



Bell Broadcast and New Media Fund Application Clinic

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The Bell Broadcast and New Media Fund

Bell Fund Purpose:

Licensed by the CRTC to “invest in the development and production of new media projects associated with television programs”

Funded by:

- o annual contribution from Bell TV - \$11M in 2009
- o endowment from BCE-CTV benefits program

Board: 9 independent industry representatives



The Bell Broadcast and New Media Fund

Bell Fund Mandate:

- To advance the Canadian broadcasting system
- Encourage and fund the creation of excellent Canadian digital media
- Promote partnerships and sustainable businesses
- Engage in research and sharing knowledge
- Enhance the national and international profile of industry



The Bell Broadcast and New Media Fund

Bell Fund Activities:

- Development and Production Grants to New Media and Television Projects
- Training and professional development (application clinics, workshops, cyberpitches)
- Sharing knowledge (Top Tips, templates)
- Industry promotion through awards, website
- Networking opportunities
- Fostering international partnerships



The Bell Broadcast and New Media Fund

What are we looking for?

- Experimentation
- New Skills
- Business Models
- Excellent Content
- Happy Broadcasters
- International Recognition
- Research
- Wow!
- Industry Firsts



The Bell Broadcast and New Media Fund

Eligible platforms/content

- websites
 - iTV
 - IPTV
 - Wireless
 - Podcasting
 - Digital signage
 - Consoles (networked)
 - Apps
- Website content:
- Virtual worlds
 - Video
 - Games
 - Blogs
 - Wiki's
 - Community
 - User Generated Content



Some interesting facts about Bell Fund projects

- Average production budget is \$400,000 (ranges from \$100K to \$1M)
- 95% of all projects have broadcaster funding – averaging \$35K
- Producers investment in cash and deferrals averages \$25K/project
- Highest traffic is for sites for kids 4-10
- Highest user attention is kids - 8 minutes per visit
- Most successful kids site averages 90K visitors/month (millions if there is a US broadcaster/site)
- Sites with only a few pages can be highly engrossing (forum)
- Lots of links from external domains= popular site
- Blogs are significant referral sources
- Television show websites are searched by name of the show, hosts or primary characters
- Mobile is growing...
- Everyone is adding video
- Advertising is growing...



The Bell Broadcast and New Media Fund

What are audiences looking for?

Kids	→	Games, Personalized Environments
Youth	→	Games, Mobile, Community
18 - 34	→	Comedy, MMOGs
Women 35+	→	Casual Games
Babyboomers	→	Diverse interests, rich content, information



Development Program

- Grant of up to 75% of development costs to a maximum of \$50,000
- 3rd party cash not necessary but will receive a bonus in evaluation



Development Program

When to use Development

- Project is large and complex and you need to plan or build some of it to be able to communicate the ideas
- Elements (ie. Technology, business plan, target market) require more research.
- Elements require user testing before heading to production (particularly useful for kids' market).



Production Program

New Media Component

- o Grants not to exceed 75% of the budget to a maximum of \$250,000
- o bonus of up to \$100,000 to match broadcaster cash contributions
- o at least 10% cash from arm's length 3rd party

Low Budget

- o 75% of the Budget to a maximum of \$75,000 for a maximum budget of \$100,000

Television Component

- o 75% of the broadcast licence fee to a maximum of \$75,000



Before You Start the Application . . .

Ask yourself these questions:

- Do you have an original idea?
- Have you done market research?
- Do you have your team put together?
- If you need a tv or digital media partner, is it the right one?
- Have you talked to your broadcaster?
- Do you own the rights to the IP?



The Application

1. Content
2. Design and Technology
3. Feasibility
4. Budget and Finance
5. Business Plan
6. Marketing
7. Broadcaster Role/ Participation
8. Television Component
9. Legacy
10. Presentation and Proposal Preparation



Development Evaluation Grid

Content excellence (creative, compelling, NM/TV integration, potential for legacy, presentation)	25%
Feasibility (key personnel, track record, potential to proceed to production)	25%
Business assessment (financial sources, budget, marketing plus BONUS for cash contributions)	20%
Broadcaster support (for tv and new media project)	10%
Other (overall assessment, intangibles)	20%



Production Evaluation Grid

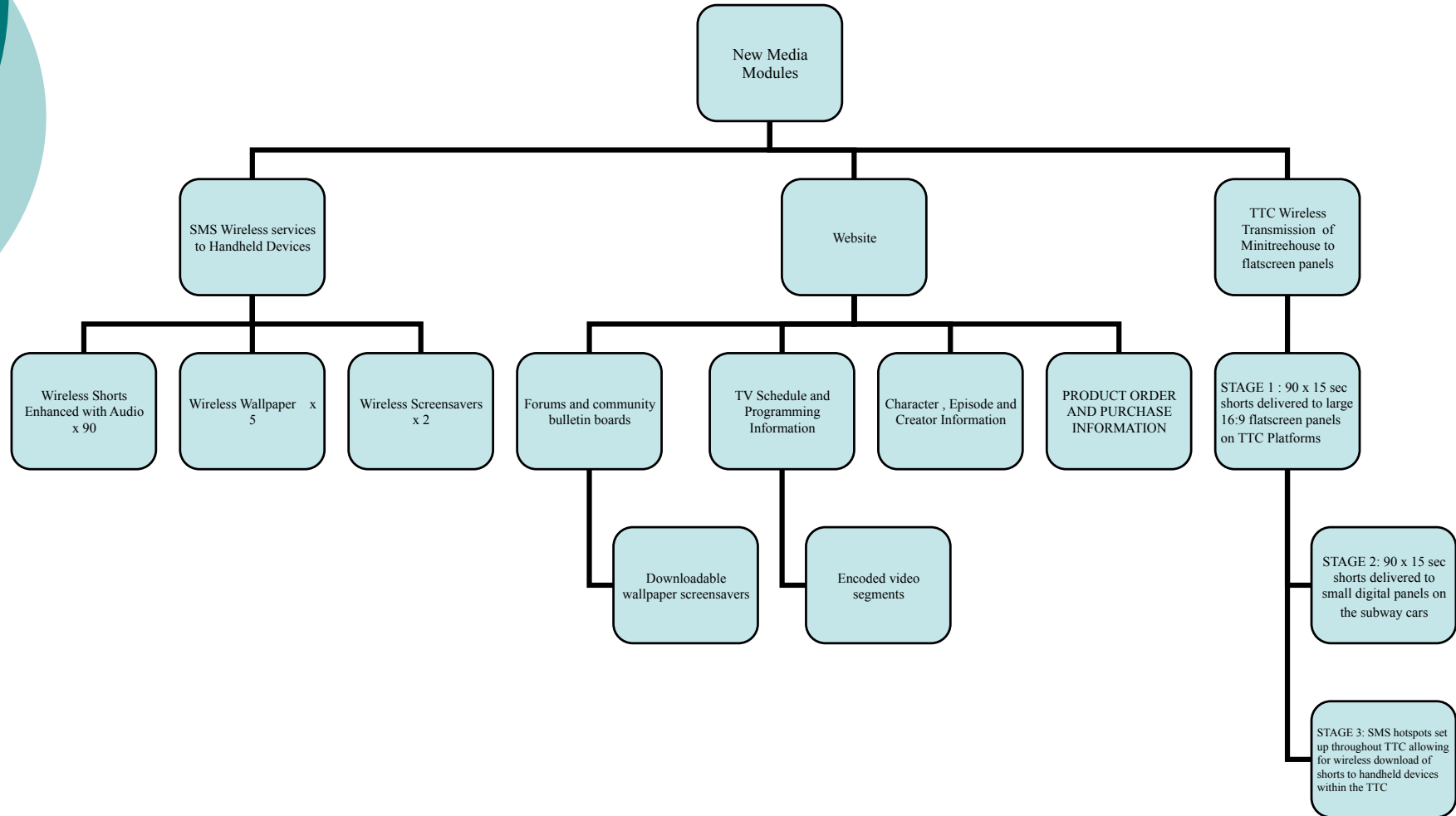
Content excellence (creative, compelling, NM/TV integration)	20%
Design (architecture, navigation, graphics, interactivity)	10%
Technology (programming/software sophistication, broadband utilization)	10%
Feasibility (key personnel, track record, development)	10%
Financial (budget, financial structure)	10%
Business (business plan, distribution strategies, marketing/promotion plan)	15%
Broadcaster support (for new media project)	10%
Legacy potential (industry, company, advancement)	5%
Other (overall assessment, innovation)	10%



Content

- Be concise: 150 words means 150 words!
- What are you building?
 - Be clear. List out each section or use a flow chart.
 - Think about the user. How will they use the project?
 - What makes this project different?
What is the compelling WOW factor?

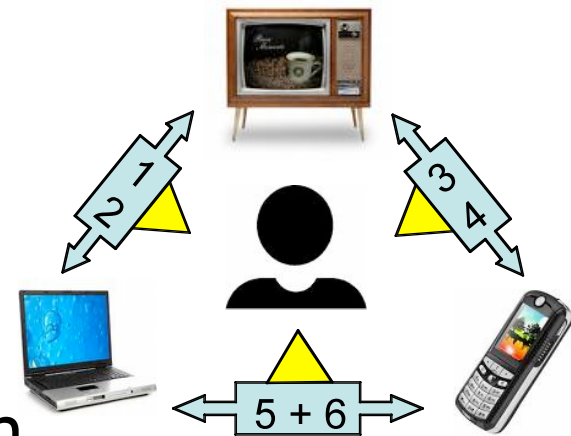
Example: Flow Chart It!



TV AND New Media

- What is the relationship between the TV and New Media components?
- Think about how the following elements interact:

- Audience
- Content
- Design
- Marketing and Promotion





Market Research

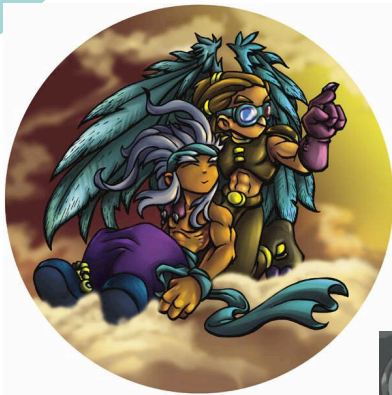
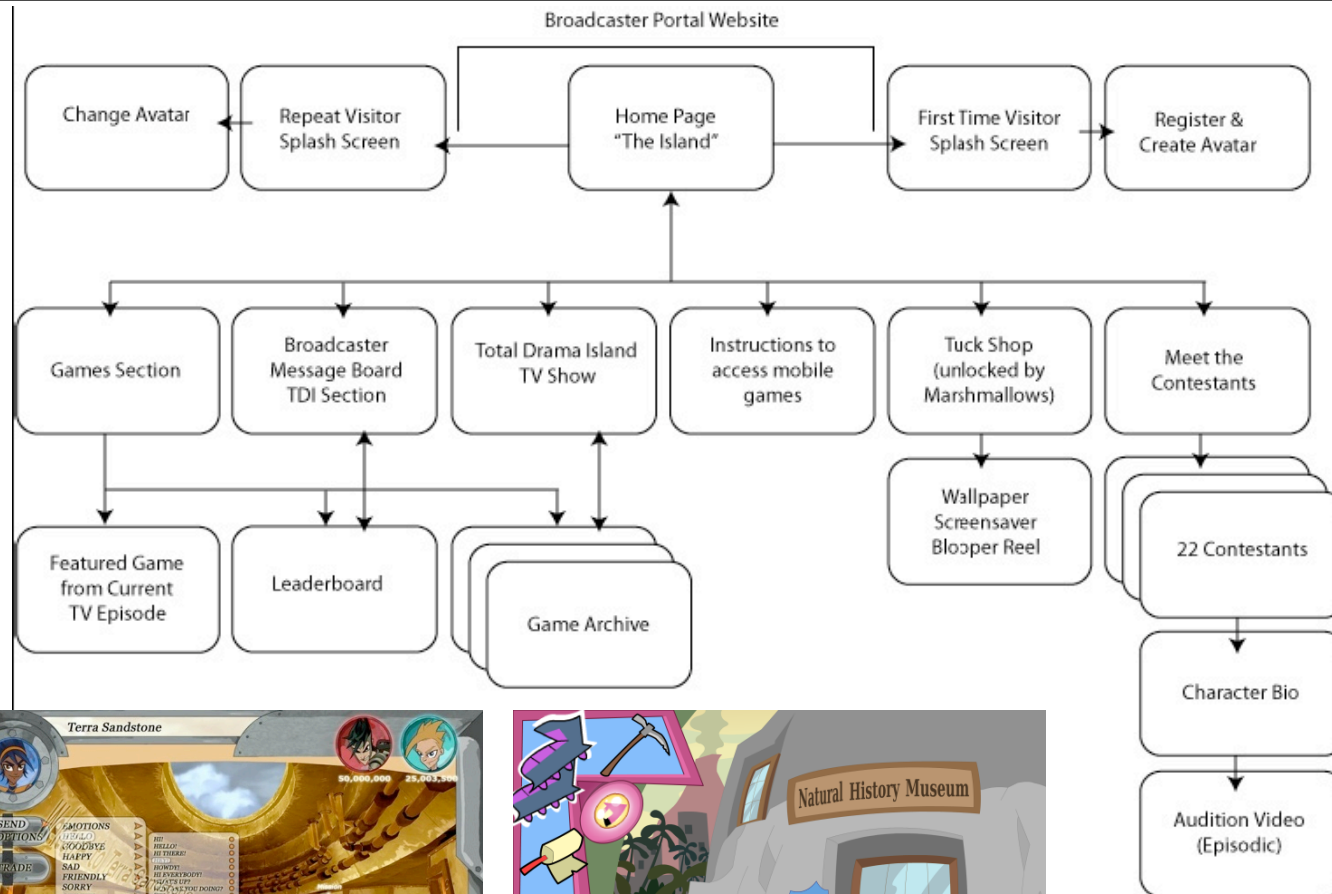
- What is already in the market?
- If your project is similar to others, how is it different?
- Look in the international market.
- Know your target market and do your demographic research.
- Show that there really is demand for your project!



Design

- Design direction – include images, sketches, url's of sites whose design inspires you
- Flow chart the architecture
- Describe the navigation – is it menu driven, or exploratory?

Examples:





Technology

- What are the interactive elements?
- Describe the technology to be used in production AND deployment.
- Deployment = maintenance



Feasibility

- Do you have the team required to carry-out everything you've described?
- Highlight the team's **RELEVANT** experience.
- Utilize partnerships
- Provide examples of past work.
- Ensure your budget matches the caliber of your team.



Project Development to Date

- What has already been done?
 - Character design
 - Game prototype
 - Research: market, technology, merchandising potential
 - Agreements
- Development



Project-Driven Process

- 1) assess budget at “cost” and locked-in
(*no floating budget or room for “feature creep”*)
- 2) create financial structure; budget financed
(*equity, grants, advances*)
- 3) recoup budget
(*“deficit”*)
- 4) earn profit from exploitation
and use of content



Organization

- Time
- Money
- People
- Things

ACCOUNT	CATEGORY	COST ALLOCATION			TOTAL
		Internal	Related	External	
01	PRODUCER	0	0	0	0
02	RIGHTS ACQUISITION	0	0	0	0
03	PROJECT PROPOSAL PREPARATION	0	0	0	0
	TOTAL "A" - ABOVE THE LINE COSTS	0	0	0	\$0
04	SENIOR PRODUCTION PERSONNEL	0	0	0	0
05	DESIGN LABOUR	0	0	0	0
06	PROGRAMMING LABOUR	0	0	0	0
07	AUDIO/VIDEO LABOUR	0	0	0	0
08	TALENT	0	0	0	0
09	PRODUCTION ADMINISTRATION LABOUR	0	0	0	0
10	OTHER PRODUCTION LABOUR	0	0	0	0
	TOTAL "B" - PRODUCTION TEAM LABOUR EXPENSES	0	0	0	\$0
11	NEW MEDIA EQUIPMENT/MATERIALS	0	0	0	0
12	AUDIO/VIDEO EQUIPMENT/MATERIALS	0	0	0	0
	TOTAL "C" - EQUIPMENT AND MATERIALS	0	0	0	\$0
	SUB-TOTAL "B" + "C"	0	0	0	\$0
13	PREPARATION FOR DISTRIBUTION AND MARKETING	0	0	0	0
14	PRE-LAUNCH PROMOTION, PUBLICITY	0	0	0	0
	TOTAL "D" - PRE-DISTRIBUTION: MARKETING, PROMOTION, PUBLICITY	0	0	0	\$0
15	PRODUCTION ADMINISTRATION	0	0	0	0
	TOTAL "E" - PRODUCTION ADMINISTRATION	0	0	0	\$0
	ADDITIONAL BUDGET SECTIONS				
F	CORPORATE OVERHEAD	0	0	0	0
G	CONTINGENCY	0	0	0	0
	TOTAL PRODUCTION COSTS	\$0	\$0	\$0	\$0



Budget Phases

Distinguishing activities across four discrete phases – at ‘cost’:

- Design (brainstorming, development)
- Production
- Testing
- Deployment (distribution)



SECTION "B" PRODUCTION TEAM LABOUR EXPENSES											
04 SENIOR PRODUCTION PERSONNEL											
ACC.	CATEGORY	NAME	NO.	QUANTITY (specify # of units in each phase)				TOTAL UNITS hrs, days, wks	RATE \$ COST per unit	Cost Allocation	TOTAL
				X	Design	Production	Testing				
04.05	SYSTEM DESIGNER (ARCHITECT)		1					0	0		0
04.10	PROJECT MANAGER		1					0	0		0
04.15	TECHNICAL LEAD (DIRECTOR)		1					0	0		0
04.20	CREATIVE LEAD (ART DIRECTOR)		1					0	0		0
04.25	ANIMATION LEAD (DIRECTOR)		1					0	0		0
04.95	OTHER(S)		1					0	0		0
			1					0	0		0
04	TOTAL SENIOR PRODUCTION PERSONNEL										\$0



Labour Rates

(actual cost-basis, hourly)

- **junior personnel: \$15 – 40**
(Assistant Designers, Illustrators, Assistant Graphic Arts, Programmers Testers, Administrative Labour)
- **intermediate personnel: \$25 – 75**
(Project Managers, Leads, Graphic / Interactive Designers, Programmers, System Integrators, Webmasters)
- **senior personnel: \$50 – 125**
(Senior Leads, specialized Design / Programming personnel, Art Directors, Integrators)
- **specialists: \$75 - 150**



Fee-for-Service Rate Labour Rates

Total = \$100 / hour

○ actual labour and benefit cost:	40.00
○ direct equipment/software cost:	10.00
○ overhead:	<u>25.00</u>
	75.00
○ non-billable time:	15.00
○ profit:	<u>10.00</u>
	100.00



Generally, things to consider...

1. Use and thoroughly complete Bell Fund budget template (only appropriate categories and line items for your project)
2. Provide reasonable estimates and quotes (based on budget; e.g.; budget code, category, description, amount)
 1. Budget for actual production expenses only
 2. Disclosure of personnel
 3. Delineate between labour and equipment costs
 4. Television production expenses / broadcaster expenses
 5. Rights
 6. Related party transactions
 7. Be accurate and realistic
 8. Allowances; concept of materiality
 9. Provide additional budget notes (back-up)
 10. Details details, details!!!

○ BUDGET MUST MATCH FINANCIAL STRUCTURE!!!



Specifics...

1. Producer fee / Overhead (cap: 10% of B+C)
2. Labour (actual cost – must be within 'range', duplication of personnel across categories)
3. Equipment (pro-rate/amortize – 24 month average)
4. Software (50% or 12 month average)
5. Server (cap: 50k)
6. Promotion (cap: 15% of B+C)
7. Contingency (cap: 10% of B+C)
8. Interim financing (cash flow statement)
9. Insurance (Comprehensive/E&O)
10. Detailed timeline and schedule
11. Agreements!!!
(NM/TV production companies, service companies)



Average Budget Distribution

Producer & Overhead	42,500	11%
Labour	200,000	52%
Equipment/Software	30,000	8%
Distribution	22,500	6%
Marketing/Promotion	25,000	6%
General Administration	30,000	8%
Contingency	35,000	9%
TOTAL (averages):	385,000	100%



Budget – Labour Breakdown

Labour Breakdown		
Senior Personnel/ Leads	35,000	17.5%
Design Staff	65,000	32.5%
Programmers	45,000	22.5%
Audio & Video	25,000	12.5%
Other	30,000	15.0%
TOTAL (averages):	200,000	100%



Financing: The usual suspects

- grants (Bell Fund, Fonds Quebecor)
- recoupable advances (Telefilm)
- tax credits (provincial)
- broadcaster
(licence fee cash / in-kind services)
- suppliers/facilities/service companies
(in kind services)
- deferrals (producer/suppliers)
- “Equity”



Bell Fund

Financial structure guidelines

- 10% of financing must come from an unrelated party CASH source (not necessary in Development applications)
- Proof of other funding sources (agreements must include specific budget cost: code, category, amount)
- Broadcaster cash contribution (BF matching bonus)
- Other Broadcaster contribution (in-kind, services)



Paperwork required

AGREEMENTS!!!

(Commitment letter versus long-form agreement)

1. Amount of contribution
2. Date
3. Type of commitment
(grant, equity, advance, etc.)
4. Total and date of production budget
5. Declaration that contribution is for website/
interactive production
6. Payment schedule/proposed drawdown
with milestones
7. Default or expiry clause
8. Specific budget code, category, amount
(if in-kind, deferral or services)



Financial Structures (non-CMF)

Funding Source	Type	Amount \$\$:
BellFund	Grant	220,000
Broadcaster	Licence Fee	30,000
Broadcaster	In-kind	20,000
BellFund	Matching bonus	30,000
(animation)	TOTAL:	300,000



Financial Structures (non-CMF)

Funding Source	Type	Amount \$\$:
BellFund	Grant	337,500
Producer	Deferrals	12,500
Tax Credits	Grant	75,000
Broadcaster	Licence Fee	12,500
BellFund	Matching bonus	12,500
(drama)	TOTAL:	450,000



Financial Structures (CMF)

Funding Source	Type	Amount \$\$:
BellFund	Grant	235,000
CMF	Grant	200,000
Bell Matching	Grant	100,000
Quebecor Fund	Grant	240,000
Broadcaster	Licence	100,000
Producer	Deferral	125,000
(kids-nature)	TOTAL:	1,000,000



Business Plan

- Market Overview
- Competition
- Distribution Strategy
- Multiplatform Strategy

Be prepared:

- Rights
- Format/platforms
- Language/translation
- Adaptability/cost
- Multi-platform distributor/aggregator
- Suitable for advertisers



Business Plan (cont.)

- **Financial Projections and Revenue Sources**

Be prepared:

- Can you sell it to international broadcasters? How much?
- Advertisers need 10,000 visitors/month...
- Consider basic content and subscription/premium content
- Can you offer to adapt the content and get service fees?
- Are there educational outlets/institutions for the content
- Can the content be sold in modules?

- Tip: Consider the implications of a broadcaster-hosted site versus a stand-alone site.
- Tip: Don't overestimate sponsorship and advertising possibilities
- Tip: Don't compare your project to eBay or YouTube - not realistic



Marketing and Promotions

- Identify your audience
- Reach your audience
- TIP: Be targeted with your marketing techniques
- TIP: Don't overestimate your audience or underestimate the evaluator
- TIP: Make sure your budget reflects your marketing plan



Generating Traffic and Loyalty

- Search engine optimization - engage a professional
- Search words, key words (tags)
- Reciprocal linking
- Hidden html page if site is in Flash
- Focus groups and User testing, amend if necessary
- Track repeat visitors as a key measure



Broadcaster Support

- Essential to the Bell Fund Mandate
- Broadcaster involvement:
 - The more the better
 - The longer the better
 - Cash investments, in-kind contributions
 - Broadcaster Support Form



Bell Broadcast and New Media Fund - Broadcaster Support Form

To be completed by the broadcaster

Title of the Interactive Project:	
Title of the Companion Television Program:	
Budget of the Interactive Project:	\$
Length of time you have been participating on this interactive project:	_____ days _____ weeks _____ years
Briefly describe the content of the Interactive Project:	

A. From the following list of potential benefits that interactive projects may provide to a broadcaster, please select the top five (5) that you expect *this* interactive project to achieve and prioritize them from 1 to 5. [Note: "1" = highest expectation for success].

Select FIVE (5) of the following:	Rank (1-5)
1. make the television experience more relevant and personal and to develop audience loyalty	
1. develop a community for the show's demographic	
1. provide rich content and an excellent online experience	
1. provide an essential tool for the marketing of the television show in order to increase viewership	
1. increase traffic to your broadcaster website	
1. provide you with potential new revenue opportunities	
1. enhance your broadcast brand	



Television Component

- Creative
- Financing
- Marketing and business plan
- Broadcast Schedule
- TV producer involvement



Legacy

- What impact will the project have on:
 - The production company
 - The industry
 - The Bell Fund



Presentation and Proposal Preparation

- Deadlines
- Complete
- Cover letter
- Application form
- The binder
- The pitch

(No marks, but very influential!)



"...AND TO MY WIFE, 16,5MB OF FREE WEB SPACE..."



Resources

- www.bellfund.ca:
 - Guidelines, policies, forms, deadline dates
 - Legal templates, budget templates
 - Top Tips; New Media, New Business publication
 - Elements of a Marketing and Promotion Plan
 - Links to funded projects
 - More to follow - check back regularly
- Call Lisa at the Bell Fund before application is submitted and ask questions
- Hire a consultant or partner with an experienced producer



Summary

- Be clear
- Be confident
- Make it look good
- Be realistic
- Do your homework
- Know the rules
- Be brilliant
- Talk to us!

www.bellfund.ca