obvious where we should concentrate support for innovation to support change.

Individual small and medium-sized businesses dealing with the day-to-day problems of their own specific sectors will have neither the time nor the money to focus on innovation. But where would public-sector intervention make a significant impact and how can that be fed back into the industry? The panel consisted of four speakers. Their presentations were followed by a discussion and a ConsensusOnline session with input from the various groups of delegates.

Speakers:

Vinca Wiedemann, producer, Zentropa

Thomas Robsahm, producer and commissioning editor, Norwegian Film Institute

Sven Clausen, producer, TV-Drama, DR

Rumle Hammerich, film director, Denmark

Vinca Wiedemann started by commenting on the numbers presented by Henning Camre, which she found to be shocking but not really surprising. She noted that even at larger companies like Zentropa producers often have their own projects, meaning that even bigger companies function like smaller companies in many ways.

This structure also has the consequence that the knowledge follows the individual producer. Wiedemann suggested trying to create new structures that can facilitate the creation of an ongoing relationship with the audience.

She said it was essential to have several projects in development simultaneously and called for more screenplays circulating in the industry. Inspired by the cooperative movement she called for a pool for ideas, development and collaboration. It is hard to create innovation on your own, but a greater circulation of ideas would further this.

Wiedemann stated that one can't support development, without supporting screenwriters and directors financially during the development process. She ended by suggesting that the way to get away from the romanticism of the first time filmmaker was for the existing players to get better – in the industry as well as in the support systems. According to her, the film industry has a hard time finding people with leadership potential and she would like to see the emergence of professional, post-graduate courses for potential leaders and gatekeepers in the industry.

Thomas Robsahm said that the public film support has long been misguided, claiming the problem was that all the emphasis is placed upon the story of a project. He brought up how *The Celebration* would have been a completely different film if not made by Thomas Vinterberg and his specific collaborators; a good screenplay is important, but the talent making the screenplay come alive on screen is more important.

Robsahm argued film consultants needed to be challenged more by having external screenplay readers. The consultants should still have the final call on projects and be the one

person responsible for greenlighting films, but dialogue and other perspectives during the reviewing process could inform the decision-making. According to Robsahm, innovation comes from listening, particularly to young people who offer new ways of thinking about films by skipping the screenplay process all together, by writing notes for scenes rather than scenes or by shooting films on their mobiles. Innovation means being open to new ideas and methods.

Sven Clausen opened his talk with a recent example of having been asked to comment on a screenplay for a Danish film director. He read the screenplay, gave his notes and offered to read the next draft of the text. To his surprise, there was no next draft. There was no time, since shooting was to start in six weeks. According to Clausen, that particular screenplay would never have been made at DR because it wasn't finished.

He found that the TV-drama department at DR has gained an incredible amount of knowledge on screenwriting and development during the past years and apologized for not having shared it enough with the film industry. Clausen traced the positive development in DR back to the reorganisation of DR following the employment of Rumle Hammerich as head of drama in 1994.

One of the changes implemented by him was a desire to learn more about the audience and put this knowledge into play. Another crucial change was to put the author at the centre of the process, rather than the director, and to 'spoil' the authors and give them proper credit.

A third aspect of the TV-drama experience has been the intention to hold on to and further develop new talent. The drama department has been the first link in the food chain for many writers and directors, not the least since DR has had a steady collaboration with The Danish Film School where students spend one term developing a potential TV-series. Clausen would like to help create a synergy effect between the TV-drama experiences and the film industry.

Rumle Hammerich found that a positive aspect of the industry today is that it still attracts offbeat personalities with strange ideas yet it remained unattractive for many young, innovative people; when we behave like the steel industry, we get the kind of people attracted to the steel industry, he said. Hammerich said too much of the Think Tank agenda had been focused on talking about technologies, financing and platforms. One should rather focus on people and content.

He described himself as a 'soft preacher' focusing on developing the personal touch in filmmaking since people create content. Hammerich regarded the Danish documentary scene as a place to currently look for inspiration: the documentary scene is dynamic and marked by young people with wild ideas. He did not know whether the documentaries made money, but the films are out there and being seen. According to Hammerich, the reason for the vibrant documentary scene has much to do with the way documentary filmmaking is being taught at the Danish Film School, where the focus is on developing the personalities of the students. At the end of his talk, Hammerich called for more focus on screenplay development and for making a more clear-cut distinction between development and production.

The subsequent discussion was marked by a number of delegates being interested in what could be learned by turning to the experiences from television. Vinca Wiedemann pointed

out that a clear difference between the film and the television industry is how the drama department has a large development department of its own. Where is the equivalent in the film industry? She believed that the film industry could learn from television practices without a standardizing result.

Claus Ladegaard similarly believed that much could be learned from the way television formulates the core of each project and works with the assumed audience from the very outset, and yet he didn't see much originality coming from television at the moment. He agreed that more focus on development is needed and referred to two recent initiatives; the first is the Thursday Pitch Sessions of the DFI enabling a variety of people to verbally pitch their projects to the feature film consultant. The initiative had led to a different kind of projects being presented than the ones that apply through the traditional channels. The second initiative is a so-called Film Forum established by the company Miso Film where six writers have been working together developing their individual screenplays.

Ladegaard said 10% of the DFI budget for production and development was currently being spent on development. On the same note, Hanne Palmquist from Nordisk Film & TV Fund cited recent initiatives focusing more on development like the High 5 Kids where seven projects have been on a boot camp with expert consultants.

A number of delegates found that Scandinavian films are generally moved into production too fast. Another problem is that ideas are too tied to certain people in established collaborations. Ideas should be able to move more freely between directors and production companies.

Questions, reflections and input from the discussion and from ConsensusOnline:

- It is in many ways difficult to compare film production with DR Drama. Film production is by nature restricted by budgets, where DR Drama has more than sufficient financial resources.
 - The vision of knowledge sharing expressed by Sven Clausen is admirable and DR should get much credit for the success during the past years. However, as a result of this success, DR is now dominating the market of the industry. This is due to the fact that 1) DR is able to pay fees with which other players in the industry can't compete 2) external producers are being kept out of the production flow and this prevents for others producers to take more responsibility.
 - Why would a producer ever want writers and directors developing projects without the producer?
 - How could we create better conditions for producers to think more about the audience and not only about production? Would a support for each ticket sold be an incentive?
 - It is crucial to focus on development and the ongoing collaborations between directors and writers. These collaborations need financing to not have to rely solely on will and dedication from the creative team.
 - The attitude of Sven Clausen is fantastic. Especially compared to the attitude of Swedish television.
 - When we talk about innovation and development – most comments are regarding the screenplay and production – what about development regarding the distribution from the very beginning of a project?
-

-
- Don't we have a bottleneck situation regarding the screenwriters' relationship with the film industry and the rather low and uncertain fees compared to the more regular income from television?
 - Talking about whether or not we are an industry ... What are the indicators of an industry? Total turn over; number of employees; export figures and growth potential in production and sales? If those are the indicators, we have an industry, in this case a cultural industry. In our discussions, we tend to always look at the cultural indicators and the cultural framework, while forgetting the industrial framework.
-

HOW DO WE CREATE A CULTURE AND INFRASTRUCTURE FOR INNOVATION BASED ON PROVEN CONCEPTS AND DATA RATHER THAN GUESSWORK?

ConsensusOnline session 1

Following the two sessions on talent and innovation the delegates were asked to work in groups dealing with the questions raised, particularly the question above.

- We need more direct access for storytellers to development money.
 - We have to develop a generosity and a desire to share knowledge. This should be co-ordinated by the national film institutes.
 - We should use testing organized by the Scandinavian film institutes.
 - We should organize collective development workshops with specialists from different platforms and sectors. Nordisk Film & TV Fund is a good example with the High 5 Kids concept.
 - We need more diversity in the ways of applying for development money. Writing a good application is not always the same as making a good film.
 - We need much more sharing of experience between everybody around the projects.
 - An idea could be the creation of an Innovation Fund for distribution on a Nordic level.
 - We should research what other relevant innovative funds have discovered regarding various digital challenges. We should use the input to create our own Nordic initiatives, which can provide case stories/insight.
 - The film institutes should make better use of their unique position for gathering information and experiences on all films being produced. This could lead to a knowledge bank where information could freely be shared across the industry.
 - It is important to define what we consider to be innovation, not only within the field of distribution, but also within product development. We have to focus on the unique projects as ideas and concepts bringing new experiences to the audience.
 - The medical industry uses time and money on R&D. Films are expensive capital 'goods' that deserve the same kind of attention.
 - We need to create a healthy diversity in the development process with a balance between newcomers and more experienced talent.
 - We must ensure that our statistics within the Nordic region are comparative and sufficient on an ongoing basis.
 - It seems like this conference has established the basis for entering into the area of Video/Film on Demand. Hopefully, this will happen in a way (to satisfy the audience desire for volume and diversity) where access is granted to the entire Scandinavian (and maybe also North European) production, meaning that also television drama, documentary series, animation films and series, documentary films etc. should be included. We need to investigate the properties of the entire Scandinavian market, asking for e.g. 25-50 DKK per view.
 - We should have support for producers to develop distribution strategies. Support should be given to a producer so that he/she can buy expertise (tests, collecting data, consultants, etc.). In this way, producers can better understand the potential of their material for all kinds of platforms, markets and strategies before meeting with a distributor.
 - We should look to other businesses.
 - The DR way, with thoroughly analysing their target audience is a good way to start. Instead of having a production process being more about a director's gut feeling and his/hers "personal story that needs to be told". We need to know our audience better.
 - We should allocate resources for research and analysis of specific topics, e.g. family films/audience or change in behaviour. Data should be shared through the film institutes.
-

HOW DO WE NURTURE AND DEVELOP THE BEST ART AND TALENT IN AN AUDIENCE DEMAND-DRIVEN DIGITAL AGE?

ConsensusOnline session 2

The second ConsensusOnline session following the two panels on talent and innovation focused on how to nurture and develop the best art and talent in and audience demand-driven digital age combined with a question of how the weaknesses in the current system exposed by the sessions can be improved.

- We have to focus on more financial stability and better working conditions for the creatives. There is a great imbalance between the expenses for the filmmakers and the rest of the expenses in the budget for a film. We need to consider all the tasks performed. There is much too much unpaid work and we are all expected to accept this. It is neither dignified nor visionary in a professional industry.
 - Support talent as well as single projects – have a long-term perspective. The arbitrary taste of consultants is too focused on the short term. We need to build careers.
 - It is important to learn more about the audience and focus more on reaching the target groups. It is also important to try out new methods to reach the audience on different platforms. We need support for that. We have to have better and stronger projects. We should focus more on development and innovation, both in screenplays and in distribution.
 - We should have workshops with both creative and distribution talent.
 - We should learn from the games industry.
 - We should be more open to a new generation of distributors. We have to listen to the new generations that are actually present on the relevant sites, VOD, twitter, etc.
 - When a film moves into production, the next project with the talents involved should be ready for financing.
 - We want development slate support – like in Sweden and Norway.
 - We should create a Scandinavian database where we can compare box-office, VOD-downloads, DVD-sales etc. by each released film title.
 - We should expand our (Nordic) distribution ambitions: The existence of more diverse distribution strategies will in itself influence creative development – if audience and distribution research as well as meta data is made available across the industry (if not publicly).
 - We have to create a public funding framework that gives the producer the incentive to look at the box office numbers and not only at production. This would lead to producers being much more motivated to develop projects rather than to only focus on moving into production. An idea could also be support that is partially related to the success of the film in different media.
 - Talk to the young people. Don't give them what they ask for, but listen to them. Get inspired, especially regarding distribution. Include the actual users of new platforms!
 - A reflection: audience-driven doesn't necessarily mean mainstream.
 - A comment on the above: Exactly! New distribution strategies rest on the idea that there are lots of niches.
 - The industry seems to be fragmented and could be strengthened by giving more attention to supporting constructive meetings between talented creative forces and experiences production forces.
 - It seems as if this conference has established the basis for asking the national broadcasters to review and discuss Scandinavian films and television series as a service to modern audiences – like they sometimes review and discuss computer games comic books etc.
-

-
- It also seems as if this conferences has established the basis for the support of a re-search field conscious of practical, artistic and commercial aspects of the industry. This could be established as a common field among films schools in Norway, Sweden, Finland and Denmark, hopefully supported by the film institutes and commercial companies. We need more research into digital aesthetics, technologies, concepts, business and distribution platforms.
 - We have to allow for career planning permitting simultaneous support for 2-3 films in various development stages from the same director, thereby underscoring continuity and a stronger sense of oeuvre.
 - The huge challenge of developing art and talent has not necessarily changed, because we are moving into the demand-driven age. The answers are long and complex. But in the future we can communicate directly with the audience and learn from this.
 - Start challenging projects already on the idea and treatment stage, instead of waiting for the third draft stage. Projects need to be challenged by consumer information, by distributors, by marketing and communication experts. The focus should be on commercial aspects as well as on dramaturgy.
 - Work even more across the borders than what is the case today.
 - Focus on sound financing to create profit for rights holders in each film, thus generating healthy companies.
-

WHAT ARE THE NEXT STEPS FOR THE SCANDINAVIAN INDUSTRY?

Chair: Michael Gubbins

The final session brought together the views expressed through the ConsensusOnline and sought to find the foundations for future action.

What had become clear during the two days of the Think Tank was that there was no resistance to digital change in principle. The existing system was clearly strained to the point where fresh ideas were welcome.

The problem was that the existing industry was not set up for a demand-driven digital world.

Certainly, there was little confidence that the necessary digital innovation could be driven by hard-pressed, mostly specialised small and medium-sized businesses.

In terms of knowledge, skills and resources, there was a need for new forms of support.

Unfortunately, funding and support tended to be built around the silos of specific industry disciplines, regional and national borders, and the theatrically-dominated film industry.

The recognition that there was more value in cooperation than competition in the current climate led for calls at the conference for a more holistic approach from the Scandinavian industries, pooling ideas and potentially resources.

The emphasis of any new body had to be on changing consumer behaviour rather than just technology.

That meant listening to audiences, and particularly young people who remain a challenge for Scandinavian film.

It also meant testing long-established practices, in areas such as release windows.

And there was a need to test new ideas and share the results widely; to identify and encourage the use of new digital tools and services; and to experiment with the potential of new areas, including the collection and exploitation of metadata.

These new structures might be formal or informal. It might mean creating a cross-border innovation fund; the founding of an idea bank or institute joint body; or closer cooperation between industry bodies, such as film schools.

The Think Tank also called for stronger bonds with other media and relevant expertise, particularly television and technology companies.

Key Questions

- Who will pay?
 - Is there a political will in Scandinavian countries for more cross-border cooperation, particularly if it means committing resources?
 - What are the nature and aims of new innovation-centred bodies
-

-
- What are the legal issues on rights and data ownership?
 - Are the fragmented Scandinavian industries really ready for this kind of fundamental rethink of priorities and support?

These are all thorny issues but the consensus from the floor seemed to be that there is a genuine interest in new approaches and a strong sense that there is no going back.

PLANNING TEAM

Executive Team

Henning Camre, executive director, European Think Tank on Film and Film Policy
Michael Gubbins, media consultant, UK
Christopher Sanger, consultant, European Think Tank on Film and Film Policy
Regitze Oppenheim, project manager
Christian Recke, assistant manager

Scandinavian Core ThinkTank Group

Anna Croneman, producer, BOB film, Sweden
Björn Runge, film director, Sweden
Christer Nilsson, producer, GötaFilm, Sweden
Erik Poppe, film director, Norway
Frederik Juul, head of distribution, Sandrew Metronome, Denmark
Gunnar Carlsson, head of drama, Swedish Television
Ib Bondebjerg, professor, Film and Media Studies Section, University of Copenhagen
Jørgen Ramskov, managing director, Copenhagen Film Festivals
Kjetil Lismoen, Rushprint, Norway
Maja Giese, producer, Nimbus Film, Denmark
Marianne Moritzen, head of unit, feature film, Danish Film Institute
Per Fly, film director, Denmark
Peter Possne, director, Sonet Film, Sweden
Rumle Hammerich, film director, Denmark
Steffen Andersen-Møller, head of Audience and Promotion, Danish Film Institute
Sven Clausen, producer, TV-Drama, DR
Synnøve Hørsdal, producer, MAIPO, Norway
Thomas Robsahm, producer and commissioning editor, Norway
Thomas Stenderup, director, Norwegian Film School
Vinca Wiedemann, producer, Zentropa, Denmark

Moderators:

Lene Johansen
Michael Gubbins

Rapporteur:

Eva Novrup Redvall

The Scandinavian Think Tank was planned and organised by the European Think Tank on Film and Film Policy in collaboration with the Core Think Tank Group of professionals from Denmark, Norway and Sweden. The Film and Media Departments of Copenhagen, Lund and Oslo Universities provided substantial qualitative and quantitative research. The event was made possible by financial contributions from Nordic Film & Television Fund, Danish Film Institute, Norwegian Film Institute and Swedish Film Institute and Filmkopi Copenhagen.
