



# **Final Report**

## **Interim Evaluation of the MEDIA Programme**

**Commission of the European Communities**

**Berlin, April 4, 1993**

**ROLAND BERGER & PARTNER GmbH - International Management Consultants**

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## Definitions of used terms

- Programme** : MEDIA programme 1991 - 1995
- Projects** : 19 individual MEDIA programme's projects
- Activities** : Individual measures within projects  
(e.g. "promotion packaging" and "development support"  
for DOCUMENTARY)
- Productions** : Film and television productions to be  
supported by the projects
- Project  
Coordination** : MEDIA staff headquarters in Brussels
- Project  
Management** : Secretary general and responsible project staff
- Roland Berger &  
Partner core team** : Audit management at Roland Berger & Partner, Berlin
- Roland Berger &  
Partner country  
specialists:** Roland Berger & Partner, Athens, Lisbon,  
London, Madrid, Milan and Paris



## **A. Evaluation approach and procedure**

## **A. Evaluation approach and procedure**

Article 8 of the Council decision instituting the MEDIA programme states that after the programme has been in operation for two years, the Commission shall present a report on the results achieved, accompanied where necessary by appropriate proposals, and recommendations for the future.

In November 1992, Roland Berger & Partner were contracted to complete an audit of the MEDIA programme and possible proposals to serve as the basis for the evaluation report.

The objective of the audit was an assessment of the MEDIA programme's execution in terms of its efficiency i.e. to deliver a well-defined, target-oriented efficiency analysis as well as making improvement proposals.

Roland Berger & Partner learned in interviews with professionals that the MEDIA programme is often seen as a programme which focuses on economic aims as well on cultural aims. Roland Berger & Partner evaluated the programme only on the basis of its aims as provided in the Council decision December 21, 1990, in pursuance of article 235 and article 2 of the Treaty establishing the European Economic Community. Therefore, both overall objectives of the Council decision "industry potential" and "balanced variety" were assessed from an economic point of view.

**Approach of the Interim Evaluation**

Aims	Objectives	Methods	Procedures
<ul style="list-style-type: none"> <li>● <b>Assessment of the MEDIA programme</b> <ul style="list-style-type: none"> <li>▶ implementation</li> <li>▶ structures</li> <li>▶ results</li> </ul> </li> <li>● <b>Suggestion of adequate improvement proposals</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Vertical auditing</b> <ul style="list-style-type: none"> <li>▶ validity/effectiveness of selection methods</li> <li>▶ structure of costs</li> <li>▶ quantitative and qualitative results taking into account the nature of the project</li> <li>▶ interpenetration between projects and professional circles</li> </ul> </li> <li>● <b>Horizontal auditing</b> <ul style="list-style-type: none"> <li>▶ standardization possibilities</li> <li>▶ synergy potentials between the projects</li> </ul> </li> <li>● <b>Overall auditing</b> <ul style="list-style-type: none"> <li>▶ degree to which measures taken satisfy overall objective</li> <li>▶ costs benefit relation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Functional control</b> <ul style="list-style-type: none"> <li>▶ to which degree the initiated projects come up to their previously defined task</li> </ul> </li> <li>● <b>Gap analysis</b> <ul style="list-style-type: none"> <li>▶ whether the application of proceeds consider the requirements of the audiovisual sector</li> </ul> </li> <li>● <b>Organisational analysis</b> <ul style="list-style-type: none"> <li>▶ whether the selected structure of the projects and of the MEDIA programme is target oriented</li> </ul> </li> <li>● <b>Cost benefit analysis</b> <ul style="list-style-type: none"> <li>▶ whether the invested financial resources helped to reach the aims as provided by art. 2 of the Council Decision</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Desk research</b> <ul style="list-style-type: none"> <li>▶ screening of documentation on the success of the MEDIA programme execution</li> </ul> </li> <li>● <b>Interviews</b> <ul style="list-style-type: none"> <li>▶ deducing success criteria from the aims of the Council Decision</li> <li>▶ Explorative talks</li> <li>▶ Develop standardized Questionnaire with special section per project</li> <li>▶ personal/telephon interviews</li> </ul> </li> <li>● <b>Comparisons</b> <ul style="list-style-type: none"> <li>▶ absolut results</li> <li>▶ relative results</li> </ul> </li> </ul>

To this end the following was carried out

- vertical auditing
- horizontal auditing
- overall auditing

*Vertical auditing* called for a functional control. During the implementation of a functional control it was shown to which degree the initiated projects have met their previously defined task. Project by project the organizational and activity results, selection systems, control mechanism, and reaching of aims were assessed. The different nature and starting point of each project was taken into account (see C).

Within the framework of *horizontal auditing* the MEDIA programme's structure and guidelines were subjected to an organizational analysis. Special attention was given to standardization potentials, transparency within and outside MEDIA and resource allocation throughout the value-added chain of the audiovisual sector (see D).

*Overall auditing* focussed on the question whether financial resources had been invested as to attain the MEDIA programme's overall objectives. To this end MEDIA's overall objectives were subdivided into six goals. An in-depth assessment was made of the degree to which goals have been achieved within the given framework of the MEDIA programme. Furthermore MEDIA's principles and tools were analysed to evaluate the programme's approach (see E).

In order to answer questions related to *vertical, horizontal and overall auditing*, Roland Berger & Partner made primary use of the following two procedures:

- desk research
- interviews

Desk research acted as a companion to all evaluation work and

- gave an insight in projects' work after having assessed documents, files and records delivered by the projects
- gave an overview of the programme's and projects' publishing activities
- examined and assessed the effect of MEDIA in press reviews
- allowed compilation of market current data for the European audiovisual industry needed to make comparisons

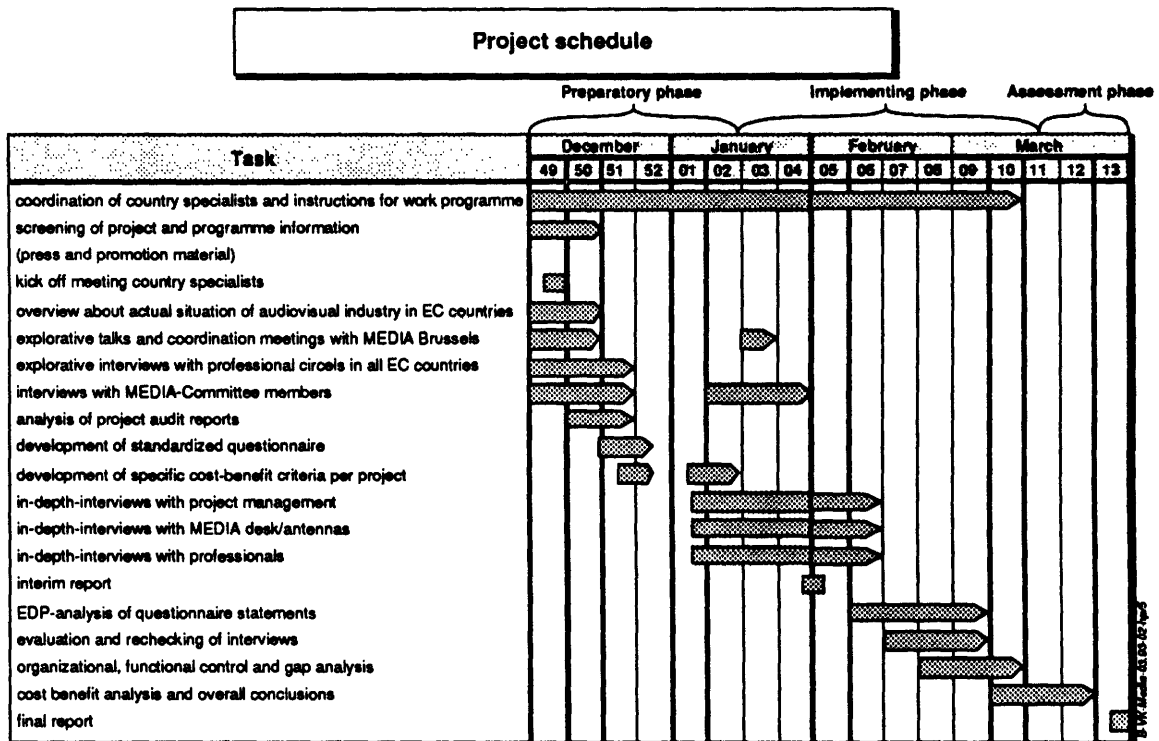
Interviews were the main source for the MEDIA programme evaluation. Criteria were derived from the objectives of the Council decision which, together with the results of initial exploratory talks in each EC Member country, were to form the basis of a questionnaire. This questionnaire was largely standardized, however it contained a specific part for each individual project including its financing, training, research/information support and networking activities.

Using the questionnaire, project management as well as app. 152 representatives of the audiovisual industry were interviewed. These professionals comprised project beneficiaries, refused applicants and industry experts.

Roland Berger & Partner point out that the survey concentrated on individuals active in film and television production with experience of the MEDIA programme. The results therefore have only limited applicability to the European film and television industry as a whole.



Roland Berger & Partner began work at the beginning of December 1992 and finished the work on April 4th.



Roland Berger & Partner commenced the preparatory phase by screening MEDIA programme's to and project's to documents. Materials and press reviews from MEDIA headquarters were assessed. At the same time initial information and coordination talks were conducted at MEDIA headquarters.

In the first week of December 1992, a kick-off meeting was held with country specialists. Roland Berger & Partner consultants involved with the examination of the individual EC countries were introduced to the MEDIA programme as well as to their particular duties. Special attention was paid by the Berlin core team to coordination and support efforts for the country specialists during the entire course of the project. This guaranteed a homogenous survey quality throughout Europe.

The results of the first exploratory interviews together with the intensive documentary analysis of the project audit reports, were integrated into a standardized questionnaire. Creation of cost-benefit criteria was based on the respective audit reports.

Starting in December 1992, a large number of interviews were conducted by the country specialists and core team. During the implementation phase, which started in mid January, in-depth interviews were conducted by using the questionnaire. Those interviews include the project management, four to seven professionals per project, MEDIA-Desk employees and up to seven professionals per country.

By the end of March 61 "industry experts" had been interviewed throughout the European Community, i.e. professional circles like members of trade associations, producers, distributors, etc.. At least one MEDIA Committee member in each respective country was interviewed as to his/her estimation of the MEDIA programme. 21 interviews were held with the MEDIA Committee members. Furthermore 63 beneficiaries and 27 non-beneficiaries were interviewed. It has to be mentioned a part of beneficiaries who were interviewed concerning one specific project were refused applicants of other projects, et vice versa. Together with the interviews of the 8 representatives MEDIA Brussels, 53 members of project management, 17 MEDIA-Desks/Antennae-managers by the end of March 1993 250 interviewees had been interviewed (see Annex VI). Several persons were interviewed up to four times by country specialists or core team members depending on their presence at markets, festivals, etc., on their expertise or on their responsibility.

Roland Berger & Partner analysed and categorized the aims of the MEDIA programme as provided by Art. 2 of the Council decision of December 21, 1991 (see B). This was done during the implementation phase as well.

After the first two months work an Interim report was delivered to MEDIA Brussels and presented on March 16. In the assessment phase standardized questionnaires were assessed by the core team together with country specialists and project management. Further in depth interviews were undertaken. On March 3/4, a two - day workshop with MEDIA headquarters Brussels, projects' representatives (secretary general or chief of the board) and the Roland Berger & Partner core team was held in Brussels.



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During the workshop MEDIA programme's impact on the audiovisual industry was discussed and future directions of development brought up on the basis of prepared speeches by every project representative.

In the concluding three weeks the final report was completed along with the assistance of adjustment and coordination interviews with project management.

Throughout the entire four months auditing period close liaison with MEDIA Brussels was maintained.

Roland Berger & Partner want to thank all interview partners for dedicating their time to answer our questions. Above all we want to express our thanks to the MEDIA Committee members and to MEDIA headquarters in Brussels for their support and cooperation.





## **B. Aims of the MEDIA Programme**

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For the interim evaluation of the MEDIA Programme two different levels of aims were distinguished:

- **vertical auditing**

For the vertical auditing Roland Berger & Partner evaluated to what extent the projects have come up to their previously defined tasks. The vertical auditing was focussed only on the aims of the respective projects.

- **horizontal and overall auditing**

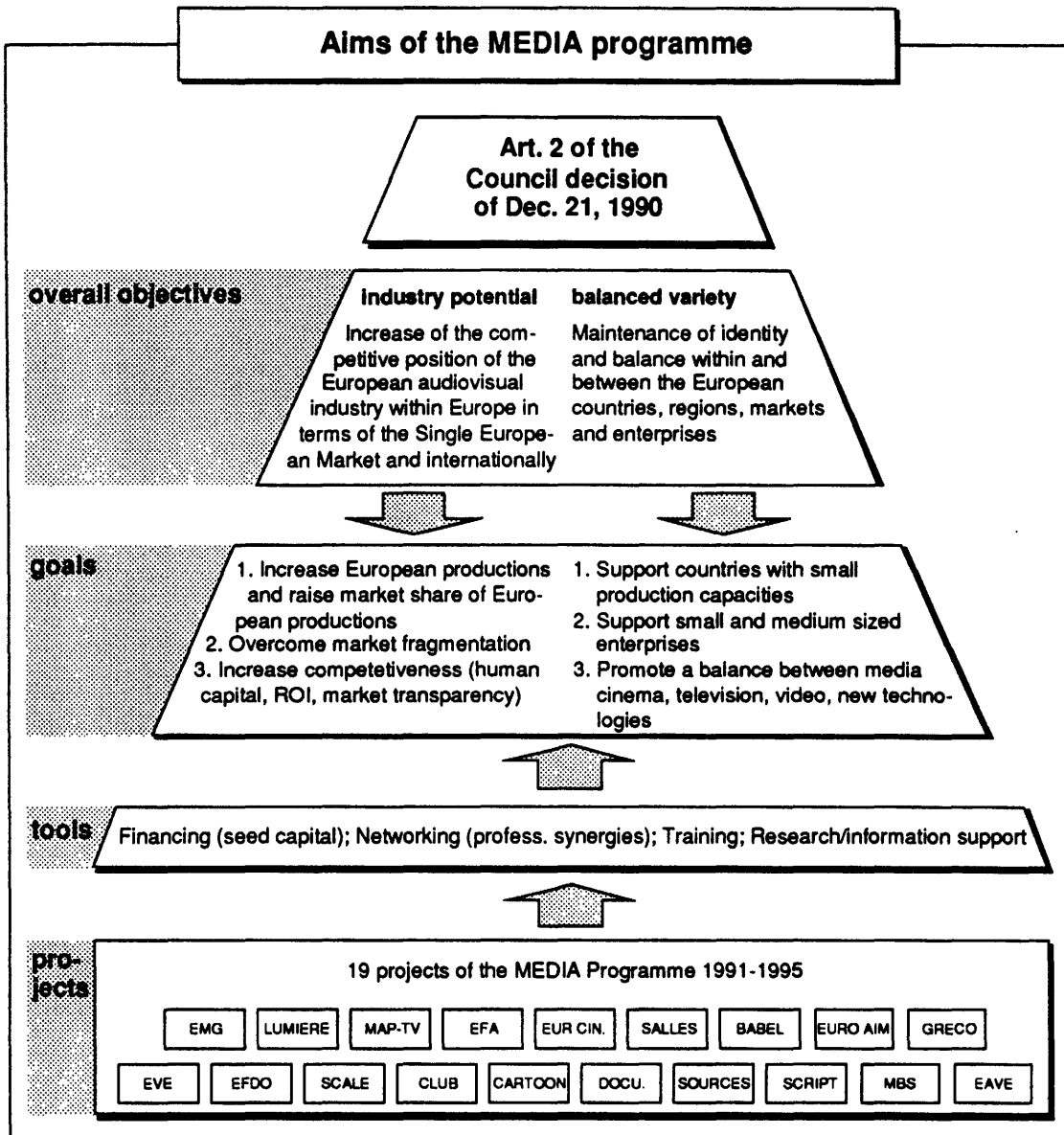
For the horizontal and overall auditing Roland Berger & Partner have pursued a four step approach.

**Step 1:** Defining overall objectives of Art. 2 of the Council decision

**Step 2:** Identifying the operational goals of the programme

**Step 3:** Establishing the tools needed to achieve the goals

**Step 4:** Comparing the projects' aims and tools with the measurable goals



**Step 1: Defining overall objectives of Art. 2 of the Council decision**

Roland Berger & Partner consolidated the aims into two main objectives:



### *Industry potential*

This predominantly economic objective mainly involves strengthening the competitive position of the audiovisual industry. This means the creation of a Common European Market in order to take full advantage of the scale and qualities of the new economic area. A Common Market is particularly characterized by homogenous structures, unified regulatory framework and the absence of entry restrictions within the market. This means to step up intra-European exchanges of films and audiovisual programmes and to make maximum use of the various means of distribution which either exist or are still to be set up in Europe with the view to securing a wider dissemination and greater public impact. In addition it means to improve the economic and commercial management abilities of professionals in the audiovisual industry in the Community in conjunction with existing institutions in the Member States.

Furthermore, becoming more competitive not only means improving the competitive position of the audiovisual industry in each member country of the EC, but also advancing the position of Europe's media industry on an international level.

### *Balanced variety*

This objective means to preserve country-specific and regional identities. The position of countries in Europe with smaller audiovisual production capacities and/or with a limited geographical and linguistic area should be strengthened. Furthermore this objective means to support small and medium sized enterprises in a balanced way and promote a balance between the different media. This requires counteracting the concentration processes and monopolist's tendencies; it will also promote a variety of individual media products, local markets, and specific regions.

### **Step 2:** Identifying the operational goals of the programme

Roland Berger & Partner derived the main goals based on the aims of the Council decision. In the audiovisual industry, the main objective "industry potential" means winning back the European market for European film. Furthermore, it means permanently raising the market share of European productions, as well as to increase European production and distribution companies' share on the world markets. This results in three measurable goals.



1. Increase European productions and raise market share of European productions
2. Overcome market fragmentation
3. Increase competitiveness (human capital, ROI, market transparency)

The main objective "balanced variety" can also be broken down into three operational goals.

1. Support countries with small production capacities
2. Support small and medium sized enterprises
3. Promote a balance between media (cinema, television, video, new technologies)

**Step 3:** Establishing the tools needed to achieve the goals

After having derived these goals Roland Berger & Partner analysed the 19 MEDIA projects initiated so far and found that the projects use four different tools for their activities. These are:

- financing (seed capital);
- networking (professional synergies).
- training ;
- research/information support

**Step 4:** Comparing the projects' aims and tools with the measurable goals

Roland Berger & Partner evaluated whether the project aims and tools meet the operational goals. Finally Roland Berger & Partner evaluated the attainment of the aims as provided by Art. 2 of the Council decision of December 21, 1990.



## **C. Vertical auditing**

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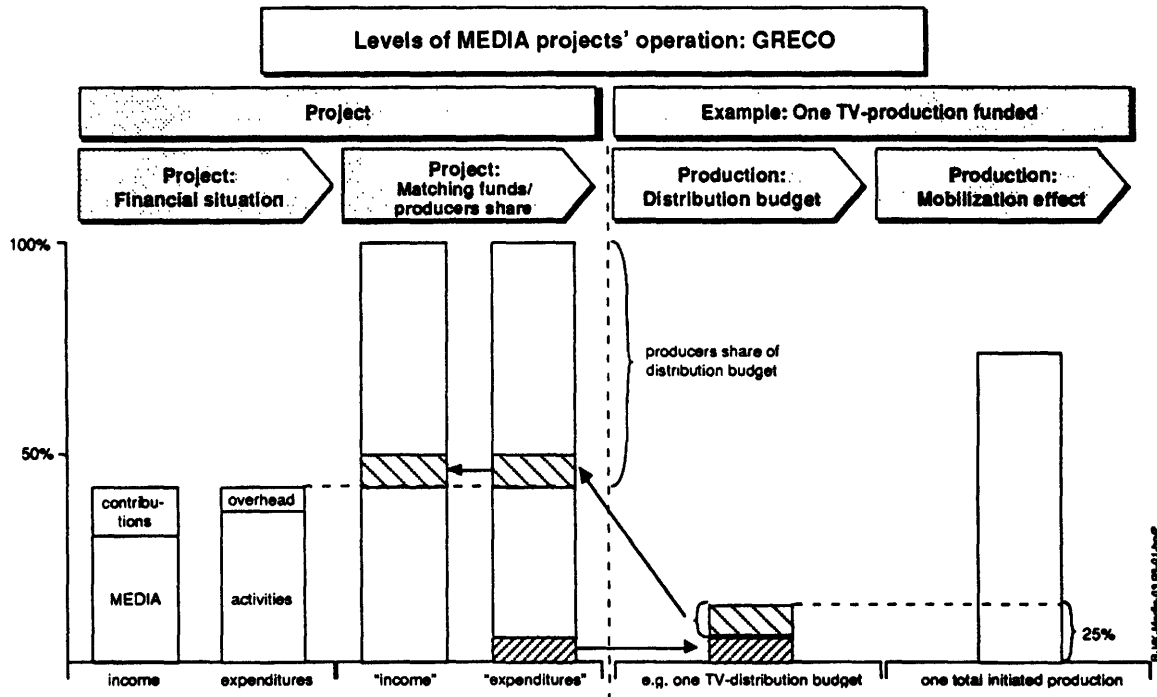
The vertical auditing should show to which degree the initiated projects have met their previously defined tasks.

### **I. Preliminary remarks on procedure and report**

At the request of MEDIA committee members, Roland Berger & Partner divided every project evaluation in two parts. Synoptical tables give an overview of the project's financial situation, project's activities and results, mobilization effects based on project's management evaluation and project's evaluation by professionals.

Additional remarks include Roland Berger & Partner's evaluation of the project. Concerning project's aim, notes were made only in a few cases. Projects' activities were annotated, as far as descriptions were needed or results had to be commented. In most cases, a more detailed description of selection/control mechanisms was provided. These are very important for selection of the "right" productions/applicants. Project's income/cost structure was evaluated carefully for all projects. Special attention has been given to project's self-financing share, i.e. to evaluate the respective project's potential for becoming independent of MEDIA funding. Taking into account contributions from other partners besides MEDIA and revenues occurring from project activities (repayment from project beneficiaries; fees; charges and interest on money invested) Roland Berger & Partner evaluated each project's future prospects of becoming self-reliant. Concerning overhead costs, comments were made on cost structure and economising potential. Finally, Roland Berger & Partner stated how the project has reached its aims. Reaching of project's aim was evaluated only for the aims of the respective project. Aims as provided by Art. 2 of the Council decision were not taken into account (see overall auditing).

Different levels of MEDIA project's functioning must be separated to reach a sound evaluation. Roland Berger & Partner take GRECO as an example:



At the first level ("financial situation") only true income and expenditures should be taken into account to show the projects' financial situation (see projects synoptical table, page one). Evaluating projects' ability to become self-sufficient refers to this level also.

On the second level projects' ability to satisfy the requirement of the 50 % rule was evaluated. Contributions which are not income in the above mentioned sense have to be taken into account (e.g. expenditures for travel and accomodation paid by EAVE participants - not to EAVE but to the travel agency or hotel - are booked as revenues as well as expenditures of EAVE). Although GRECO receives no contributions "in kind" from private or public sponsors GRECO awards loans that cover 50 % of budget calculated for international distribution - the other 50 % are booked as revenues and expenditures of GRECO.

On a third level MEDIA projects' are using their tools (financing; networking; research/information support). GRECO awards loans which cover a maximum of 12,5 % of total production budget, or together with the producer part 25 %.





The fourth level can show the "mobilization effect" of MEDIA projects' expenditures. In the case of GRECO mobilization effect is the total initiated production budget.

To avoid confusing these different levels, Roland Berger & Partner will make use of the terms "financial situation" - first level -; "matching funds" - second level - and "mobilization effect" - fourth level - in a consistent way throughout the report.

### *Financial situation*

Roland Berger & Partner designed a revenues and expenditures calculation, different from the calculation most MEDIA projects are using. Most projects' revenues include contributions "in nature" or "in kind". These accountancy rules are based on the second level of MEDIA projects' functioning ( "matching funds") and are based mainly on proposals from MEDIA Brussels. They provide a good measure by which to judge, whether MEDIA projects fulfill the 50 % rule as provided by Art. 6 of the Council decision. To evaluate the financial situation of the projects a different calculation is necessary.

Hence, Roland Berger & Partner used a revenues and expenditures calculation based on internationally accepted accountancy rules that included only revenues that are real income and expenditures that are real costs in projects' accounts. A few exceptions were made, when necessary to reflect the projects' financial situation (e.g. contributions from public authorities to MEDIA projects are in some cases not an amount of money, but contribution of offices facilities or staff. In these cases, contributions were booked as income and the office or staff provided were booked as overhead expenditure. Distributors supported by EFDO in some cases do not claim the loans awarded if the supported film performs successfully at an early stage. Loans awarded, but not claimed, were booked as project income and as corresponding expenditure for activity in order to show EFDO's good performance). This calculation corresponds to the level "project: financial situation".

Roland Berger & Partners found that collection of necessary project data was not always without difficulty. Although all project managers were willing to answer our questions, some had difficulties in identifying the necessary accounting data. Some projects were unable to separate exact real income from contributions "in kind".

Nevertheless, evaluating projects' performance and financial situation needs consistent accountancy rules. For that purpose, Roland Berger & Partner had to estimate some figures needed (in most cases together with the project management). Though revenues and expenditures' figures collected from the projects, give a correct overview of the projects' financial situation. Roland Berger & Partner cannot guarantee the accuracy of the collected figures .

### *Mobilization effect*

Roland Berger & Partner note the "mobilization effect" calculation was discussed in detail with project managers at the meeting in Brussels on March 3-4, 1993. The figures included in the synoptical tables were delivered by the respective project management. These figures, above all the estimated mobilization effect, were not assessed by Roland Berger & Partner. In some cases figures differ from the receipts and expenditures calculation.

In most cases, Roland Berger & Partner received excellent support from projects' management for the duration of the audit. Questions were answered willingly and frankly. Roland Berger & Partner's country specialists and the German core team really appreciated the exciting and professional atmosphere in which the vertical auditing was conducted. However, vertical auditing took more time than previously assumed. Some dossiers and answers were delivered behind schedule or in English only after several requests.

## **II. Overview for all MEDIA projects**

Further more Roland Berger & Partner mark opinion expressed by professionals concerning MEDIA projects had been important to evaluate projects' promotion work, transparency, reputation and quality concerning the selected productions/applicants. In most cases professionals' opinion about MEDIA projects express attendance. However, in some cases Roland Berger & Partner do not agree with professionals, e.g. EFA.



## 1. Reaching of aims

It can be stated that almost every MEDIA project met its aims, but to a different degree.

For the purpose of vertical auditing, reaching of aims means MEDIA's project has reached its defined tasks. At this stage, Roland Berger & Partner do not evaluate how far aims prescribed in article 2 of the Council decision of December 21, 1990 had been reached. This will be done in part E. I.

Roland Berger & Partner gave MEDIA's projects marks. Although it is not possible to evaluate a project's performance in only one sentence, Roland Berger & Partner gave MEDIA's projects marks in order to:

- to allow quick overview of all MEDIA projects' performance,
- to express Roland Berger's general impression of projects performance.

Usually only one criteria was crucial for the marks given: How far has the project reached its previously defined tasks?

18 projects were evaluated on the scale (poor; fair; good; very good; excellent):

Excellent:

EFDO, EURO AIM, GRECO, SCRIPT, DOCUMENTARY, CARTOON, CLUB, MBS, EMG.

Very good:

EUROPA CINEMAS, EVE, LUMIERE, EAVE, EFA

Good:

BABEL, MAP-TV, SCALE.

Fair:

MEDIA SALLES

Poor:

-



Roland Berger & Partner have to state

- SOURCES could not be evaluated at this early stage.
- SCALE could not be assessed concerning reaching of aims. Most activities did not start until the end of 1992. However it was possible to assess SCALE's general approach.

The interviews conducted by Roland Berger & Partner with professionals were only one source for MEDIA projects' evaluation. In many cases, marks given by professionals and Roland Berger & Partner's general impression, correspond. The interviews were important to show tendencies and crucial points concerning projects' reputation, promotion work, selection and control processes and transparency. However, as mentioned above, in the opinion of Roland Berger & Partner, projects' reaching of aims had been most important to evaluate projects' performance. Therefore, Roland Berger & Partner's general impression differs in some cases from professionals' evaluation (e.g. EFA).

Roland Berger & Partner hope, this audit and MEDIA projects' evaluation will not supposed to lead to decreased enthusiasm among MEDIA projects' management. All MEDIA projects have a very enthusiastic and ambitious approach towards project running. We hope, this audit will be understood by projects' management as a chance to review some activities, the selection processes etc. used in the past two years especially to improve projects' performance. Our improvement proposals are target to assist MEDIA projects' management on the way to reach their defined aims.



## 2. Financial situation

### 2.1. Income structure

Projects' total income was divided into three parts:

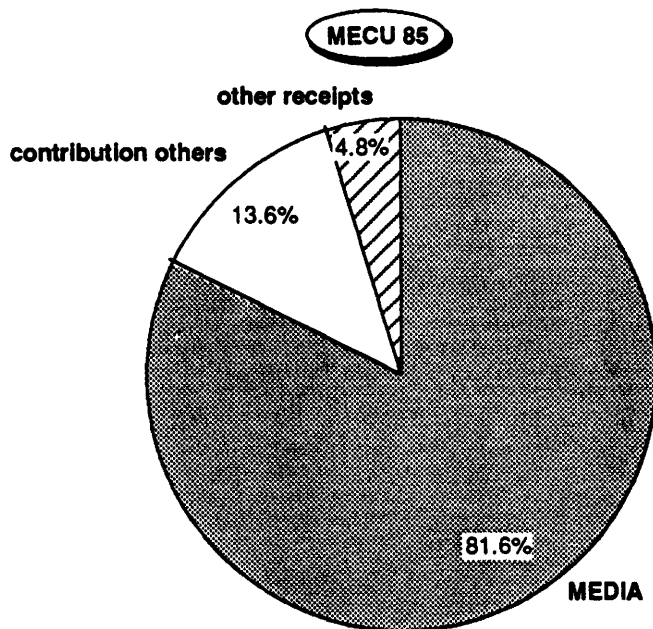
- MEDIA contribution
- contributions from others (other public and private sponsors, members)
- other receipts (charges and fees for activities/applications; interest on money invested; reflux from beneficiaries)

Contributions from MEDIA and others have mostly a sponsoring character (of course, CLUB and EMG members have other interests in investing in MEDIA too).

Contributions from other partners follow different rules than receiving "other receipts" from project activities. Contributions only occur, if the project management can find partners who believe in the project.

"Other receipts" occur from projects' activities and could be characterised as proceeds caused by projects' activities. They include all proceeds of MEDIA projects: fees for training, charges for studies, reflux from project beneficiaries, application fees, guarantee charges and interest on money invested.

**MEDIA projects: Income structure 1991 - 1992\***



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source: Roland Berger & Partner analysis  
\* weighted

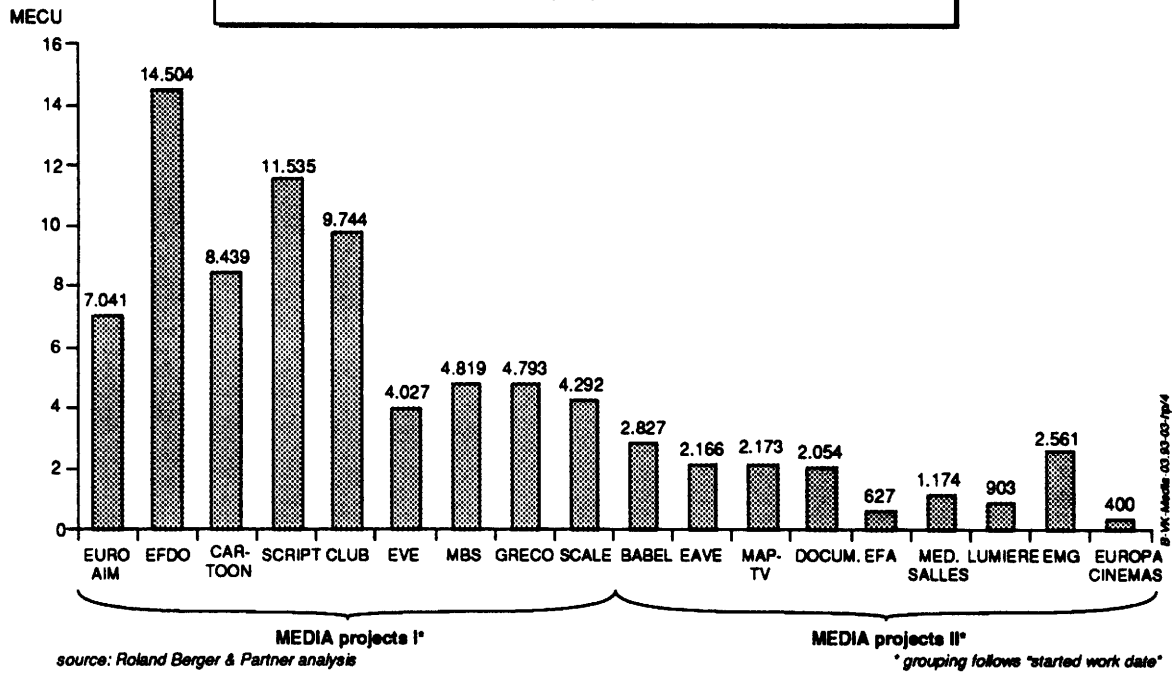
According to interviews with project management projects' income in 1991 and 1992 had been MECU 85.8. Other partners including public local authorities, private sponsors and members contributed to MECU 11.6. Other receipts contributed to MECU 4.1.

The average contributions from others amounted to 13.5 % of total receipts (13.6 % weighted)

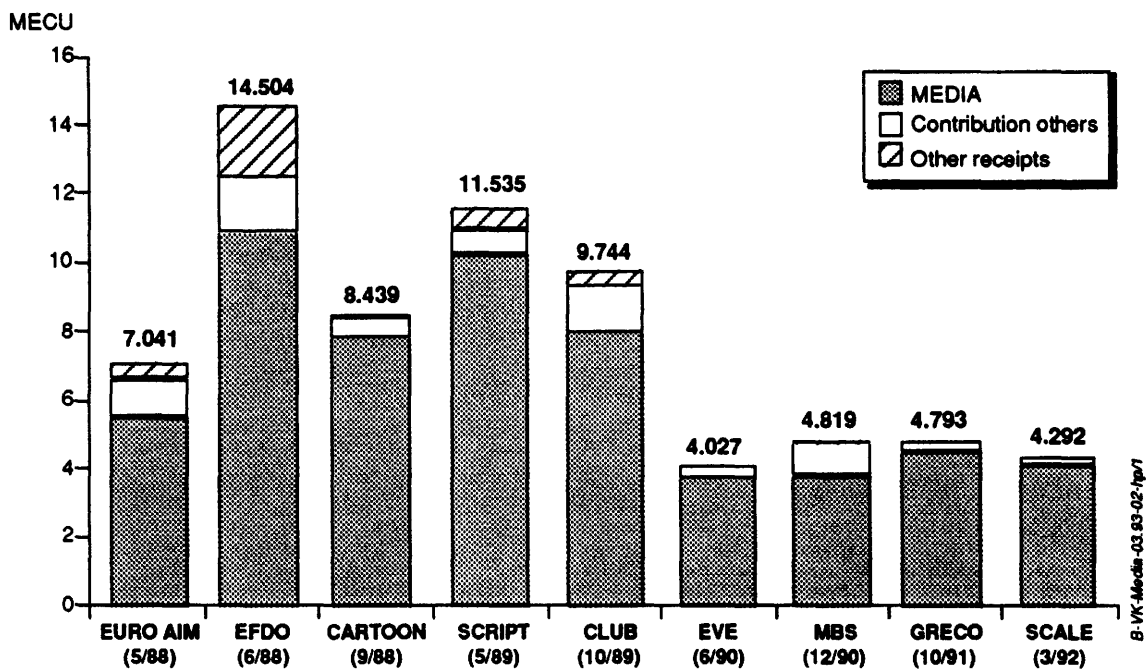
Concerning "other receipts", general conclusions on projects' income are not possible. Other receipts differ from project to project because of different projects' activities structure (for details: see vertical auditing project by project).

The order in which the 19 projects were assessed follows the order in the "lines of action".

**Income – MEDIA projects 1991 and 1992**



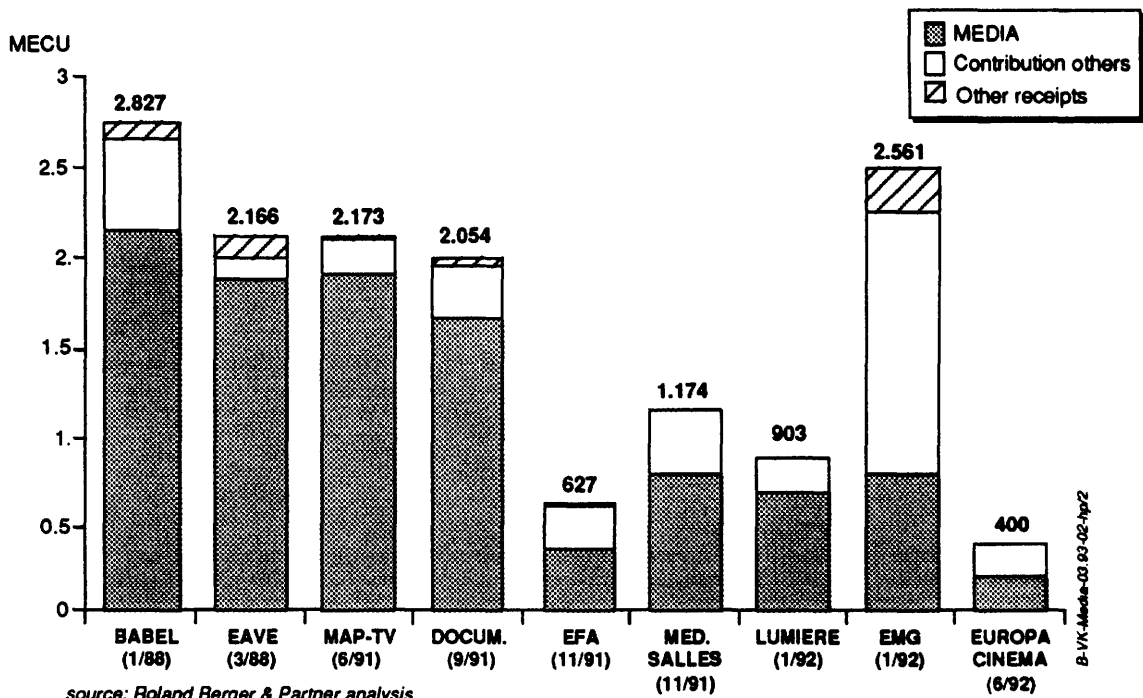
### Income structure – MEDIA projects I



source: Roland Berger & Partner analysis

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### Income structure – MEDIA projects II

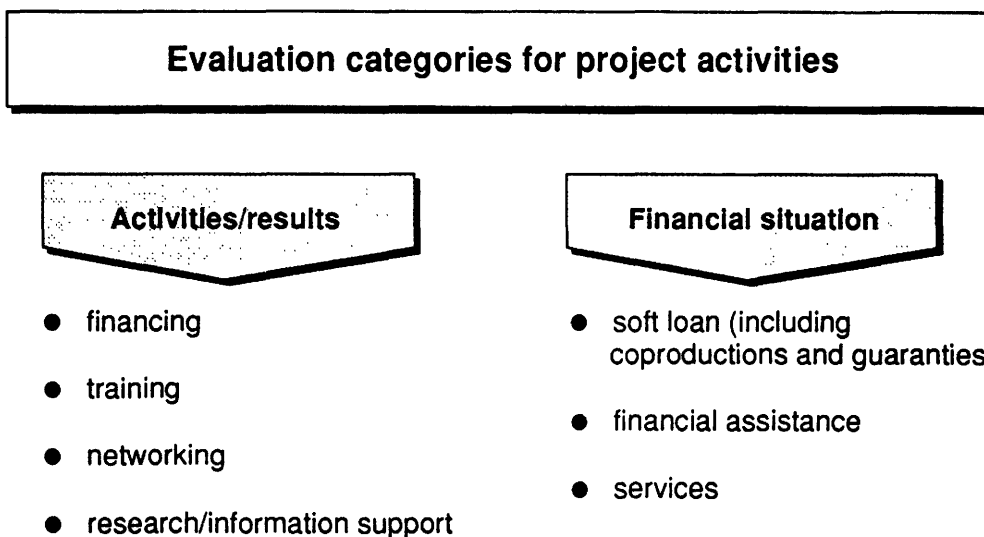


source: Roland Berger & Partner analysis

B-VK-Media-03.93.02-hpr2



## 2.2 Cost structure



B-VK-Media-03.93-02-Apr6

MEDIA projects use four different tools to achieve their defined goals: Financing, training, networking and research/information support.

*Financing* means providing seed capital to professionals concerning a specific film or TV project (e.g. EFDO; CARTOON pre-production aid; SCRIPT single funding; GRECO; EMG; BABEL; DOCUMENTARY). It contains seed capital for companies to develop scripts, film projects or a pan European structure (e.g. SCRIPT incentive funding; SCALE SPSS; CARTOON studio grouping).

*Training* includes e.g. EAVE's, MBS's training activities and CARTOON's and CLUB's training schemes.

*Networking* activities create links between professionals like EURO AIM's market activities or CARTOON's forum. Specific "dedicated networking" activities are used to develop a specific project and bringing people together, e.g. EURO AIM's rendezvous.

*Research/information support* activities deliver the audiovisual industry support concerning market (e.g. EVE's database; EURO AIM's database and consultancy; MBS' studies) and technical information and know how (e.g. BABEL's study "Subtitling in the media").

To judge project's activities and results, Roland Berger & Partner analysed these tools carefully. A detailed analysis of these tools contains part E. II. 1 of this report. However, these tools are not appropriate to show MEDIA projects' financial situation. E.g. if a project offers a networking activity to professionals, it is a service. If the project supports a private company, which offers the respective service, it is also a MEDIA networking activity. However, projects financial situation is different. E.g. Financing includes reimbursable and non reimbursable funds. Obviously this has consequences on projects income/cost structure.

To evaluate projects' financial situation, other categories are more useful to analyse projects' activities expenditures. For that purpose Roland Berger & Partner used three categories:

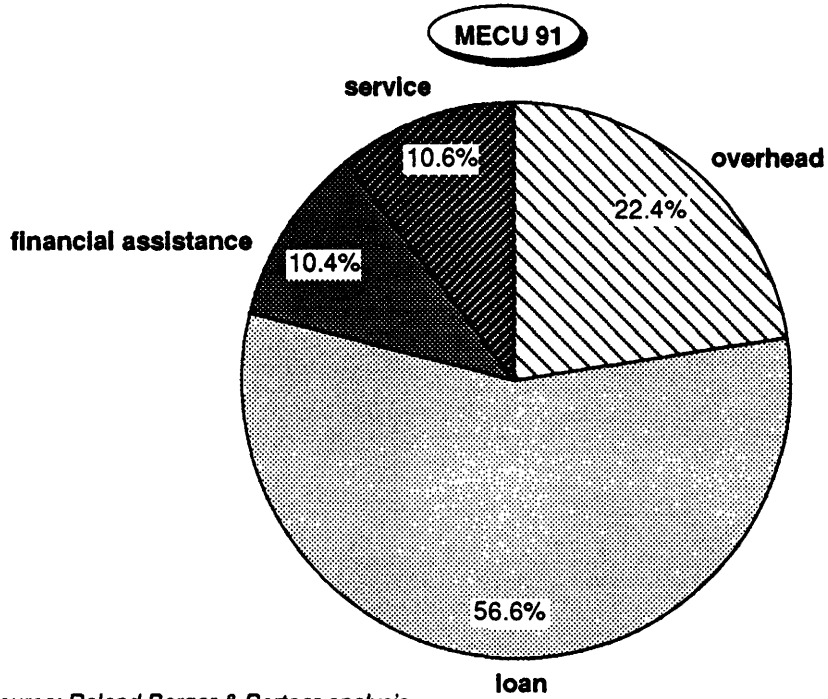
- soft loans (also includes coproductions and guarantees)
- financial assistance
- services

*Soft loans, coproductions and guarantees* are tools consisting of reimbursable funds.

*Financial assistance* are tools used from projects which can be characterized as non-reimbursable funds (e.g. CARTOON's studio grouping; support from MEDIA SALLES for screening a spot on European films). Training can be both financial assistance or service. If a project provides a training scheme, it is service (e.g. EAVE), if a project supports a private training with seed capital, it is financial assistance (e.g. CARTOON).

Some projects deliver useful and necessary *services* to the audiovisual industry (e.g. databases; EURO AIM's market activities and consultancy; EVE's video conference SCRIPT's development support). *A significant reflux from services did not occur in 1991 and 1992* (e.g. all databases are free of charge for professionals; studies are free of charge or very cheap).

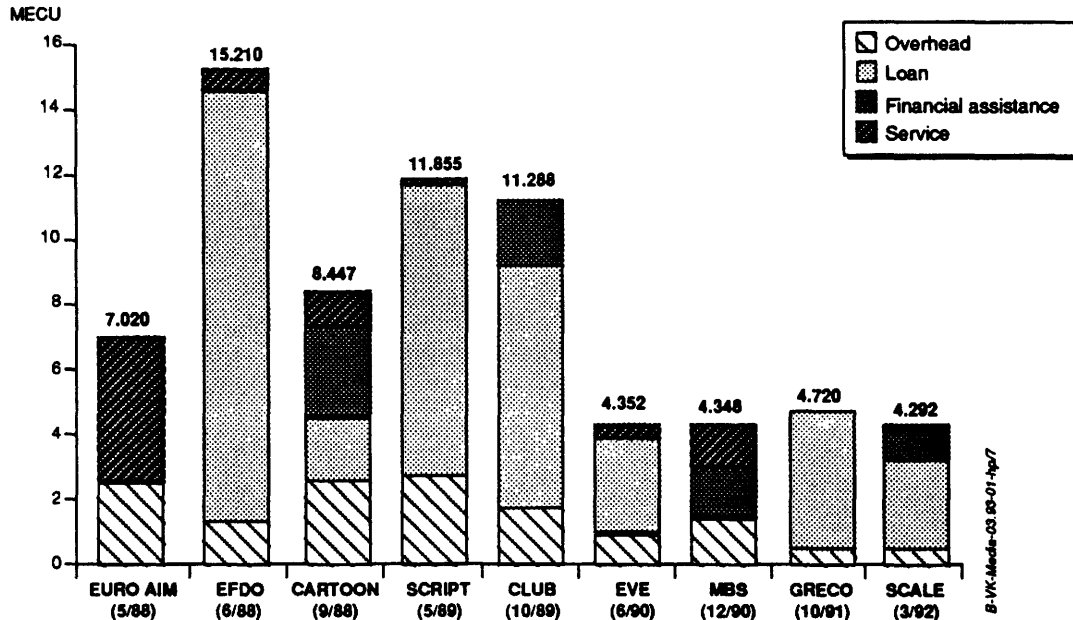
**MEDIA projects: Cost structure 1991 and 1992\***



source: Roland Berger & Partner analysis  
\* weighed

B-VK-Media-03.93-01-hp6

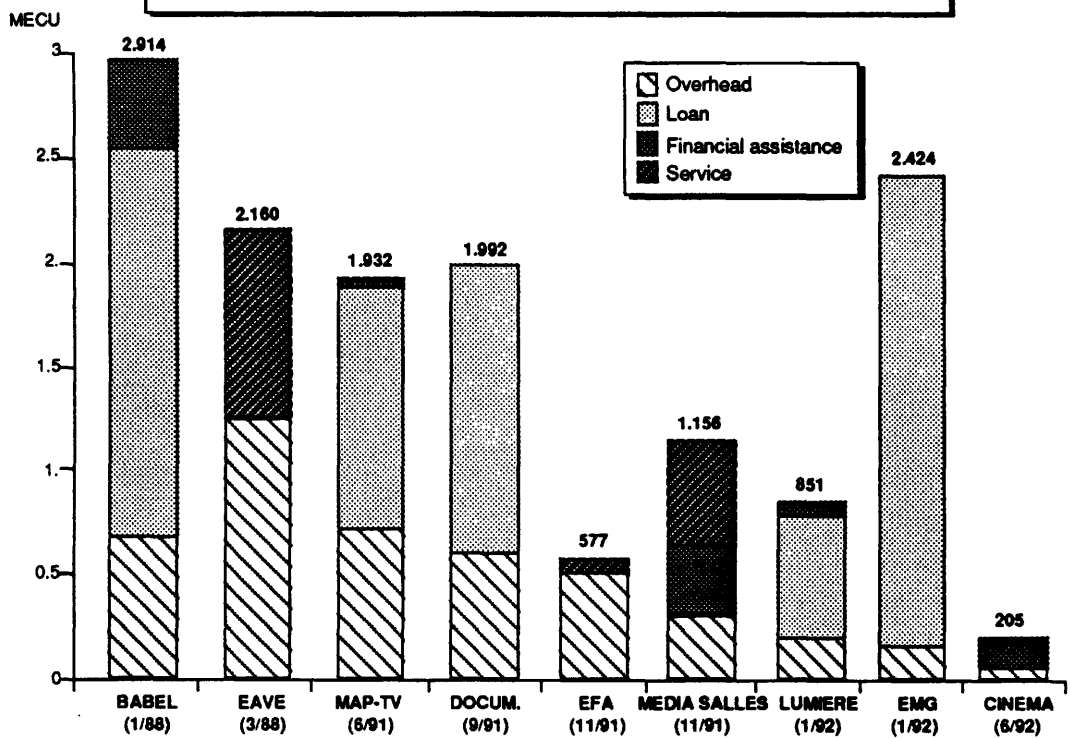
### Cost structure – MEDIA projects I



source: Roland Berger & Partner analysis

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### Cost structure – MEDIA projects II



source: Roland Berger & Partner analysis

B-VK-Media-03 83-01-1p8

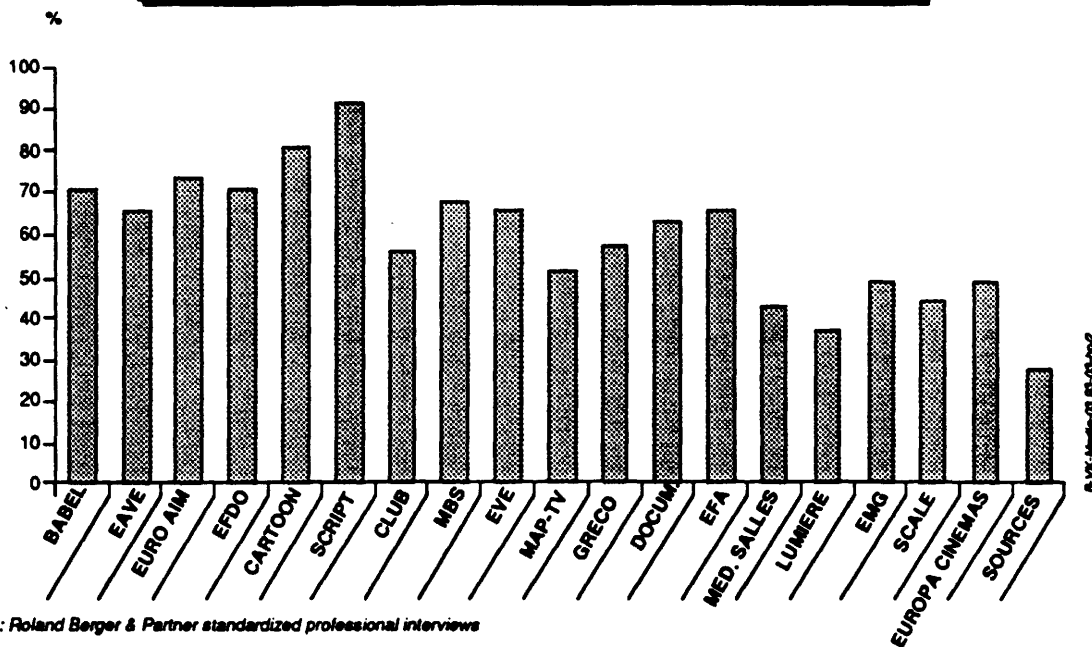
### 3. Reputation in professional circles

All professionals interviewed by Roland Berger & Partner were asked, if they were familiar with MEDIA projects (awareness or recognition rate). They were asked, as well, if the respective MEDIA project meets needs of the audiovisual sector (needs). Professionals who know the MEDIA project, were asked how they assess the quality of the respective MEDIA project (quality). The results of these interviews are reported at the end of the synoptical table. Beside more general interviews with industry experts (mostly having had some kind of contact with the MEDIA programme), Roland Berger & Partner interviewed for every project beneficiaries, non-beneficiaries refused by the respective MEDIA project, and non-beneficiaries, uninterested in MEDIA's support. In as far as these professionals expressed opinions different from the other professionals interviewed, they are stated in the evaluation part of the respective project.

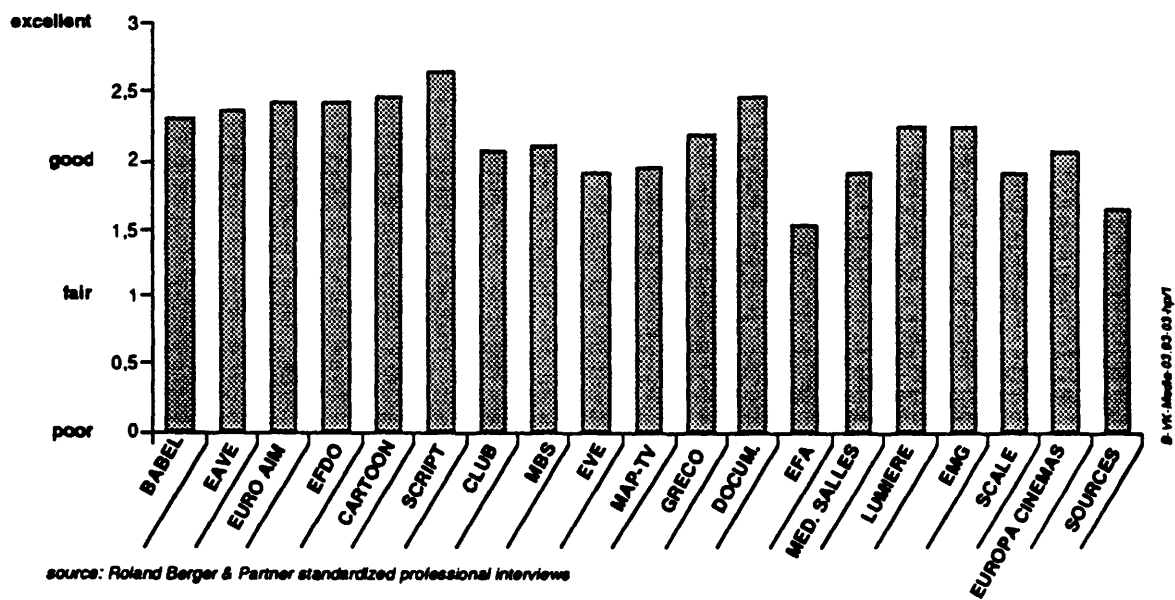
Roland Berger & Partner point out that, the results do not represent the whole audiovisual industry. However, the results show a tendency in the projects' reputation.

Roland Berger & Partner state projects' recognition rate depends mainly on the project's lifetime.

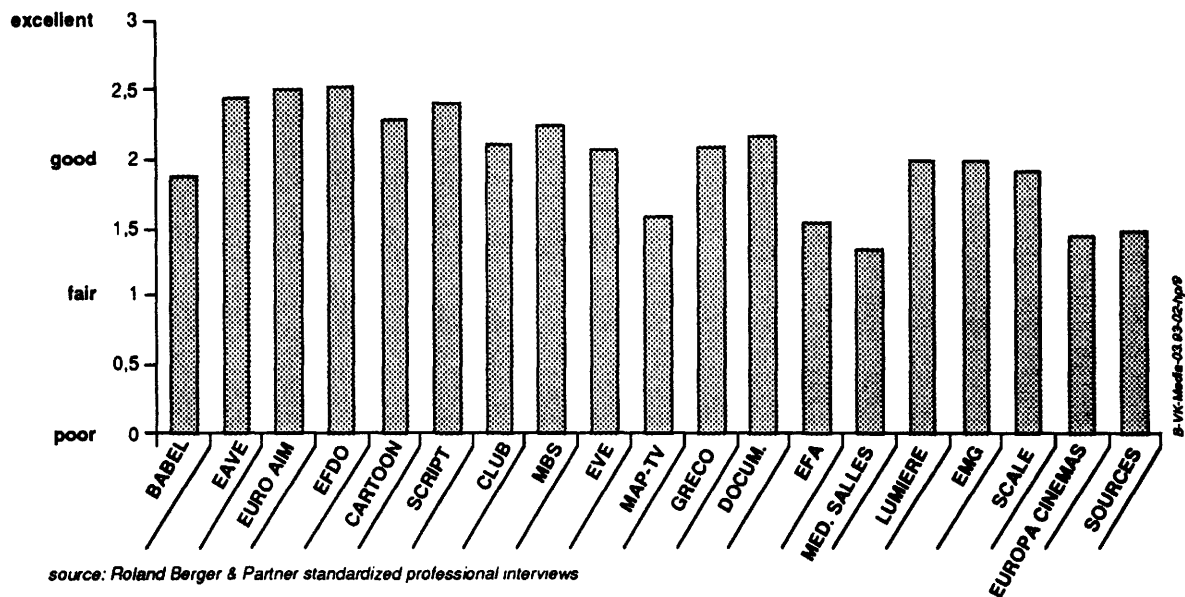
### Evaluation of MEDIA project awareness by professionals



### Evaluation of MEDIA project market needs by professionals



**Evaluation of MEDIA project quality by professionals**



It can be stated most professionals interviewed gave MEDIA and MEDIA's projects high marks. Roland Berger & Partner were surprised that projects have a very good reputation even among refused applicants. Professionals stated many times that MEDIA and MEDIA's projects approach is more sophisticated, more market oriented and more oriented towards professionals than most national institutions supporting the audiovisual industry.

In conclusion, Roland Berger & Partner can state MEDIA projects' reputation among professionals is excellent.

**III. Evaluation of individual MEDIA projects**

## **1. EFDO**



## Synoptical table European Film Distribution Office (EFDO)

### Project aim

Effectively strengthening the European distribution market and disseminating of European films in the cinemas of as many countries as possible

### Organization

**based in:** Hamburg

**founding date:** 6/1988

**started work:** 11/1988

**Staff:** 8 full time employees

body	members	election:
● General assembly	126	–
● Board of directors	7	General assembly/3 years
● Advisory committee	14	General assembly/3 years
● Selection committee	3	Board

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	10.900
other partners	1.555
reflux from beneficiaries	1.505
interest	546
fees for training/studies etc.	–
<b>total</b>	<b>14.506</b>

Costs (thousand ECU)	
overhead	1.336
● personnel costs	690
● material costs	646
activities	13.874
<b>total</b>	<b>15.210</b>

<b>MEDIA/total income:</b>	75%
<b>other partners/overhead:</b>	116%
<b>reflux/total income</b>	10%

<b>overhead/total costs:</b>	9%
<b>personnel costs/overhead:</b>	52%
<b>promotion costs/overhead:</b>	12%

source: RB&P analysis

**Synoptical table  
European Film Distribution Office (EFDO)**

**Project activities 1991-1992**

activity	tool	% of budget for activities
distribution support	soft loans	95%
EFDO abroad	service	5%

activity	MEDIA contribution*	other contribution*	other contr / total budget in %	mobilization effect*
distribution support	15.346	19.397	56%	37.280
EFDO abroad	500	262	35%	—
<b>total</b>	<b>15.864</b>	<b>19.659</b>	<b>55%</b>	<b>37.280</b>

source: project

\* thousand ECU

**Selection system**

- Steps:**
1. Eligibility checked by head of loan department and external expert (10% out)
  2. Expert proposals awarded by computer with priority points
  3. Decision on allocation of funds according to list of priorities and funds available

**Criteria:** Automatic system:  
Quantitative objective criteria determine eligibility and priority position. Categories of funds available for final decision (20% ECU 750.000; 60% ECU 750.000 – MECU 2.25; 20% MECU 2.25 – MECU 4.5)

## Synoptical table European Film Distribution Office (EFDO)

### Results

#### 1) Financing activities: distribution support

applications/support (volume)			
	Applications (No.)	Support (No.)	Support/Appf. (%)
films	158	87	55%
distributors	716	441	61%
<b>Total</b>	-	-	-

#### performance of 1990\* supported films

● Films that have been supported**	32
● Distributors that have been supported	134
● Number of supported 1990-films, with cinema release to date	32
● Total production budget of supported films (thousand ECU)	39.108
● Total box-office-sales of 1990-films*** (thousand ECU) in the EFDO supported territories	12.970
● Total visitors these films*** (thousands) in the EFDO supported territories	3.256

\* start release after receiving EFDO support: 46% within three months; 38% within four to six months; 16% within 7 to 12 months

\*\* including those that did not request the payment of support because of a succesful cinema release

\*\*\* to be monitored for a period of five years



## Synoptical table European Film Distribution Office (EFDO)

### 2) Research activities

studies		
Topic	distrib. copies	costs
US-study	-	75.000 ECU
European film market	4.000 planned	15.000 ECU
EFDO Guide to Central Europe	2.000	2.000 ECU

database		
Topic	No. of requests	costs
11.000 adresses of distributors producers/service information for associated members	-	-

### 3) Results EFDO abroad

	Fairs/ markets	EFDO Costs*	Sold productions		
			No.	Production budget*	Sold for*
Europe	3	117	5	5.950	617
Overseas	5	44,5	5	8.086	49
<b>Total</b>	<b>8</b>	<b>161,5</b>	<b>10</b>	<b>14.036</b>	<b>666</b>

\* thousand ECU

### Evaluation by professionals

Awareness (%)	Meeting needs of audiovisual sector (Score*)	Quality of project (Score*)
71%	2,72	2,52

\*0 = poor; 1 = fair; 2 = good; 3 = excellent

## 1. EFDO

The European Film Distribution Office (EFDO) was starting point of MEDIA.

The EFDO's overall goal, to effectively strengthen the European distribution market can be divided into four aims:

- disseminating European films in the cinemas of as many countries as possible
- increasing the market share of European productions
- supporting 20 % of European productions
- achieving long-term structured stability in the distribution branch.

### *Organization*

EFDO's legal constitution (association) served as an example for most other MEDIA projects:

- no taxes are to be paid
- it guarantees a great deal of independence and a democratic approach

The fact that the board elects from its own ranks a selection committee and does not involve independent experts in the selection process was occasionally criticised. As the selection system is fully-automatic, one can state, there is no basis for this criticism. On the contrary, the selection committee is familiar with EFDO's operations and understands its funding mechanism.

The European Film Distribution Office's organizational structure seems to be appropriate. Management and control functions are clearly separated and function well.

The executive secretariat currently operates with salary levels indexed to German federal employee tarif (Bundesangestelltentarif). Given, that average salary levels for the Commission of the European Communities are normally higher, than national salary levels, we can state, that EFDO's salary level is rather low - compared to other MEDIA projects. Relatively low salary levels is a certain reason for staff fluctuation at EFDO.



### *Activities/results*

The high percentage of supported films and distributors in relation to applications, show, that EFDO reaches a high percentage of critical mass.

EFDO is able to concentrate on a clearly-defined target group. There is a total of 850 distribution companies throughout all EC countries, Switzerland and Austria, 198 different companies have already been supported by EFDO: that means 23 % of all existing distributors in this region.

To assess the stabilization effect in the European distribution landscape, it is of particular importance to know how often individual distributors have received support from EFDO. There are no more than 50 or 60 distribution companies in the EC countries, Austria and Switzerland which constantly release European films for cinema distribution.

To date, 8 distribution companies throughout Europe have received distribution support from EFDO more than ten times (Netherlands: 2, Belgium: 2, Greece: 1, Portugal: 1, Italy: 1, Germany: 1) These companies are specialized in distributing European films. EFDO should support them, to magnify their impact on the European distribution landscape. One possibility could be, to form a "distribution grouping", based on CARTOON's system of studio grouping. Already, the stabilization effect of the loans granted from EFDO can be seen as good. This kind of measure could have an even greater structural impact by forming pan-European distribution structures. This sort of "European Major" could have among others the effect, that films are released throughout Europe simultaneously. Furthermore cinemas could rely better on one "central" or at least common organization.

EFDO's main activity is the funding of distribution support. Since EFDO's founding, it has supported 133 films and 682 distribution operations carried out by a total of 198 different distribution companies. Bearing in mind EFDO's declared aim of providing support for at least 20 % of all European films, (that means 100 a year from an annual European production of around 500 films) EFDO has not reached this goal. But this aim can be judged as a little too ambitious, bearing in mind, that the support sums per film have increased as a result of constantly rising distribution budgets and the large number of distributors involved in the films commercial exploitation.

The latter fact indicates, that films supported by EFDO are now given theatrical distribution in not only 3 countries, as was initially the case, but have been shown at 50 % in five and more countries. The average of distributors per film comes up to 5. This means, that the aim of disseminating European films in the cinemas of as many countries as possible has been achieved to a very high degree.

Considering EFDO's aim increasing the market share of European productions throughout Europe, one can state, that it has not been fulfilled. This cannot be blamed on EFDO. It is apparent that the European films box office share has continued to drop since 1988. Referring to the 1990 supported films - two years from supporting seems the minimum time to achieve significant results - the 32 films had achieved MECU 13 until the end of 1992 in the EFDO supported territories (of course, not all of this box office results can be claimed as EFDO's result at 100 %, as some films would have been distributed at any rate).

The activity "EFDO abroad" should be seen together with their aim to distribute European films in cinemas of as many countries as possible - in Europe as well as overseas. On the basis of the actual financial results, of the festivals and markets attended, the EFDO abroad scheme could not be judged as very successful. However the project management sees a very positive impact, in terms of "networking" and marketing, as a service for European films. One can state, that these activities should be continued without a substantial increase in budget.

EFDO has, in its role as one of the oldest MEDIA project, supported other MEDIA initiatives with know-how and information. Projects within the same action line, distribution, such as EUROPA CINEMAS and MEDIA SALLES have been supported by EFDO. The same can be said for the video cassettes distribution project EVE, although they work in two independent markets. Very close coordination has been conducted with EURO AIM, which works in the field of marketing.



### *Selection process/control*

The automatic selection system, which EFDO applies, can be judged as effective and efficient.

Due to the constant rise in production costs, EFDO introduced a third category, to support films up to MECU 4.5. To date, 20 % of the funding budget is reserved for this third category. Interviews with professional circles have shown, that an extension of support for higher budget films is required. However, this extension of the third category would have consequences for the funding budget. Either it must be increased or fewer films are to be supported.

The control system EFDO applies, - the charge of external accountancies - can be judged as good, efficient and not too expensive, for the work needed to control all supported distributors throughout Europe.

Concerning repayments, the return on investment as calculated by EFDO has been 21.05 %, taking into account application deadlines from november 1, 1988 to april 1, 1991. Estimations about the percentage of future repayment rates depend on two main influences. On the one hand the broadening of EFDO's supported territories to smaller countries like the EFTA countries and Poland could cause a lower reflux rate. Based on EFDO's experience repayments from smaller countries are relatively lower because distribution pre-costs' relation to potential income is relatively higher. On the other hand films supported in category III showed a high potential of repayment. Having this in mind returns of around 20 % seem realistic.

### *Income/cost structure*

Contributions from other partners to EFDO's income cover a comparably high percentage of 11 %. The reflux from project beneficiaries in 1991 and 1992 added another 10 % to total income. With the self-financing requirement for all MEDIA projects, one can state, that in the two respective years, external sources, - plus interest - have contributed around one quarter of EFDO's income.



The relation of income from external sources to total costs in these two years was 24 %. Given income/cost structure may not change, in the long run it could be realistic, that EFDO gathers 32 % of its costs from sources other than MEDIA Brussels (for details see E II 2.2). This self financing calculation is based on an average repayment rate of 20 %. EFDO's project management agree with this conservative estimation due to the above mentioned reasons, even if it expects repayments of 20 - 25 % in the future. Roland Berger & Partner appreciate EFDO's conservative and realistic estimation concerning repayment shares which is based on a sound calculation and a clear business approach of EFDO's management.

#### *Reaching of aims*

In view of EFDO's very specialised target group throughout Europe, its 71 % recognition rate can be seen as very high. Professional circles saw the project as highly successful in meeting needs of the audiovisual sector.

The score for project management was also the highest in comparison to all other MEDIA projects. Roland Berger & Partner can confirm the image EFDO has within the professional circles. The efficiency of the project management, the reliability of the data provided, and the "professionalism" of the office staff, shows, that the project is managed excellently.

In our opinion, after four years of operation, and some adjustments in its guidelines, EFDO seems today "stuck in the middle" between the two main objectives of the Council decision of December 21, 1990: industry potential and balanced variety.

EFDO's starting point was distribution support for low budget films. In the meantime not only have production costs risen, but the expectations of professionals also have changed. There is a clear tendency in the film sector that productions with higher budgets achieve higher returns on investment.

The performance of EFDO supported films in 1990 seems less than convincing: On average 100,000 visitors per film and ECU 405,000 box office returns cannot be judged as a very good performance, in terms of increasing the market share of European films in the cinemas. Even if Roland Berger & Partner assume, that European distribution aid can only support those films, which have been produced partly with public funds and often out of cultural motivation, EFDO should try to bring a more commercial focus at this step of the value-added chain. Taking into account the market force of the American majors throughout Europe and the decreasing market share of European films, Roland Berger & Partner propose the concentrated distribution aid on truly "promising" films.

EFDO could strengthen the "industry potential" aspect in four ways: One way is to reinforce the film preselection, with eligibility checked even more intensively by external experts. The second way is, to increase the number of distributors for the film release from three to five. Assuming all this effect, that distributors are interested in the release of a film, they should be convinced about the film's business potential. Third, giving more support to films with a higher production budget, i.e. broadening category III. Fourth, Roland Berger & Partner recommend, to raise distributor's share on distribution pre-costs to 60 - 70 % in order to stimulate "entrepreneurial" spirit of the distributors and to be able support more films or films with a higher distribution budget.

Given EFDO's limited resources in comparison to the distribution budgets of most American majors and the enormity of the challenge set by EFDO's ambitious goals, Roland Berger & Partner judge that EFDO fulfilled its aims excellently.



## **2. MEDIA SALLES**



## Synoptical table MEDIA SALLES

### Project aim

1. Promoting initiatives aiming at supporting the circulation of European films in European cinemas
2. Improving the role of cinemas as a service structure for local communities and as a basic structure for the diffusion of cinema films
3. Promoting systematic studies of cinematography

### Organization

based in: Rome

founding date: 08/91

started work: 11/91

Staff: 1 general secretary (full-time), 2 full-time-employees, 3 part-time-employees

body	members	election
● General meeting	11	National representatives of members
● Executive committee	5+2	National representatives of members (5) Italian Ministry of Tourism and Entertainment (2)

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	800*
other partners	372
reflux from beneficiaries	
interest	2
fees for training/studies etc.	
<b>total</b>	<b>1.174</b>

Costs (thousand ECU)	
overhead	315
● personnel costs	133
● material costs	182
activities	841
<b>total</b>	<b>1.156</b>

<b>MEDIA/total income:</b>	68%
<b>other partners/overhead:</b>	118%
<b>reflux/total income</b>	0%

<b>overhead/total costs:</b>	27%
<b>personnel costs/overhead:</b>	42%
<b>promotion costs/overhead:</b>	15%

\* 600 for 1992 not included, budget was planned only on the basis of 800  
source: RB&P analysis

## Synoptical table MEDIA SALLES

### Project activities 1991-1992

activity	tool	% of budget for activities
Promotion campaign	service	27%
Financing: Week of European Cinema	financial assistance	39%
Information	service	31%
Training	service	3%

activity	MEDIA contribution*	other contribution*	other contr / total budget in %	mobilization effect*
Promotion campaign	216	331	60	-
Financing: Week of European Cinema	265	329	55	-
Information	262	1	0	-
Training	16	8	33	-
<b>total</b>	<b>759</b>	<b>669</b>	<b>47</b>	<b>-</b>

source: project management

\* thousand ECU

### Selection system

**Steps:** Selection and decision by secretary general and working group in ad hoc meeting

**Criteria:** Qualitative and quantitative criteria (geographical location, promotional activities)

## Synoptical table MEDIA SALLES

### Results

#### 1) Financing activities

applications/support (volume)			
	Applications (No.)	Support (No.)	Support/Appf. (%)
Financing: Week of European Cinema	260	100	38
<b>Total</b>	<b>260</b>	<b>100</b>	<b>38</b>

#### 2) Research activities

studies		
Topic	participants	costs
Statistical yearbook	3.700	25
White book	1.200 (forecast)	224

**Synoptical table  
MEDIA SALLES**

**3) Training activities**

**main topics:** Training cinema exhibitors. In 1992 development only

**Evaluation by professionals**

<b>Awareness (%)</b>	<b>Meeting needs of audiovisual sector (Score*)</b>	<b>Quality of project (Score*)</b>
43	1,89	1,36

\*0 = poor; 1 = fair; 2 = good; 3 = excellent



## 2. MEDIA SALLES

### *Organization*

The distribution of duties and functions among the general assembly, executive committee, working groups and project management is in Roland Berger & Partner's opinion, efficient and useful.

However, there will be a change in the tasks and involvement of the respective bodies, especially the working groups. There are working groups for studies, events, showcase theatres/regional circles, cinema and education. In the initial phase of MEDIA SALLES the working groups were especially important. Now the number of new activities will be constant or decrease. At the same time the intensity of existing activities will be increased. This means less work for the executive committee and working groups and more work for the project management.

The contact to professionals established through members of MEDIA SALLES is very useful. Different from most other MEDIA projects, MEDIA SALLE's members have tasks usually fulfilled by the project management, e.g. for the activity "One week of European cinema in 100 towns": distribution to national cinema operators, contacts with the press, press conferences, delivery of material and local assistance to exhibitors.

The members of the general meeting, executive committee as well as the working groups are all professionals focussed on cinema sector. On the one hand, the members' professional background can be evaluated as positive. On the other hand, there is the danger of a isolation from other professionals in the European audiovisual sector. Especially links to European film producers and European film distributors seem to be lacking. It should be considered to establish an advisory council of professionals from different parts of the audiovisual sector.

Cooperation between MEDIA SALLES and other MEDIA projects, especially EFDO could be increased. Today MEDIA SALLES only distributes the list of EFDO supported films to cinema operators. As interviewees stated, cinema owners in Europe exhibit little familiarity with European films. This will be a relevant task for MEDIA SALLES.





### *Activities/results*

"Europe gets together in the cinema" is a public campaign to promote cinema-going in Europe. The campaign included the development of a specific MEDIA SALLES logo, layout of promotional material and a commercial/short film. In 1992, 3,000 copies of the short film and more than 30,000 posters, leaflets, postcards and additional campaign material were distributed to the theatres through the national association of cinema exhibitors of the participating countries, through the MEDIA SALLES project and MEDIA-Desks/Antennae.

In Roland Berger & Partner's opinion, the campaign "Europe gets together in the cinema" only partially met the aims of MEDIA SALLES. As far as promotion of the European cinema as a whole goes, promotional material and the short film could be evaluated as an adequate instrument. Surveyed professionals have strong doubts whether it is possible to have a long-term effect on the consumer behaviour, the target group, with this kind of promotion. It seems to be questionable, if the second aim of MEDIA SALLES, the promotion of European films, could be served. The message of the commercial as well as the promotional material is not clearly focussed on this aim, because it does not refer directly to European films. A better effect could be expected in where the campaign to be connected with special events like "One week of European cinema in 100 towns".

The second promotional activity "One week of European cinema in 100 towns" seems to be focussed on the aims of MEDIA SALLES. However, it seems unrealistic to expect this to stimulate a critical mass of public's demand for European films as the event lasts only seven days and reaches in average nine theatres per country. But it can be regarded as a possibility for interested people, and more important theatres owners, to come into contact with European films.

In 1992, as part of the information activity line, MEDIA SALLES published a European cinema yearbook providing general data on the European cinema industry such as box office results and admission figures.



In September 1993, it will publish a white book on the European cinema exhibition industry, which aims to provide an accurate picture of cinema provision and the financial performance of exhibition in each EC-country. The information activity line accounted for 18 % of total expenditure. The white book on the European cinema exhibition industry costs ECU 249,000 or 92 % of the information budget, the statistical yearbook has cost ECU 25,000. The print run of the European cinema yearbook is 3,700, the print run of the white book will be ECU 1,200. These publications can be judged as a very good contribution to increase transparency within the cinema exhibition sector.

Training will be a future activity of MEDIA SALLES. In 1992, ECU 15,000 were spent for the design and launch of a training activity. In Roland Berger & Partner's opinion, a training activity for cinema exhibitors could serve MEDIA SALLES' aims. As in the field of cinema exhibition, a training deficiency is observable. But close cooperation with EUROPA CINEMAS and MBS should be considered to avoid overlappings. A possibility for joint activity would be to communicate the experiences of "SALLES PAVILLONS" theatres to other interested exhibitors. It is important to coordinate the guidelines of training activity with the aim of promoting the European film.

#### *Selection process/control*

There was no sophisticated selection process for the activity "One week of European cinema in 100 towns". The selection of the theatres was made by the project management and representatives of the working groups. Given that the maximum amount is ECU 2,000, the selection process seems to be sufficient. The selection criteria delivered a reasonable distribution of supported cinemas throughout Europe. The quality of promotional activities seems to be a suitable criterion for identifying interested and engaged cinemas. The third criterion, the size of the town, is not rooted in the aims of MEDIA SALLES. As an instrument for the demarcation to EUROPA CINEMAS, it is artificial and surveyed professionals doubt its usefulness.

There is a formal control mechanism. The theatres are obliged to send a final report with an overview of programmed film titles, promotional material and the bills of expenses to MEDIA SALLES. Control is performed by the project management. The estimated costs are ECU 3,000 per "promotion-week". Due to the small amount granted the control mechanism can be considered as sufficient.



### *Income/cost structure*

The relation in MEDIA SALLES income/cost structure between overhead and activities seems to be opportune, but a large amount of MEDIA SALLES own promotion activities, like the costs for the MEDIA SALLES logo, were stated in the activity costs for the campaign. Personnel costs included, besides the expenditures for the MEDIA SALLES staff, working hours rendered as a service by the member associations. To get a correct view of the activity costs of MEDIA SALLES, it has to be mentioned that in 1992, there were design and production costs for the promotion campaign of ECU 143,000. In 1993, the expenditure will include almost exclusively reprinting costs as no additional design and production charges are foreseen.

As MEDIA SALLES' support is composed by financial assistance and services, there is no reflux from the activities. A self-financing seems from the current view not possible also regarding that the contribution from its members of ECU 197,000 in 1992 were donations in services.

### *Reaching of aims*

In the interviews with cinema operators, professionals of other parts of the audiovisual sector and MEDIA committee members, Roland Berger & Partner got the impression that MEDIA SALLES has been criticised for two principal reasons.

First, it is criticised because members are cinema operators a considerable percentage of whose income is said to come from American films. The association MEDIA SALLES is dominated by the national cinema associations and the UNIC. There are certain doubts among professionals that the cinema operators MEDIA SALLES is targeting, will favour European films even if the CICAIE is as well represented within the MEDIA SALLES association. The second reproach is that the promotional activities of MEDIA SALLES do not meet market needs and are much too costly. This is probably why MEDIA SALLES got the worst project quality score in the overall evaluation of the professionals.

Roland Berger & Partner's opinion of the first reproach is, that it is necessary that all, especially European-films-specialised theatres, are represented in the bodies of MEDIA SALLES. Therefore independent European cinema exhibitors should be integrated as advisers. However, the strong connections to national cinema associations is an effective channel for the contact to theatres and should be continued.

The second reproach regards the design of the promotional activities. The professionals we asked acknowledged the high technical and artistic quality of the promotional activities material. Nonetheless, some were of the opinion that the promotions do not meet cinema sector's needs, and moreover do not meet the needs of the audiovisual sector as a whole.

It is difficult to evaluate MEDIA SALLES' information activity because the white book on the European cinema exhibition industry, the main project in this activity line, has not yet been published. It seems that this activity decreases the lack of information and data in the cinema sector would be of eminent importance for European cinemas as well as for related industries, i.e. distributors or producers.

MEDIA SALLES and EUROPA CINEMAS should establish their internal operations as well as their relationship to each other. After having assessed all interviews with professionals and MEDIA committee members, for Roland Berger & Partner, the main reason for the separation of this activity line into two projects appears to be political.

There are certain negative synergies. Due to the similarity of the project names EUROPA CINEMAS - CINEMA DELL' EUROPA/MEDIA SALLES, professionals are confused. Not only professionals, but also some members of the MEDIA committee had difficulties explaining the differences between both projects.

Roland Berger & Partner state that MEDIA SALLES has reached its aims fairly.



### **3. EUROPA CINEMAS**

## Synoptical table EUROPA CINEMAS

### Project aim

Creating and carrying out concerted actions to support the distribution of European films in European Cinemas.

### Organization

based in: Paris

founding date: 11/91

started work: 06/1992

Staff: 1 full-time-employee, 2 part-time - employees

body	members	election
<ul style="list-style-type: none"> <li>● General assembly</li> <li>● Board of directors</li> <li>● Council of management</li> <li>● Sponsor committee</li> </ul>	30/35 14 7 7	- General assembly, 3 years Board of directors, 3 years Board of directors, not defined

### Income- / cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	200
other partners	200
reflux from beneficiaries	--
interest	--
fees for training/studies etc.	--
<b>total</b>	<b>400</b>

Costs (thousand ECU)	
overhead	58
● personnel costs	19
● material costs	39
activities	147
<b>total</b>	<b>205</b>

MEDIA/total income:	50 %
other partners/overhead:	345 %
reflux/total income	0 %

overhead/total costs:	28 %
personnel costs/overhead:	33 %
promotion costs/overhead:	2 %

source: RB&P analysis

## Synoptical table EUROPA CINEMAS

### Project activities 1991-1992

activity	tool	% of budget for activities
Financing promotional activities (salles-pavillons)	financial assistance	100 %

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
Financing promotional activities (salles-pavillons)	147	305	67%	-
<b>total</b>	<b>147</b>	<b>305</b>	<b>67%</b>	<b>-</b>

source: project

\* thousand ECU

### Selection system

- Steps:**
1. Matching of binding criteria is checked by project management, the advice of a country expert might be requested.
  2. Final decision by council of management.

**Criteria:** Semi-automatic; quantitative for binding criteria, qualitative for evaluation, nearly all criteria objective

## Synoptical table EUROPA CINEMAS

### Results

#### 1) Financing activities

applications/support (volume)			
	Applications (No.)	Support (No.)	Support/Appi. (%)
Financing promotional activities	91	38	42
Total	91	38	42

### Evaluation by professionals

Awareness (%)	Meeting needs of audiovisual sector (Score*)	Quality of project (Score*)
49 %	2.07	1.44

\*0 = poor; 1 = fair; 2 = good; 3 = excellent





### 3. EUROPA CINEMAS

The creation of EUROPA CINEMAS was strongly supported by the CNC as a project which concentrates on aid for cinemas specialised on European films.

#### *Organization*

Roland Berger & Partner considers EUROPA CINEMAS' current organizational structure as efficient. The bodies are occupied by members with a large professional background.

The expert committee, which was responsible for advice on designing the project's activities constituted by professionals from each country, was viewed as inflexible. Selection of its managers proved difficult. Therefore it was abolished.

EUROPA CINEMAS is managed mainly by cinema operators and its purpose is to support cinemas. For that reason, the sponsor committee, in the statutes the "patronage committee" of EUROPA CINEMAS is a good idea. Since sponsor committee members are producers or directors, they can provide independent advice and links to film production. EUROPA CINEMAS should consider increasing and clarifying the sponsor committee's duties and powers.

#### *Activities/results*

In 1992, EUROPA CINEMAS had only one activity, financing promotional actions for selected cinemas. ECU 147,000 were spent for this activity. EUROPA CINEMAS received 91 applications of which 38 cinemas (88 screens) were chosen and accepted as "SALLES PAVILLONS" in 1992. A key city is one that can be the door to a regional market, e.g. Munich is a key city for Bavaria. Brest, on the other hand, is not. It is large enough, but its location at the western end of France is not that of a key city. The selection of key cities for promotional reasons is in Roland Berger & Partner's opinion correct and should be continued. The management of EUROPA CINEMAS estimates that there exist about 50 key cities in Europe and that four cinemas could become "SALLES PAVILLONS" in each key city.



Therefore, the number of supported cinemas could increase to 200. For budgetary reasons, EUROPA CINEMAS has until now decided to limit the selection of "salles-pavillons" to two cities per EC country. Today the 38 salles-pavillons are located in 20 key cities and 13 European countries. (All EC countries and Switzerland)

The evaluation of EUROPA CINEMAS' activities has to be done at an early stage of work. Cinemas are a key success factor for the European film industry. Feature films that are successful in cinemas will have a longer lifetime and bring profits to their producers through other distribution channels. The "SALLES PAVILLONS"-activity of EUROPA CINEMAS is well defined and a good instrument to reach EUROPA CINEMAS' aims. EUROPA CINEMAS has recently decided to grant ECU 10,000 to each SALLES PAVILLONS in return for its commitment to display a majority of European films. This is a major move. Originally the "SALLES PAVILLONS" were supposed to be financially assisted only for promotional actions.

The obligation to display more than 50 % European films is very difficult especially for big, well-equipped cinemas. There are not enough European films which guarantee a sufficient box office return. ECU 10,000 is considered too low in relation to the commitments. Hence it is argued by professionals only cinemas which are already specialised in European films and operating at a low level want to become a "SALLES-PAVILLON".

#### *Selection process/control*

Besides the binding criteria, EUROPA CINEMAS assesses the technical quality (sound system, screens, seats etc.) and image (what kind of films has been shown in the past?) of applicant cinemas. Only in cases, in which the applicant does not meet the binding criteria, is the advice of a country expert requested. Binding criteria are normally strict, but in some EC-countries cinemas that meet all criteria are not to be found. In such cases, EUROPA CINEMAS select those cinemas which most nearly meet these criteria. EUROPA CINEMAS is committed to identifying at least one "SALLES PAVILLONS" in each EC country. This objective could be achieved in 1992. The flexible application of the binding criteria makes sense if a maximum of geographical distribution is to be reached.



In Roland Berger & Partner's opinion, the quantitative binding criteria help distinguish the large number of cinemas in Europe from the so-called "key cinemas". The clear guidelines and selection criteria of EUROPA CINEMAS have a self-selecting effect. Overall, the selection process done with minimal staff, can be assessed as efficient. The quantitative criteria and the additional qualitative assessment make a good instrument for finding the "right" cinemas to support. However, there are no criteria for evaluating the "right" promotional actions. The line between promotional actions which should be financed by the distributors and those which should be financed by cinemas, and are therefore eligible for EUROPA CINEMAS' support, is unclear and shifting. In addition, the term "promotional actions" could be defined more precisely.

Since it started working in June 1992, an overall evaluation of EUROPA CINEMAS' activities would be premature. However, the interviewed professionals see a real market need for this project. The interviewed beneficiaries see almost no possibility to finance promotional activities from other sources. The interviewees, however, saw little need for the planned networking activity. Surveyed professionals were of the opinion that technical quality of cinemas (seats, screens, projectors, dolby sound) was more important. European films are often shown only in small, badly equipped cinemas. But there is an audience trend toward large cinemas, as a recent study of the Filmstiftung Nordrhein-Westfalen shows. EUROPA CINEMAS' project management wants EURO MEDIA GUARANTEE to agree loan guarantees for eligible cinemas borrowing to purchase equipment.

#### *Income/cost structure*

The "SALLES PAVILLONS" agreement obliges the cinema to submit a detailed report every six months of activity undertaken. Given the low costs of this control mechanism, it seems to be effective. From time to time in-depth checks should be considered.

In 1992, the MEDIA programme, as well as CNC, each gave ECU 200,000 to the EUROPA CINEMAS budget. In 1993, ECU 800,000 from MEDIA and ECU 200,000 from CNC are foreseen. Since work first began in 1992, only 50 % of EUROPA CINEMAS' income was spent. ECU 195,000 will be used for the 1993 budget.



EUROPA CINEMAS had ECU 58,000 in overhead costs for 1992. In absolute terms, this is low. However, start-up costs brought the overhead up to 28 % of EUROPA CINEMAS' total expenses. Since the chairman, who is involved in the management, is not paid by EUROPA CINEMAS, the personnel costs are low. (ECU 15,000 = 7 % of total expenses). But it would not appear possible to keep overhead costs at this low level. The management of EUROPA CINEMAS estimates app. 250 % increase up to ECU 200,000 in overhead costs in 1993. The reasons for this increase are the larger staff requirements and the start of its own promotional activities. It must be asked, if these promotional expenditures are useful, because EUROPA CINEMAS is sufficiently familiar to its target group and MEDIA SALLES is specialised on promotional activities.

EUROPA CINEMAS expects contributions in 1993 from the same two sources as in 1992. EUROPA CINEMAS plans no fund raising from private undertakings. As EUROPA CINEMAS grants only financial assistance, no self-financing can be expected.

#### *Reaching of aims*

Based on the interviews, Roland Berger & Partner's overall impression was that EUROPA CINEMAS should focus on its original activities before implementing new ones. The "SALLES PAVILLONS" activity is a good instrument for EUROPA CINEMAS' aim to encourage cinemas to schedule and promote films from European countries at a broader level. An advantage of this activity is, that the promotional effect for theatres, as well as European films, is in sound proportion to the invested money. The relation between financing and overhead is also sound. An expanding of activities and increased self-promotion by EUROPA CINEMAS could mean a deterioration of this relation.

Furthermore as today only app. 20 % of the targeted cinemas in European key cities are reached, there is enough "space" to extend this activity. A quantitative (financial assistance) and qualitative (increased promotional effectiveness) increase in the intensity of support should be considered.



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An objective of EUROPA CINEMAS should be to substantiate and show with examples that it is possible to be successful while programming a majority of European films. It seems important to document experiences e.g. promotional activities worthy of imitation and economic development of "SALLES-PAVILLONS"-cinemas. The cinema sector should be provided with this information.

In conclusion, Roland Berger & Partner can state that EUROPA CINEMAS has reached its aims very well.

**4. EVE**

## Synoptical table EVE

### Project aim

Promoting the publishing and cross-frontier distribution of European films and programmes on video cassette.

### Organization

based in: Dublin

founding date: 4/1990

started work: 6/1990

Staff: 6 (4 full time)

body	members	election
<ul style="list-style-type: none"> <li>● General assembly</li> <li>● Board of Directors</li> <li>● Loan scheme committee</li> </ul>	12 + 1 5 + 1 board + 1 pro.	– General assembly –

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	3.740
other partners	272
reflux from beneficiaries	0
interest	0
fees for training/studies etc.	15
<b>total</b>	<b>4.027</b>

Costs (thousand ECU)	
overhead	950
● personnel costs	281
● material costs	669
activities	3.402
<b>total</b>	<b>4.352</b>

<b>MEDIA/total income:</b>	93 %
<b>other partners/overhead:</b>	27 %
<b>reflux/total income</b>	0 %

<b>overhead/total costs:</b>	22 %
<b>personnel costs/overhead:</b>	30 %
<b>promotion costs/overhead:</b>	21 %

source: RB&P analysis



## Synoptical table EVE

### Project activities 1991-1992

activity	tool	% of budget for activities
1. Encouraging video distribution	soft loan	88 %
2. Regroupment scheme	financial assistance	9 %
3. Research	service	3 %

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
1. Encouraging video distribution	2.573	6.014	70 %	8.587
2. Regroupment scheme	144	179	55 %	323
3. Research	121	200	62 %	
<b>total</b>	<b>2.838</b>	<b>6.393</b>	<b>69 %</b>	<b>8.910</b>

source: project

\* thousand ECU

### Selection system

#### 1. Loan scheme:

steps: Staff conducts pre-selection, loan scheme committee makes an evaluation and Board of directors takes final decision

criteria: Mainly objective

#### 2. Regroupment

steps: Board of directors

criteria: Quality of application



**Synoptical table  
EVE**

**Results**

**1) Financing activities**

<b>applications/support (volume)</b>			
	<b>Applications (No.)</b>	<b>Support (No.)</b>	<b>Support/Appf. (%)</b>
Video distribution	499	290	58 %
Regroupment	17	8	47 %
<b>Total</b>	<b>516</b>	<b>298</b>	<b>58 %</b>

**2) Research activities**

<b>studies</b>		
<b>Topic</b>	<b>distrib. copies</b>	<b>costs</b>
3 studies concerning video distribution in Spain, Germany and European majors	each 220	each ECU 7.000

<b>database</b>		
<b>Topic</b>	<b>No. of requests</b>	<b>costs</b>
video industry	350	ECU 72.000

**Evaluation by professionals**

<b>Awareness (%)</b>	<b>Meeting needs of audiovisual sector (Score*)</b>	<b>Quality of project (Score*)</b>
66 %	1,91	2,06

\*0 = poor; 1 = fair; 2 = good; 3 = excellent

#### **4. ESPACE VIDEO EUROPEEN (EVE)**

##### *Organization*

Roland Berger & Partner state, EVE's organization is sufficient and appropriate.

##### *Activities/results*

Concerning the main activity, one should add that approximately 820,000 copies of video cassettes of European films had been published with EVE's aid in 1991 and 1992.

EVE's second activity is the so-called regroupment scheme. This activity is described in the MEDIA bible as "aiming to foster both the development of cross-border cooperation between European countries and direct reinvestment of the financial and technical expertise of the MEDIA publication sector into production. This scheme operates in partnership with other production-oriented organizations such as EURO AIM, CARTOON etc.". In the guidelines, only the video distributors' grouping is mentioned. Actually, EVE supported two distributor groupings in 1992 with subsidies amounting to ECU 10,000 and ECU 50,000. The other measures conducted under the regroupment scheme by EVE are not mentioned in the guidelines. EVE paid travel expenses to video distributors to allow their attendance at EURO AIM and CARTOON events (actually CARTOON and EURO AIM received the money and paid the travelling costs). 47 video distributors had been supported with ECU 31,500 in 1991 and 1992. Roland Berger & Partner do not see the necessity for this kind of support, concerning EVE's aims.

One conference on the future of the European video sector was held in Dublin castle on October 1/2, 1992. Approximately 150 professionals from 20 countries attended the closed conference. Professionals interviewed stated that such a conference is very useful and that it should continue. Roland Berger & Partner agree.



### *Selection process/control*

Once the contract has been signed and proof of rights ownership has been submitted, the first loan installment, maximum 50 % of the total, is paid. The second payment is disbursed immediately after film publication and submitting copies of video publication invoices to EVE. At this time EVE has no big problems with distributors' commitment to distribute video copies. However, should this problem occur, Roland Berger & Partner propose different payment procedures to ensure that producers are committed to complete the project. We suggest payment procedures as used by GRECO. That means the loan should be disbursed in only one installment, once the distributor has shown evidence that he has published the film. As long as this requirement is unfulfilled, the money should be paid on a fix-term deposit (see GRECO).

The selection system for EVE's regroupment scheme could be defined more sophisticated.

In 1992, EVE employed a contract manager to control loan repayments. Nevertheless, no loan repayments were received before the end of 1992. The repayment control system has just been designed. Therefore it is too early to evaluate it.

### *Income/cost structure*

Overhead costs amounted to ECU 950,000 in 1991 and 1992. Considering EVE's very low personnel costs (30 % of overhead or ECU 281,000 for 1991 and 1992), then costs for infrastructure, promotion and travel are quite high. One reason is that EVE has two offices; one in Dublin and one in Brussels. The Brussels office mainly serves the MEDIA base activity, which is done in cooperation with the well-known médiathèque de la Communauté française de la Belgique. However, efforts should be made to decrease coordination and infrastructure costs. Approximately ECU 140,000 were spent for advertising in newspapers etc. in 1991 and 1992. Compared to other projects this seems quite high.

EVE expects 25 % repayments of the loans awarded. This seems very optimistic, if one takes into consideration that EVE has not received any repayments in 1991 and 1992. Roland Berger & Partner cannot estimate the level of future repayments. However in the first months of 1993 repayments come up to ECU 54.099 according to project

management. 69 % of EVE's costs had been loans awarded in 1991 and 1992. All other activities are free of charge and make no contributions to financing. If one takes into account 25 % repayments, this amounts to a 17 % self-financing share of total costs. Contributions from other partners besides MEDIA amount to 6 %. In conclusion, a self-financing share higher than 23 % cannot be expected.

#### *Reaching of aims*

EVE has awarded 280 loans totalling to ECU 3.1 Million in 1991 and 1992. High quality films representing important European contemporary features, documentaries and classics were distributed.

With the establishment of the Mediabase and European video review, ways have been found to increase penetration of video market information. At the October 1992 video conference, well-received throughout Europe, a discussion base was established for the European video market. Moreover exchange of information among industry players was further enhanced.

In conclusion, Roland Berger & Partner can state that EVE has reached its aims very well.



## **5. BABEL**

## Synoptical table BABEL

### Project aim

Promoting the wider distribution of television programmes by providing support for the sound post production sector of European productions (multilingualism)

### Organization

based in: Geneva

founding date: 01/88

started work: 01/88

Staff: 1 full-time-employee, 5 part-time-employees

body	members	election
● Administrative committee	3	Founding members, 2 years
● Management committee	3	Administrative committee, 2/4 years
● Consultant committee	9	Administrative committee, 2/4 years

### Income- / cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	2.200*
other partners	544
reflux from beneficiaries	2
interest	81
fees for training/studies etc.	
<b>total</b>	<b>2.827</b>

Costs (thousand ECU)	
overhead	691
● personnel costs	456
● material costs	235
activities	2.223*
<b>total</b>	<b>2.914</b>

MEDIA/total income:	78%
other partners/overhead:	79%
reflux/total income	0%

overhead/total costs:	24%
personnel costs/overhead:	66%
promotion costs/overhead:	0%

source: RB&P analysis

\* contribution to SCALE, 300, not included

## Synoptical table BABEL

### Project activities 1991-1992

activity	tool	% of budget for activities
Financial support for dubbing and/or subtitling	Advances-on-return or financial assistance	82%
Training post production	financial assistance	16%
Research multilinguism	financial assistance	2%

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
Financial support	1.300	400	24%	6.800
Training post production	290	70	19%	-
Research multilinguism	40	6	13%	-
<b>total</b>	<b>1.630</b>	<b>476</b>	<b>23%</b>	<b>6.800</b>

source: project

\* thousand ECU

### Selection system

- Steps:**
1. Evaluation and selection by the controller; semi-automatic system
  2. Evaluation and final decision administrative committee. In case of granting financial assistance, consultant committee is in 1. evaluation involved

**Criteria:** Qualitative mostly objective criteria concerning genre, languages, transfer technique, cultural impact priority will be given to (in decreasing order of importance)  
 languages transfer: small-to-small, small-to-large, large-to-small, large-to-large  
 genre: fiction programmes (for children), pilot series, documentaries, others

## Synoptical table BABEL

### Results

#### 1) Financing activities

applications/support (volume)			
	Applications (No.)	Support (No.)	Support/Appi. (%)
Financing	310	142	46
<b>Total</b>	<b>310</b>	<b>142</b>	<b>46</b>

#### dubbing and subtitling 91-92

Genre	Number of films		programme hours TV	
	1991	1992	1991	1992
● magazine	5	4	15	12
● TV fiction	12	26	36	78
● documentary	56	55	168	165
● cartoon	35	23	105	69
<b>Total</b>	<b>108</b>	<b>108</b>	<b>324</b>	<b>324</b>

Source: Project

#### 2) Research activities

meetings		
Topic	participants	costs
Round table in Greece	40	40.000



**Synoptical table  
BABEL**

**3) Training activities**

	1990	1991	1992
persons trained	-	-	10
total training days	-	-	25
<p><b>main topics:</b> Training of translators with University of Strasbourg. Euronews – training of journalists and professionals assimilated to journalists in multilingualism was only in 1992 launched</p>			

**Evaluation by professionals**

Awareness (%)	Meeting needs of the audiovisual sector (Score*)	Quality of project (Score*)
71	2,30	1,87

\*0 = poor; 1 = fair; 2 = good; 3 = excellent



## 5. BABEL

### *Organization*

BABEL shares offices with its founding member, the European Broadcasting Union (EBU) in Geneva. This location offers not only the advantage of sharing staff and office facilities, but also close contact to the EBU members, the target group of the BABEL-supported productions.

In contrast to most other projects, BABEL does not have a general assembly at present. But it will create one next year if agreed by MEDIA and EBU. Currently the distribution of duties, functions and powers among the statutory bodies can be seen as well defined. The coordination between administrative committee, management committee, consultant committee and projects management works well. There is dual membership by some persons in two of the named statutory bodies. Voting rights in the case of dual memberships are clearly regulated by the BABEL statutes.

Apart from its statutory bodies, BABEL is managed by three persons, the coordinator, the controller and the consultant. The controller and consultant are "veterans" of public broadcasting and since September 1990 work for BABEL. The controller devotes 75 % , the consultant 65 % of working time to BABEL. Through this constellation a professional and experienced management of BABEL can be achieved. But it has to be mentioned that this has its price. BABEL's personnel costs are ECU 456,000 in 1991 and 1992, which corresponds to 16 % of the total budget.

### *Activities/results*

BABEL's main activity was the financial support for dubbing and/or subtitling. For this activity, 82 % of the total budget was spent in form of advances on return (AOR) or non-reimbursable funds. Actually, the share of support given in advances on return is due to an estimation of the project management 90 %. Interviewees criticised the limit of the support of ECU 30,000 for dubbing and ECU 7,500 for subtitling as too low for an international competitive feature film. Indeed, BABEL supported in 1991 and 1992 111 documentaries, 58 animations, 9 magazines and only 36 fictions. Based on project management estimates, the relation of subtitled to dubbed projects' support is 70 % : 30 %.



The first training activity of BABEL started in September 1992 and is carried out in association with the Institute of translators and interpreters of the University of Strasbourg. Its objective is to train young translation graduates and translators in dubbing and subtitling. The second training activity is BABEL's support for EURONEWS. EURONEWS is a consortium of 11 EBU member organizations. The official languages of its activities are German, French, English, Italian and Spanish. Training is focused on journalists, as well as professionals assimilated to journalists. The training selection process has not yet been established but will be set up by October 1993. BABEL contributed ECU 70,000 to the launch of EURONEWS for the period 1.7. to 31.12.1992. In accordance with the convention, the remaining ECU 180,000 allocated in the 1992 budget, will be paid after receipt of an ad-hoc report drawn up by EURONEWS. The BABEL management agreed that a third of the total would be dedicated to training and two thirds to programmes. Topics of training are not clearly defined.

BABEL's training activities have a low recognition rate within the professional sector. None of the BABEL beneficiaries and non-beneficiaries asked knew about these activities. However, Roland Berger & Partner got the impression from the interviews that a real market need for training exists in the sector.

BABEL's third line of activity supports research in the post-production sector. This constituted 2 % of the activities budget or ECU 40,000 spent in 1992. Main event in this line was the organization in 1992 of a round table in Athens.

#### *Selection process/control*

BABEL has instituted an accelerated selection procedure to cut down the time taken to grant assistance and respond to requests from interested professionals. For the advances-on-return system, BABEL instituted a quasi-automatic assistance under the accelerated procedure when the objective criteria are met (genre, production complete, commercialization, languages, duration, language transfer, technique etc.). The selection is done by the controller assisted by the coordinator. Only in cases of non-reimbursable funds and requests for advances on return, where objective criteria are not met is the consultants' committee involved.

In Roland Berger & Partner's opinion, the selection mechanism is an efficient and good example of cutting costs without endangering the quality of the selection. In the opinion of the interviewed professionals, application dates are handled flexibly. Completing of application forms is easy. Professionals criticised the difficulty of getting further information from the project management in Geneva. It seems that nobody, who was able to answer inquiries could be reached. This should not happen in an experienced project staffed with sufficient personnel.

Some of the interviewees criticised BABEL's selection criteria, especially the favouring of minority languages. As it favours dubbing or subtitling from small countries to small countries as a first priority and only as a second priority dubbing and subtitling from small countries to large countries, the potential audience is very small. In Roland Berger & Partner's opinion the selection criteria concerning the language should be changed. The support of minority languages should be done separately, e.g. in the joint initiative with the SCALE/BABEL grant system. It does not seem to be effective to concentrate the whole programme on minority languages. Not only balanced variety, but industry potential are MEDIA's overall objectives.

The selection criteria concerning the genre favour the first stage fiction programmes, mainly intended for young people. But as mentioned above only 17 % of all supported projects were fictions. According to the project management, this is due to the lack of applicants with fiction projects.

Roland Berger & Partner suggest rethinking and changing the current selection criteria and support mechanism to better correspond to the aims of BABEL and the MEDIA programme.

Furthermore, particular attention should be paid to the ability of an applicant to reimburse the granted loans through future takings. Control for correct spending of the money and reimbursement of the loans is reached currently through the obligation of the beneficiaries deliver a video cassette with the subtitled/dubbed version and a report-on-sales-form in every six months. The project management regards the existing mechanism as a good and inexpensive instrument. Roland Berger & Partner have to state, that these controls are not rigorously applied. Based on our interviews and analysis of the BABEL grants list, Roland Berger & Partner got the impression, that only a minority of the beneficiaries deliver the requests. Also there is no control whether the report-on-sales-forms are filled



in correctly. Roland Berger & Partner are of the opinion that the proposal of the BABEL consultants' committee last meeting in Geneva to reinforce the AOR follow-up returns, with expertise from the consultants in their respective geographical areas, is a step in the right direction. Sanctions for beneficiaries, which do not fulfill the requests, should also be considered. In Roland Berger & Partner's opinion, the crucial point for increasing the returns is to raise the share of supported productions transmitted by broadcasters. Today the applicants have only to declare "interested" broadcasters for the new language version. Roland Berger & Partner suggest BABEL consider introducing the GRECO disbursement rules, which require a "legally binding acceptance" of the production. Of course the business behaviour of the broadcasters should be taken into account.

#### *Income/cost structure*

BABEL's total income in 1991/1992 was ECU 2.827,000. MEDIA's share was 78 %. The shares of the contract partners (European Broadcasting Union/European Alliance for Television and Culture) in the overhead costs were 69 %. Personnel costs dominated overhead costs totalling 66 %. Personnel costs included costs for staff assigned to administration as well as the staff assigned to the activities.

In the contract with the beneficiaries for AOR-loans, 10 % of the transmission fees are foreseen as reflux to BABEL. The 1992 reflux for AOR-loans granted in 1991 was ECU 2,250 or 0.03 %. There are several reasons for this low reflux. First, the short lapse since the granting of support. Second, the focus on minority languages means fewer sales. Thirdly, it is difficult to control takings from beneficiaries transmission fees.

Currently the self-financing share amounts to 22 % of the total income and originated from the contract partners and financial income. As there are no reliable data, project management were unable to estimate further repayments from the loans given. But in Roland Berger & Partner's opinion, it seems that repayments will contribute no significant share toward self-financing in the coming years. Also regarded the fact that only app. 46 % of BABEL's total expenditures were granted as AORs.



### *Reaching of aims*

Roland Berger & Partner can say, that BABEL is a well-known project. Surveyed beneficiaries stated that BABEL was the only available source of financing for their productions. The costs per viewer for productions in minority languages are much higher than in widely-spoken languages. Therefore there is little private investor interest in engaging in this sector. It seems to be important that BABEL redefines its strategy and clarify its guidelines to better correspond to its aims.

In conclusion Roland Berger & Partner can state, that BABEL has reached its aims well.



## **6. EURO AIM**

## Synoptical table EURO AIM

### Project aim

Enabling the access and encouraging the presence of European independent producers on markets in order to strengthen European independent producers.  
Computerizing the dissemination of data on independent producers.

### Organization

based in: Brussels

founding date: 5/1988

started work: 1988

Staff: 19 full time employees

body	members	election
● General assembly	50	–
● Board of directors	13	General assembly
● Executive Committee	5+1	Board of directors
● National Antennae	25	Board of directors

### Income- / cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	5.550
other partners	1.099
reflux from beneficiaries	0
interest	0
fees, charges	392
<b>total</b>	<b>7.041</b>

Costs (thousand ECU)	
overhead	2.534
● personnel costs	946
● material costs	1.588
activities	4.486
<b>total</b>	<b>7.020</b>

<b>MEDIA/total income:</b>	<b>79 %</b>
<b>other partners/overhead:</b>	<b>43 %</b>
<b>fees, charges/total income</b>	<b>6 %</b>

<b>overhead/total costs:</b>	<b>36 %</b>
<b>personnel costs/overhead:</b>	<b>37 %</b>
<b>promotion costs/overhead:</b>	<b>28 %</b>

source: RB&P analysis



## Synoptical table EURO AIM

### Project activities 1991-1992

activity	tool	% of budget for activities
1. ad scheme	subsidy	2 %
2. markets (umbrellas, satellites)	service (charge only for MIP-TV/ MIPCOM)	42 %
3. dedicated networking:		
- rendez-vous	service (fee: ECU 500)	11 %
- screenings	service (fee: ECU 300)	22 %
4. research/information support:		
- consultancy	service (free of charge)	2 %
- database	service (free of charge)	8 %
- antennae research	service (free of charge)	13 %

activity	MEDIA contribution*	other contribution*	other contr/ total budget in %	mobilization effect*
1. ad scheme	100	87	47 %	--
2. markets (umbrellas, satellites)	1.819	3501	66 %	22.553
3. dedicated networking:				
- rendez-vous	286	609	68 %	7.500
- screenings	587	1.696	74 %	5.137
4. research/information support				
- consultancy	75	47	39 %	--
- database	367	5	1 %	--
- antennae research	569	611	52 %	--
<b>total</b>	<b>3.803</b>	<b>6.556</b>	<b>63 %</b>	<b>35.190</b>

source: project

\* thousand ECU

### Selection system

#### Steps:

different for each EURO AIM activity but always 3 steps

1. Applications are checked by the general management and executive committee for compliance with EURO AIMs' requirements.
2. Evaluation by general management (and in some cases by experts).
3. Final decision by general management

**Criteria:** Different, mostly objective and qualitative

**Synoptical table  
EURO AIM**

**Results**

**1) Financing and market activities**

<b>a. applications/support (volume)</b>			
	Applications (No.)	Support (No.)	Support/Appt. (%)
Ad scheme	12	10	83 %
Markets	469	400	85 %
Rendez-vous	150	72	48 %
screenings	804	364	45 %
<b>Total</b>	<b>1435</b>	<b>846</b>	<b>59 %</b>

## Synoptical table EURO AIM

b. purchased productions		1991						1992								
		persons <sup>1</sup> attendance		purchased productions <sup>2</sup>				persons <sup>1</sup> attendance		purchased productions <sup>2</sup>						
				number	in thsd. ECU	films	TV			number	in thsd. ECU	films	TV			
activity		of films	progr. fin. TV				of films	progr. fin. TV				of films	progr. fin. TV			
1. Ad scheme																
2. Marketing																
1. Fiction	167	58		1,500												
2. Documentary	30		179		4,800										2,300	7,300
3. Animation	94		45		1,200											1,800
other	23		38		1,000											1,600
	20															
3. 3.1 Rendezvous fiction																
3.2 Screenings																
1. Fiction	205															
2. Documentary	76		74	1,330												
3. Animation	127		124		2,230											
	2		2		36											
<b>Total</b>	<b>372</b>	<b>132</b>	<b>388</b>	<b>2,830</b>	<b>9,266</b>		<b>147</b>	<b>452</b>	<b>10,620</b>	<b>12,380</b>		<b>464</b>	<b>452</b>	<b>10,620</b>	<b>12,380</b>	

Source: project

- 1) number of companies that attended the events with help of the project
- 2) total budget of films/TV-productions that have been purchased with help of the project
- 3) RB&P estimate about "purchased productions"

**Synoptical table  
EURO AIM**

**2) Research activities**

<b>consultancy service</b>		
<b>Topic</b>	<b>requests</b>	<b>costs</b>
10 consultants answer questions (general sales/ distribution information; coproduction partners etc.)	app. 590	74.000 ECU

<b>database</b>		
<b>Topic</b>	<b>No. of requests</b>	<b>costs</b>
MEDIA base (productions, producers)	767	372.000 ECU

**Evaluation by professionals**

<b>Awareness (%)</b>	<b>Meeting needs of the audiovisual sector (Score*)</b>	<b>Quality of project (Score*)</b>
74 %	2,43 %	2,5 %

\*0 = poor; 1 = fair; 2 = good; 3 = excellent



## 6. EURO AIM

### *Organization*

EURO AIM has 25 national antennae that deliver information about EURO AIM in each country/region. They organize seminars and information about EURO AIM and MEDIA. They report to Brussels about the industry situation in the respective regions. They conducted studies on national or regional audiovisual industries (Basque, St. Lorraine, Rhone-Alps, Ireland). Roland Berger & Partner assume that the costs for the EURO AIM antennae (ECU 594,000 in 1991 and 1992) do not correspond with the benefits any longer because these can be reached through MEDIA Desk/Antennae also. We assume that additional antennae from single projects could cause confusion within the audiovisual industry. Information work and promotion in each country and region should be concentrated completely in the MEDIA-Desks and Antennae.

EURO AIM's organization seems appropriate to Roland Berger & Partner.

### *Activities/results*

Since the ad scheme only started at the end of 1992, an evaluation of this activity would be premature.

With regard to the markets (umbrellas, satellites), it should be mentioned that MEDIA committee members are especially sceptical about the impressive production sales figures provided by EURO AIM. Roland Berger & Partner can state that the figures seem accurate based on the data collected by EURO AIM. However, it is very difficult to evaluate these figures. Some interviewed professionals may not have given accurate answers i.e. very optimistic answers about finding a financing partner or a buyer, when only the first contact had been made (for figures, see synoptical table). For Roland Berger & Partner it is not possible to make serious assumptions about purchased productions. However, based on interviews with professionals, beneficiaries and industry experts and analysis of the press, Roland Berger & Partner assume that the purchased number of productions had been considerably lower than reported.



Roland Berger & Partner can state, that small and independent producers found a place in these markets thanks to EURO AIM. EURO AIM's support quality was highly regarded. The beneficiaries who attended these markets were also enthusiastic about it. Beneficiaries of the EURO AIM rendez-vous and screening events were also very satisfied.

All professional interviews stated that EURO AIMS market activity (MIP-COM/MIP-TV) is EURO AIM's most important activity. Roland Berger & Partner agree on this and propose that EURO AIM should concentrate on already-established activities. EURO AIM should concentrate on their previously defined aims and cooperate with other MEDIA projects to avoid overlappings. A first step is the documentary forum undertaken together with DOCUMENTARY and MAP-TV.

Considering the research/information support activities, professionals stated that Mediabase has not promoted their business and that they did not get any request from buyers. One buyer stated that Mediabase collects productions which are not suitable for sale. If one compares the number of producers and productions included in the Mediabase (by November 18, 1992, 1,003 producers; 6,780 productions) with the 767 requests in 1991 and 1992 the criticisms from professionals seem serious. Taken into account that ECU 372,000 were spent for the Mediabase in 1991 and 1992 (Roland Berger & Partner estimate that additional ECU 190,000 of overhead had been related to Mediabase) the results do not correspond to efforts made.

However, Roland Berger & Partner can state that Mediabase, currently only applied on the markets, had been designed very professionally and could be useful for both, producers and buyers. At this time, the number of consultations per month has stabilised at a low level (except consultation during market events). Roland Berger & Partner propose that efforts should be done to give Mediabase and the production and producers included a more "commercial" image. EURO AIM should charge fees for consulting the Mediabase.

Based on the number of requests and the costs of Mediabase, the consulting service 590 requests in relation to ECU 74,000 spent in 1991 and 1992 seems to be sound. Roland Berger and Partner cannot evaluate the quality of the consulting services. Beneficiaries evaluated it as useful.



### *Income/cost structure*

Institutional partners contributed ECU 600,000 to EURO AIM in 1991 and 1992. This represents 12 % of income and 24 % of EURO AIM's overhead. If one takes additional contributions of ECU 498,000 from private partners into consideration, all other partners except MEDIA covered 16 % of total income and 43 % of EURO AIM's overhead. Application fees and charges for services (markets) amounted to ECU 392,000 and contributed 6 % of EURO AIM's total income. Altogether 21 % of EURO AIM's income came from sources other than MEDIA.

EURO AIM's management wants to reach a self-financing share of 50 % within the coming years. Roland Berger & Partner assume this is optimistic because EURO AIM would need ECU 1 Million per year in additional funds from public partners and income from beneficiaries. MEDIA's contributions to EURO AIM decreased from 84 % in 1991 to 75 % in 1992 (other income except MEDIA increased from ECU 488,000 to MECU 1). If EURO AIM continues to succeed in matching funds, as it did in 1992, a self-financing share of 40 % in 1995 might be realistic. Roland Berger & Partner assume that even after 1995 a self-financing share of more than 50 % cannot be achieved without substantial changes.

EURO AIM has a very high overhead. Overhead costs amounted to MECU 2,5 in 1991 and 1992. Although personnel costs decreased from ECU 544,000 in 1991 to ECU 400,000 in 1992, costs for infrastructure, travelling and promotion increased from ECU 650,000 to ECU 938,000. EURO AIM has the highest advertising and promotion costs = ECU 724,000 in 1991 and 1992 (average for all projects = ECU 125,000).

Although EURO AIM has more employees than any other project (19), personnel costs amounted to only ECU 946,000. This seems low if you compare it with CARTOON and SCRIPT (MECU 1.3 each). One has to take into consideration that EURO AIM antennae are not included in the overhead. In conclusion, Roland Berger & Partner can state that overhead costs could be tightened, i.e. by reducing material costs.

### *Reaching of aims*

It is too early to evaluate whether independent producers supported by EURO AIM have become established as a real force within the audiovisual industry in Europe.

However, it can be stated that EURO AIM enabled independent producers to find access to the markets. Before the establishment of EURO AIM, it was not possible for independent producers to attend these markets due to the high fixed costs charged on a regular basis by major markets. EURO AIM is well-known in the audiovisual industry and has a very good reputation throughout Europe. Among beneficiaries and even among refused applicants, the awareness of market activities is excellent, good with respect to the rendez-vous and screening events and considerably lower as regards research and information support activity. Professionals judge the quality of all activities (except Mediabase) to be very good - to excellent.

EURO AIM has established a network of independent European producers by bringing them together and enabling access to important industrial players i.e. in the financing sector. We agree with the EURO AIM management that this might have created a more market-oriented European independent producer.

In conclusion Roland Berger & Partner can state that the project has reached its aim excellently.



## **7. GRECO**

## Synoptical table GRECO

### Project aim

Supporting the production of TV fiction programmes produced by independent producers to increase the circulation of these programmes to strengthen the independent producers in Europe.

### Organization

**based in:** Munich

**founding date:** 7/1991

**started work:** 10/1991

**Staff:** 4 (1 full-time employee)

body	members	election
● General assembly	19	–
● Board of administration	14	general assembly, 2 years
● Executive board	5	general assembly, 2 years
● Expert committee	4	board of administration 2 years

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	4480
other partners	312
reflux from beneficiaries	0
interest	0
fees for training/studies etc.	0
<b>total</b>	<b>4792</b>

Costs (thousand ECU)	
overhead	516
● personnel costs	134
● material costs	381
activities	4204
<b>total</b>	<b>4720</b>

<b>MEDIA/total income:</b>	93%
<b>other partners/overhead:</b>	60%
<b>reflux/total income</b>	0%

<b>Overhead/total costs:</b>	11%
<b>personnel costs/overhead:</b>	26%
<b>promotion costs/overhead:</b>	9%

Source: RB&P analysis

## Synoptical table GRECO

### Project activities 1991-1992

activity	tool	% of budget for activities
Financing of European co-productions	soft loan	100%

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
Financing of European co-productions	4274	8640	67%	54764
<b>total</b>	<b>4274</b>	<b>8640</b>	<b>67%</b>	<b>54764</b>

Source: Project

\* thousand ECU

### Selection system

- Steps:**
1. General secretary checks if applicants meet GRECOs basic requirements
  2. Expert committee evaluates applications and makes a proposal to the executive board
  3. Executive board responsible for final decision

**Criteria:** Semi automatic system:

1. European character (11 out of 14 points)
2. Probity of financial figures
3. Legally binding evidence of involvement of three broadcasters of three linguistic areas

## Synoptical table GRECO

### Results

a. applications/support (volume)			
\	Applications (No.)	Support (No.)	Support/Appl. (%)
Financing	29	12	41%
<b>Total</b>	<b>29</b>	<b>12</b>	<b>41%</b>

b. applications/support (value)			
\	Applications (MECU)	Support (MECU)	Support/Appl. (%)
Financing	9,8	4,274	44%
<b>Total</b>	<b>9,8</b>	<b>4,274</b>	<b>44%</b>

### Evaluation by professionals

Awareness (%)	Meeting needs of audiovisual sector (Score*)	Quality of project (Score*)
57%	2,18	2,09

\*0 = poor; 1 = fair; 2 = good; 3 = excellent



## 7. GRECO

### *Project aim*

GRECO's aim is not only important for the MEDIA programme, but for the "COUNCIL DIRECTIVE (89/552/EEC) on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities". As well pursuant to Art. 5 and Art. 6 of the COUNCIL DIRECTIVE (89/552/EEC) of October 3, 1989, broadcasters in Europe shall reserve at least 10 % of the transmission time, excluding the time appointed to news, sports events, games, advertising and teletext services, or alternatively, at the discretion of the Member State, at least 10 % of their programming budget, for European works created by producers who are independent of broadcasters. The GRECO management thinks GRECO's work not only helps to fulfill MEDIA's goals to increase industry potential and balanced variety within the European audiovisual industry. GRECO is also a tool to help European broadcasters reach the above quota. Roland Berger & Partner assume that broadcasters do not need MEDIA's support for that reason. MEDIA has been designed mostly to strengthen the independent professional sector. The broadcasters must fulfill the directive quota anyway.

### *Organization*

The members of each GRECO body are experienced representatives of the audiovisual sector. In contrast to other MEDIA projects, most body members who are European independent professionals are also representatives of the national independent producer associations or in some way connected with the national associations like GRECO's treasurer. According to the GRECO management, this is because only members of these associations have the business potential to complete European coproductions. Roland Berger & Partner agrees in this, but state that this organizational structure needs more transparency. Supporting productions which are limited to body members could create the impression that GRECO is a system which only supports strong European broadcasters and producers.

The staff employed by GRECO is necessary and appropriate to fulfill GRECO's tasks.



GRECO's expert committee consists of a freelance financial and legal adviser to the British audiovisual industry, two programme directors (RTSR and ARTE) and the director for European coproductions of Berlusconi Communications. We feel that independent producers should be represented to a higher degree in the expert committee.

#### *Activities/results*

Concerning the activities, it should be added that the board of directors decided on December 18, 1991 GRECO would not support animation films during this pilot phase. However, at the request of the Belgian MEDIA Committee delegation the MEDIA Committee decided that GRECO supports animation projects as well. Roland Berger & Partner can say, based on the professional interviews, that most professionals were unaware that GRECO supports animation films. GRECO supported one animation production in 1992. The Belgian producer of the supported film is a member of GRECO's board of administration and a member of CARTOON's general assembly.

One of GRECO's most important goals is to allow the independent producers to retain distribution rights for the supported productions. This requires a substantial change of attitudes towards financing of TV fiction productions among European broadcasters. In general, European broadcasters only co-finance productions, if they obtain the unrestricted distribution rights. Eight out of nine of the supported productions fulfilled this GRECO requirement. Professionals have stated and Roland Berger & Partner concur, that this is a substantial success for GRECO. Furthermore, it is an important step on the way to more international market-oriented European producers. Profits from distribution rights enable them to strengthen their financial base. All beneficiaries interviewed stated that they would not have retained the distribution rights to their productions without GRECO's help. GRECO seems to be a real force in changing financing mechanisms. It can be seen that meeting this requirement is difficult for the producer (e.g. production of "The Mixer" and "Hot Tension"). In one case ("Dust and Blood"), GRECO did not insist on the requirement of legally-binding evidence of the involvement of three broadcasters.



### *Selection process/control*

In 1991 and 1992, every production that fulfilled GRECO's requirements as mentioned above, was supported by GRECO. It can be seen that in some cases it was not even possible to insist strictly on the GRECO's requirements to allocate all funding money of requirement to GRECO. For this reason some projects had been funded which did not fulfill the demonstrate requirement to legally binding certification of commitment from at least three broadcasters. Nevertheless, in these cases, the contracts between GRECO and the producer were signed only if the requirement was fulfilled later. An increasing of GRECO's budget seems only necessary if GRECO receives more applications which fulfill all requirements. This helps to ensure the pedagogical effect consisting in changing broadcasters behaviour.

To judge, if GRECO has chosen the "right" productions, we can only refer to the 1991 projects. GRECO started work only one and a half years ago. Of the supported productions, "Dust and Blood" was the first to be completed and released on TV (France 2) on September 7, 1992. The production was very successful in France, but the German broadcaster that co-financed the production does not want to broadcast the production in Germany at this time. All interviews conducted by Roland Berger & Partner showed that decreases in European coproductions within recent years follow a Europe-wide tendency. Most European broadcasters prefer productions with truly national issues. These productions are not easy to distribute in foreign markets.

Nevertheless Roland Berger & Partner think that GRECO's money will be spent only for successful productions because of GRECO's disbursement rules: GRECO's part of the production is only paid to the producer if he shows evidence that the production has been accepted by one of the broadcasters. As long as the producer does not fulfill this requirement, the money is paid into a bank as a fix-term deposit. Only successful productions will be accepted by a broadcaster.

The above described mechanism is a very good instrument to guarantee that only successful productions will be supported. It leaves the risk to the producer who must show evidence that his production has been successful. For this reason Roland Berger & Partner can state that this mechanism can serve as an example for other projects as well.



The broadcasters' involvement and the disbursement of the money upon acceptance of the production by one of the broadcasters (see above) guarantees that the supported productions fulfill market needs. Therefore Roland Berger & Partner can say that an evaluation of the productions' qualitative aspects is not as important as it is for other MEDIA projects. The automatic selection system of GRECO is well designed to choose producers and productions from the respective target group. No changes are needed.

Roland Berger & Partner state that the criteria used by GRECO are not easy for producers to meet. Although GRECO's requirements excluded many European coproductions, we think that these requirements are appropriate because they guarantee the success and seriousness of the production (see above).

GRECO does not have its own control mechanism. GRECO relies on the controlling systems of the involved broadcasters. Roland Berger & Partner agrees with the project management that this control mechanism (together with the above mentioned disbursement rules) is able to guarantee project completion.

Since producers are not allowed to exercise distribution rights until seven years after the production's TV-release, reflux from project beneficiaries cannot be expected before 1998. Only after seven years and only if the production is successful on international markets, can GRECO expect repayments from the loans awarded. The GRECO management expects 20 % repayments after seven years. Roland Berger & Partner assume this may be accurate, however few, if any complete loan repayments can be expected directly following the seven-year-term. In nearly all cases it will take some additional years before the money might be repaid. GRECO receives only 25 % of the profits as long as the producer has not covered his personal contribution to the production budget. After the producer has covered his part of the production budget, GRECO receives 75 % of the net profits until the loan amount awarded by GRECO has been repaid. After repayment of the loan awarded, GRECO receives 5 % of the net profits from the production. A controlling system will not be needed before 1997.





### *Income/cost structure*

GRECO's overhead costs are appropriate in volume and in relation to total expenditures.

Roland Berger & Partner assume that expenditures have been appropriate to GRECO's defined tasks.

GRECO had not received a single ECU from MEDIA out of the 1992 budget until February 1993. This is an important constraint for GRECO and professionals interviewed stated that this has caused problems and delays in production. Roland Berger & Partner agree with the project management that the disbursement of the MEDIA budget must be improved.

GRECO signed a contract with EUREKA worth about ECU 439,000 for the 1992 budget in the beginning of 1993. According to the project management it is not certain they will receive this and monies from other partners in 1993. Thus GRECO will be unable to continue in the coming years without MEDIA's help.

In conclusion, a significant share of self financing (see above repayments) cannot be expected in the next years.

### *Reaching of aims*

GRECO has supported 12 projects within the pilot phase that ended on December 31, 1992. Roland Berger & Partner estimate based on interviews with professional experts and the project management, that there are app. 40 to 50 European coproductions per year like those which were supported by GRECO. Not all of these productions meet GRECO's application requirements. Especially, not all of them were able to deliver legally binding evidence of three broadcasters involved in the production and of producer's retention of distribution rights after seven years. In conclusion, GRECO's score with the target group seems rather high.



The beneficiaries interviewed stated they might have found other financial sources if GRECO had not supported their productions. But without GRECO's help, the TV broadcasters might not have agreed that distribution rights revert to the producer after seven years. Changes in broadcasters' attitude towards independent producers, stimulated by GRECO, is the most important result GRECO has achieved.

GRECO delivered clear and accurate figures about project activities. The management showed a strict business approach in its activities.

In the estimation of professionals, GRECO has an extremely good reputation within its target group. Beneficiaries and non-beneficiaries as well as refused applicants stated that GRECO is doing a very good job. Nearly everybody who is involved in European coproductions knows GRECO because of the information flow from GRECO to the national independent producers associations and to the professionals. GRECO's reputation among all European professionals is not so excellent (see synoptical table).

In conclusion, Roland Berger & Partner state that GRECO has reached its aims excellently.

**8. EUROPEAN  
SCRIPT FUND**

## Synoptical table European Script Fund (SCRIPT)

### Project aim

Stimulating the preparation of development packages for cross-border European fiction projects

### Organization

based in: London

founding date: 10/1988

started work: 5/1989 (first awards)

Staff: 17,5 full time equivalents (Creative support: 13; Administration: 4,5)

body	members	election
● Council of management (board)	15	Founder shareholders/2 years
● Committee for finance and general purposes	4 (of 15)	Board
● Editorial committee	6 (of 15)	Board
● Incentive funding sub-committee	3 (of 15)	Board
● Panel of selection advisers	app. 30	Secretary general/at least 1 year

### Income/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	10.209
other partners	752
reflux from beneficiaries	409
interest	20
fees for training/studies etc.	-
<b>total</b>	<b>11.390</b>

Costs (thousand ECU)	
overhead	2.700
● personnel costs	1.387
● material costs	1.313
activities	9.155
<b>total</b>	<b>11.855</b>

<b>MEDIA/total income:</b>	90%
<b>other partners/overhead:</b>	28%
<b>reflux/total income</b>	4%

<b>overhead/total costs:</b>	23%
<b>personnel costs/overhead:</b>	51%
<b>promotion costs/overhead:</b>	6%

source: RB&P analysis

## Synoptical table European Script Fund (SCRIPT)

### Project activities 1991-1992

activity	tool	% of budget for activities
Single project funding (writers/teams)	soft loans	78%
Incentive funding (companies)	soft loans	21%
Training	financial assistance	1%

activity	MEDIA contribution*	other contribution*	other contr/ total budget in. %	mobilization effect*
Single project funding (writers/teams)	7.097	21.816	75%	1.037.663
Incentive funding (companies)	1.970	4.532	70%	170.690
Training	88	-	-	-
Development support	328	-	-	-
<b>total</b>	<b>9.483</b>	<b>26.348</b>	<b>74%</b>	<b>1.208.353</b>

source: project

\* thousand ECU

### Selection system

#### Single project funding:

- Steps:
1. Projects are read by selection department and readers (70% cut)
  2. Shortlisted projects are sent to expert advisers by selection coordinator
  3. Preliminary funding meeting discussion and assessment of all shortlisted projects (10% cut)
  4. Final interviews with applicants across Europe
  5. Second funding meeting: final decision made by secretary general (10% cut)

Criteria: fundamental criteria are subjective and qualitative: dramatic potential/production potential/European approach  
secondary criteria subjective and qualitative: good structure/real character strong team etc.

#### Incentive funding scheme:

- Steps:
1. Assessment and elimination of applications according to established criteria by Incentive funding sub-committee
  2. Interviews with applicants, further advice from external institutions
  3. Second meeting of Incentive funding sub-committee; selection of companies, ratification of selection by council of management

Criteria: absolute, quantitative and qualitative but mostly subjective criteria based on the experience, the performance and financial stability of the company.

**Synoptical table  
European Script Fund (SCRIPT)**

**Results**

**1) Financing activities**

<b>1991-1992 a. applications/support (volume)</b>			
	<b>Applications (No.)</b>	<b>Support (No.)</b>	<b>Support/Appl. (%)</b>
Single project fund.	2332	347	15%
Incentive funding	173	25	15%
<b>Total</b>	<b>2505</b>	<b>372</b>	<b>15%</b>

<b>1991-1992 b. applications/support (value)</b>			
	<b>Applications</b>	<b>Support</b>	<b>Support/Appl. (%)</b>
Single project fund.	21.816	7.097	33%
Incentive funding	1.970	4.532	43%
<b>Total</b>	<b>26.348</b>	<b>9.067</b>	<b>34%</b>

## Synoptical table European Script Fund (SCRIPT)

### Results Script: Single project funding

		1990	1991	1992
Supported fiction projects	feature film	86	103	156
	TV fiction	30	39	49
	Total	116	142	205
Fiction projects in production by 25/2/93	feature film	17	6	4
	TV fiction	2	-	2
	Total	19	6	6
Productions released cinemas/TV to date	feature film	11	3	1
	TV fiction	2	-	1
	Total	13	3**	2**
<b>Results: box office results (ECU)</b>		20.000.000	2.500.000**	12.500**
number of tickets sold***		4.000.000	500.000	2.500
number of TV-viewers		4.375.000	-	6.587.040

Source: SCRIPT

\*The majority of projects that have reached production have received production finance or pre-sales from broadcasters. As a result projects will have both T.V. transmission and cinema exhibition. Projects are classified as „feature film“ if they have been released theatrically in the majority of territories in which they have been sold

\*\*Two years from selection seems the minimum time to achieve significant results

\*\*\*From the funded producer, the Sales Agent, and/or trade press figures. It is important to note that most of these had limited information on a few territories. Distributors are reluctant to pass on details regarding number of tickets sold. Therefore, all figures regarding tickets sold are conservative estimates based on the most reliable data available.

### Evaluation by professionals

Awareness (%)	Meeting needs of audiovisual sector (Score*)	Quality of project (Score*)
91%	2,63	2,41

\*0 = poor; 1 = fair; 2 = good; 3 = excellent



## 8. EUROPEAN SCRIPT FUND

Prior to founding SCRIPT in October 1990, research was undertaken to determine the most effective way of encouraging films and television programming geared toward European audiences. "Stories come first" laid the foundation for the proposed EUROPEAN SCRIPT FUND. It demonstrated that "development" was essential for the growth of the European audiovisual industry.

### *Organization*

EUROPEAN SCRIPT FUND's founding partners were the British Film and Television Association (BAFTA) and the EC. Donors were found in Britain to help with administration costs, the (the joint venture BAFTA/SHELL British Film Institute BFI, the government TV channel BBC, the independent TV channels ITV and Channel 4). With the exception of BFI, which provides the EUROPEAN SCRIPT FUND with office space, these donors have discontinued their support.

The membership of the EUROPEAN SCRIPT FUND's council of management can be described as one of the most able, experienced and in composition members came from among the most influential professionals in each respective member country. It must be reiterated, however, that board do not necessarily reflect views of the Member States. This applies for SCRIPT as well as for every other project.

The EUROPEAN SCRIPT FUND's organizational structure has proven its flexibility in adopting to the funds' development and expansion of activity. A finance and general purpose committee as well as an editorial committee were introduced to support the formal operation process. As activity expanded an incentive funding committee was created. In order to allow secretary general the concentration on editorial work and to assure a smooth and professional administration, business management was involved into a director general. These measures to separate "artistic" from administrative management can be seen as significant and positive.

The division between administrative and creative staff further enhances professionalism. This segmentation should not avoid a complete division of the departments. Within such a support organization extensive communication is necessary.





### *Activities/results*

EUROPEAN SCRIPT FUND's main activity is project funding (team/writer and second stage funding), which absorbed 78 % of the activities' budget in 1991 and 1992. Only about 5 % went to second stage funding which is used to further stimulate funded producer's efforts to bring the project into production. The rather high absolute figure (app. ECU 338,000) suggests that a strict analysis of the second stage funded projects is needed.

A quantitative assessment of the EUROPEAN SCRIPT FUND 1989 to 1992 shows that within project funding, 89 % of funding was spent for teams and only 11 % for single writers. The EUROPEAN SCRIPT FUND's aim of giving high priority to the film project's production potential can be judged as good. Funding more promising teams (writers together with producers) than single writers, who experience often considerable difficulties in moving their projects forward, is also good. It should even be considered, whether the percentage of team funding should be further increased.

Although Roland Berger & Partner was asked to assess only the years 1991 and 1992 for the MEDIA '91 to '95 programme evaluation, some projects have already existed within the MEDIA '92 programme. We take into consideration figures from 1990, because two years from selection seems the minimum time to achieve significant results.

Of 116 supported projects in 1990, 16 % (19 projects) went into production by february 25, 1993. This cannot be judged as a high percentage. Looking at the figures for EUROPEAN SCRIPT FUND's cumulative performance since starting reveals an even less favourable relation: Only 11 % (55 projects) of 515 selected applicants have entered into production or preproduction to date. However, a rather higher percentage of 86 % (13) of 1990's funded projects which went into production have been referred for cinema or TV release to date.

The high degree to which those projects found a market (cinema or TV release) shows, that they had a high audience appeal by European standards. Number of tickets sold to date on average 360,000/film.



Furthermore the quality of finished films can be judged by their presentation and achievement at festival was very good. By the end of 1992 10 films supported by the EUROPEAN SCRIPT FUND received a film award in Cannes, Berlin, Taormina, Madrid or Venice. One of these films was recently nominated for the Academy of Motion Picture Arts and Science foreign language film award 1992.

This Belgium film, "Daens" can serve as a good example for the EUROPEAN SCRIPT FUND's approach. The Belgian/French/Dutch coproduction (MECU 4.25 production budget) began its shooting in August 1991 after one year of preparation; started post production in late 1991 and was completed in July 1992. "Daens" has already sold in Belgium alone 800,000 cinema tickets and won six prizes before the nomination for the Oscar. These results show in qualitative and quantitative terms, that the EUROPEAN SCRIPT FUND has succeeded in demonstrating the importance of effective development for the subsequent production and success of films.

The incentive funding scheme supports production companies or consortia through repayable loans for the development of a minimum of three film production projects. The projects are chosen by the successful applicants themselves not by SCRIPT. The first loans were made to companies to start development in 1992. To date 25 companies have been supported throughout Europe. The results will be assessed by the EUROPEAN SCRIPT FUND in autumn 1993. By that time, the percentage of film/TV projects achieving production should become clear.

The stronger focus on the production capacity and market potential of independent producers can be judged as very good, for strengthening the audiovisual sector throughout Europe. The incentive funding scheme can be seen as a part of SCRIPT's continuing effort to stimulate projects' development aimed at the wider European audiovisual market. In the Proposal for the extension of the EUROPEAN SCRIPT FUND (draft February 6, 1990), the impact of the incentive funding scheme could be as well to function as an excellent opportunity to study the selection methods and criteria used by production companies and to lead to a cross-fertilization of ideas. In order to be as flexible and responsive as possible, the EUROPEAN SCRIPT FUND should keep these opportunities in mind.

One of EUROPEAN SCRIPT FUND's most important activities but without any activity budget is the development support introduced in 1991. In the years in 1991 and 1992, the EUROPEAN SCRIPT FUND spent 60 % of their overhead budget (MECU 1,618) for this development support. SCRIPT distinguishes between an overall or general development support and a dedicated development support. The indirect development support deals mostly with information of possible applicants through presentation and publicity, with management lobbying and with applications and selections. For this measure were spent MECU 1.290 in 1991 and 1992 from the overhead budget. On the dedicated development support which means direct assistance to funded applicants to help them completing their film projects SCRIPT spent ECU 328,000. One of the fund's key awards criteria for loans is the film's or television programme's likelihood of being produced. The EUROPEAN SCRIPT FUND sees its role very much in completing successful programmes. The dedicated development support services are offered by SCRIPT to actively assist funded applicants in developing a package capable of attracting financing and ultimately going into production .

Given that the dedicated development support is crucial for getting a development package into production, the EUROPEAN SCRIPT FUND does a very important job. However, one could say, that SCRIPT needs to review its future tasks. If development support is given greater importance, it should be intensified either with a shift of monies from indirect development support or with the possibility of the work being spun-off from the SCRIPT's work, as an independent agency. Funding from non-MEDIA sources then should be considered.

#### *Selection process /control*

In order to become involved in the "best projects" with the "highest potential" SCRIPT has evolved a selection system for single projects which is based primarily on quality, rather than on automatic selection. The system itself can be judged as appropriate for selecting scripts, for which it is impossible to construct a totally objective system. However, there is one main point of criticism for the system: its rather high costs.



In order to insure "objectivity", SCRIPT's selection system operates with professionally well-informed advice having assessed the scripts through an advisory panel consisting of approximately 30 members from film and TV professional circles. With MECU 2.7, the EUROPEAN SCRIPT FUND has the highest overhead of all units in the MEDIA programme for 1991 and 1992. 20 % of activity overhead (explanation see income cost structure) is spent in the application and selection phase for single project funding, with primarily personnel and travel expenses (ECU 541,000).

Bearing in mind that the selection of scripts with a high dramatic potential, a good production potential, and a European cross boarder appeal cannot be made within an automatic system, Roland Berger & Partner propose introducing a kind of automatic preselection system to reduce the number of applications and thus the work load and costs at the selection stage for readers and advisers and selection department. During the EUROPEAN SCRIPT FUND's five years of operations, 4,128 applications were received. Only 11 % of applicants were selected and contracted. An intensified pre-selection mechanism, could help to raise this number and at the same time to cut costs.

A positive aspect of the selection system to be mentioned is the "commissioning editor" system. The secretary general is responsible for final project decisions. This principal with only one person responsible for final decisions, is rather "innovative" compared to the convention of European film institutes, where projects normally are judged by a committee. Roland Berger & Partner judge this system to be good. It tends to assure continuity and "profile" for chosen projects. With this in mind, preselection might be handed over to the commissioning editor as well.

Two points have to be considered with this sort of system: the responsible person should be replaced after a certain period of time. From time to time an independent expert committee, should review the decisions. Both points have been and are taken into account by the EUROPEAN SCRIPT FUND and handled accordingly.

Concerning the criteria for incentive funding selection, Roland Berger & Partner acknowledges, that it could be very difficult to define the experience, performance and financial stability of a company to be chosen. In this case a huge amount of expert opinion is essential, as already taken into account by SCRIPT.



The repayment deadline is the first day of principal photography, but it could be handled flexibly. This point in time was chosen because it indicates successful completion of the funding objective. Projects take at least two years, often much longer, to be fully developed, raise production finance and then to achieve production. SCRIPT aims to recover loans at the rate of 25 % for single project funding, 90 % for second stage funding, and 50 % for incentive funding. Of the MECU 10.535 disbursed within the last four years, the EUROPEAN SCRIPT FUND received a reflux from beneficiaries amounting to ECU 421,600. Furthermore, ECU 425,800 are in course of collection. The repayments include commission and interest which counts for 11 % on average.

So even presuming that until today 11 % of funded projects have entered into production or pre-production the reflux is too low and does not correspond to the expected repayments.

SCRIPT plans to intensify its control mechanism in the near future. Roland Berger & Partner recommend that highly especially concerning outstanding debts.

However, taking into account that only 16 % of the supported scripts projects in 1990 went into production, the expected repayments seem too high. Less than 50 % of mature single project's repayments have been collected until today. 28 % of outstanding debts should have been paid back in 1991 the rest in 1992, what has not happened. Roland Berger & Partner assume repayments might not be higher than 15 % on loans awarded within single project funding.

#### *Income/cost structure*

The EUROPEAN SCRIPT FUND's main financing source is the MEDIA '91 to '95 programme. The contributions of Austria, Switzerland, Iceland, as well as donations, only constituted 7 % of total income. Bearing in mind, that the EUROPEAN SCRIPT FUND started with a lot of donors who resigned one after the other within the last years, Roland Berger & Partner state, that these financial sources should be revitalised - especially given that the SCRIPT's action line is nearly totally exhausted.



In 1991 and 1992 reflux contributions as a portion of total income amounted to only 4 %. If repayments based on the too optimistic assumptions of SCRIPT's management occurred (average weighted 33 %), reimbursements amount to 25 % in relation to total costs. 25 % plus 6 % contributions from others amount to a self financing share of 31 %. As assumed above repayment share and thus self-financing share seem to be much lower.

SCRIPT apportions overhead in management/administrative costs (40 %) and activity costs (60 %). Management/administrative costs only include office rent and all related premises costs, personnel administration and the council of management meetings. Activity costs cover the indirect and direct development support and include:

- Staff time spent on advising and supporting clients ranging from advice on Writers Agreements, Options and Rights in contracts. Within this creative support involves matching creative partners and the services of script editors, translators and raising production finance.
- Freelance and consultant readers and advisors covering selection and progress after funding
- Travel costs related to applicant interviews and attendance at festivals for that purpose
- Publicity and advertising costs which are project orientated
- Office costs, printing, postage, fax, telephone, etc directly related to supplying applicants with information.

As mentioned above 20 % of activity overhead (ECU 541,000) are spent for application and selection only within the single project funding. An effective preselection mechanism would help to reduce these costs.

Another big part of overhead is spent for public relations. For all activities SCRIPT spent for presentation and publicity as well as for management lobbying' ECU 503,000 or another 19 %. Given that SCRIPT's establishing phase is finished the public relations costs should be cut down. Consolidation in this field is highly recommended.



In conclusion Roland Berger & Partner state it is crucial that SCRIPT reduce overhead in future.

### *Reaching of aims*

In the view of professional circles, SCRIPT achieved the best marks of all MEDIA projects. With 91 % it has the highest awareness of all MEDIA projects. It also received one of the highest scores for meeting market needs and quality of management.

The EUROPEAN SCRIPT FUND has shown its ability to develop projects which are successful in the public eye, but it has not yet reached an overall satisfactory critical mass. To date, 11 % of all supported scripts have achieved production. EUROPEAN SCRIPT FUND's ultimate goal should be to reach a sort of critical mass with 20-25 % of finally produced scripts - even if the generally-accepted European industry average is 10 %. Already the "Stories come first" study argues that 20 to 25 productions for every 100 scripts was a realistic expectation. However, one can state that with 16 % of SCRIPT projects funded in 1990 entering production in the last two years SCRIPT is on its way to reach this ambitious goal.

Apart from the obvious direct impact SCRIPT has had in helping films and programmes to be made, there have been three important "invisible" effects on the industry:

1. SCRIPT's activities have heightened the debate about development in Europe, and helped to foster the emergence of national development agencies. As a result, now the development stage is valued more highly in Europe.
2. As the EUROPEAN SCRIPT FUND was one of the first projects of the MEDIA initiative. SCRIPT calls itself sometimes the "midwife" of the MEDIA programme. Coordination between SCRIPT and other projects remains effective and productive.
3. The pedagogical effect of SCRIPT advances a more economically-viable industry through strengthening writers' commitment to producer-led projects and encouraging a broad European and international view among writers/producers as opposed to a single country, monocultural view.



To this regard, the EUROPEAN SCRIPT FUND has even exceeded its original aims. However, today SCRIPT needs strategic reorientation in order to concentrate on its chosen aim, to stimulate development packages for cross-border fiction projects.

In conclusion, Roland Berger & Partner can state that the EUROPEAN SCRIPT FUND has reached its aims excellently.





## **9. DOCUMENTARY**

## Synoptical table DOCUMENTARY

### Project aim

Stimulating of development and promotion of high quality creative documentaries with a potential for international distribution

### Organization

based in: Copenhagen

founding date: 5/91

started work: 9/91

Staff: 4 fulltime employees (Copenhagen)

body	members	election
<ul style="list-style-type: none"> <li>● Board of directors</li> <li>● Executive committee</li> <li>● Expert committee</li> </ul>	14 5 6 of 24	Founding partner/2 years Board/1 year Board/2 years

### Income- / cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	1.700
other partners	294
reflux from beneficiaries	60
interests	-
fees for training/studies etc.	-
<b>total</b>	<b>2.054</b>

Costs (thousand ECU)	
overhead	603
● personnel costs	340
● material costs	255
activities	1.389
<b>total</b>	<b>1.992</b>

MEDIA/total income:	83%
other partners/overhead:	49%
reflux/total income	3%

overhead/total costs:	30%
personnel costs/overhead:	56%
promotion costs/overhead:	5%

source: RB&P analysis

## Synoptical table DOCUMENTARY

### Project activities 1991-1992

activity	tool	% of budget for activities
Project development	soft loan	71%
Promotion packaging	soft loan	29%
Database	-	(4,5% of overhead)

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
Project development	981	1.550	61%	22.442
Promotion packaging	407	669	62%	1.076
Database	25	25	50%	-
<b>total</b>	<b>1.413</b>	<b>2.244</b>	<b>61%</b>	<b>23.518</b>

source: project

\* thousand ECU

### Selection system

- Steps:**
1. Eligibility check by applications coordinator
  2. Awarding of priority points per criteria
  3. Final selection by expert committee and approval by executive committee

- Criteria:** Semi automatic system for both loan categories
1. Quantitative criteria (specific preconditions) (5% out)
  2. Qualitative objective criteria (priorities) (35% out)
  3. Qualitative subjective criteria for expert evaluation

## Synoptical table DOCUMENTARY

### Results

#### 1) Financing activities

a. applications/support (volume)			
\	Applications (No.)	Support (No.)	Support/Appl. (%)
Project development	491	98	20%
Promotion packaging	187	101	54%
<b>Total</b>	<b>678</b>	<b>199</b>	<b>29%</b>

b. applications/support (value)			
\	Applications (MECU)	Support (MECU)	Support/Appl. (%)
Project development	2.53	0.98	39%
Promotion packaging	1.08	0.41	38%
<b>Total</b>	<b>3.61</b>	<b>1.39</b>	<b>39%</b>

#### 2) Research activities

studies		
Topic	distrib. copies	costs
TV market in Europe for documentaries	(not yet finished)	-

database		
Topic	No. of requests	costs
2.200 data in the documentary field (broadcasters organisation, producers)	ca. 500	app. 27.000

**Synoptical table  
DOCUMENTARY**

**Evaluation by professionals**

Awareness (%)	Meeting needs of the audiovisual sector (Score*)	Quality of project (Score*)
63%	2,47%	2,16%

\*0 = poor, 1 = fair; 2 = good; 3 = excellent



## 9. DOCUMENTARY

### *Organization*

The founding committee constituted the first board of DOCUMENTARY. All board members are industry professionals of the independent documentary sector in their respective countries, but do not represent any association. They were personally chosen by the responsible for the IVENS project who had been for the first three months the secretary general of DOCUMENTARY. Board members are appointed for a two year term and may be reelected for another term of two years. In contrast to other projects, DOCUMENTARY has no general assembly in charge of appointment and controlling functions. One can state that the appointment of new board members (which is to be excepted for September 1993 after two years of the projects' functioning) should be intensively controlled by the founding partners.

The selection of projects within each individual project activity is made by experts from the DOCUMENTARY expert panel, consisting of two experts from each member country. The outplacement of selection decisions from DOCUMENTARY's internal organization - which are then submitted for board approval - can be judged as good. Board members and members of the expert committee are strictly separated. Thus tasks are clearly divided and no conflicts of interest can be assumed.

Bearing in mind the professional background of the board members, the expert committee and the staff, DOCUMENTARY sets a good example for the MEDIA programme's approach to be a programme of "professionals for professionals".

Since January 1, 1993, DOCUMENTARY operates out of only one office in Copenhagen. Prior to that, there was a split in DOCUMENTARY's activities between Amsterdam and Copenhagen. The assumption of the promotion activities, previously directed from the Netherlands, by the Danish main office can be judged as good. Concentrating all administration in one place has yielded increased efficiency.



### *Activities/results*

DOCUMENTARY's main activity is granting conditionally repayable loans for Project Development and Promotion Packaging. With the granting of loans to 20 % of the applicants for Project Development and 54 % for Promotion Packaging in terms of volume, one can state that DOCUMENTARY reaches good critical mass. The lower percentage within the Project Development is due to relatively strict preconditions.

DOCUMENTARY incorporates two more activities within the field of research.

The DOCUMENTARY database gives it the possibility to assist independent producers when seeking information concerning coproduction partners, markets, festivals, professional advice, etc.. Furthermore DOCUMENTARY assists producers to secure production funding by establishing contacts to commissioning editors and other potential financiers. The project management does not think that it is appropriate to charge any fees for the use of the databank. DOCUMENTARY sees its tasks in providing development support for documentaries in the way SCRIPT assists fiction projects.

The establishment of a market study of the European documentary TV market can be judged as a very useful and important undertaking. Maybe information exchange could be intensified with other MEDIA projects. As the person who is in charge of conducting the study is paid by the Danish government, there are no costs for DOCUMENTARY.

To complement the already existing activities, DOCUMENTARY plans two new activities. This is the launching of an international documentary magazine on the one hand and on the other hand the organizing of a forum for international co-financing of creative documentaries. For the latter, measures already have been taken by MEDIA Brussels to reserve ECU 200.000 for organizing the forum together with DOCUMENTARY, MAP-TV, EURO AIM and concerned professionals like broadcasters. As a measure to secure better market access for documentaries the "forum" can be judged as an important step.



The Project Development and the Promotion Packaging seem to have a good visibility within professional documentary circles. The Promotion Packaging is less well-known. The quality of the activities as managed by the project staff, are also evaluated as good and in some cases even as excellent by the professionals. All interviewed professionals (beneficiaries and non-beneficiaries) agreed that DOCUMENTARY's activities meet the needs of their specific sectors. However, since no future growth may be expected in the finished film market, DOCUMENTARY should consider reallocating Promotion Packaging funds for Project Development.

#### *Selection system/control*

The initial concern that DOCUMENTARY would be overwhelmed with applications and projects, was not realised. It can be said, that with both activities, DOCUMENTARY reaches a critical mass and can justify the kind of selection system it uses.

The semi-automatic selection system applied for both loan categories can be judged as effective and efficient. Right from the beginning DOCUMENTARY tried to develop a system as automatic as possible, in order to be able to give a business judgement on applications and not a purely artistic and qualitative one. Furthermore, there were cost and time reasons why DOCUMENTARY decided to establish a semi-automatic system. Already involving experts at the first stage would have cost too much time and money.

Thus DOCUMENTARY developed a threshold system with three different stages. After two automatic first stages, in the loan definition sessions, the experts use qualitative, subjective criteria to make the final decisions with loans of maximum ECU 15,000 for Project Development and ECU 5,000 for Promotion Packaging but not more than 50 % of the development or promotion budget. In professional interviews, it was often mentioned that the funding sum is rather low and producers would prefer to apply to MAP-TV, which gives loans up to ECU 40,000 and is seen as much more flexible with the repayment deadline.

Considering that the average loan granting of the European SCRIPT Fund was ECU 20,000 per project development for a fiction project, the maximum amount of ECU 15,000 seems to be appropriate for a project development loan for documentaries. The fact is that independent producers' calculations will usually exceed the maximum funding.





The applications must be delivered in English or French, which was criticised several times by those interviewed. It is DOCUMENTARY's policy, that if people want to work internationally, they must at any rate concentrate on either English or French. We agree with that.

DOCUMENTARY's goal is to educate producers toward working internationally, making links across frontiers, and forming international partnerships. Therefore, DOCUMENTARY wants above all to support internationally experienced producers. In some cases, as e.g. in Portugal or in Eastern Germany, documentary producers are not that experienced in international production or selling of documentaries. DOCUMENTARY's rules are very strict. It then asks the producer to co-produce with somebody who has substantial knowledge of the international market. This has already happened several times. Taking DOCUMENTARY's aims into account, this strict approach can be judged as good. With respect to the extraordinary situation in Eastern Germany, DOCUMENTARY has begun to consider making an exception to the selection criteria for this special case.

Some interviewees perceive a contradiction between the selection criteria of being a first time director and at the same time an experienced producer - especially considering that in the documentary sector producers and directors are mostly the same persons. DOCUMENTARY does not see a contradiction in these two criteria. Most projects therefore cannot receive the maximum points. Furthermore, until now, the percentage of first time directors has been very low.

The special character of documentary's buyers (90 % TV broadcasters) means that a letter of interest at the application stage can be judged a good indicator of a proposal's economic potential. Economic potential is an important selection criterium for the proposed production.

Taking into account the two most important criteria, international orientation (at least in the past and hopefully for the future) and business potential, we can say that the selection criteria of DOCUMENTARY are appropriate.



### *Control mechanism*

The payments for both loans, Project Development and Promotion Packaging are made in two instalments. 75 % of the money is given after having signed the contract. The other 25 % is given for the Project Development loan on the first day of principle photography and for the Promotion Packaging loan after the sales report of the film project (16 months). The secretary general is himself in charge of controlling for the development and promotion activities of the documentary producers by help of a milestone system. In the judgement of the project management, the control mechanism functions excellently. Until now, there have been no problems getting all the information required from the producers. The beneficiary commits himself to complete his project in conformity with the milestone's control mechanism. Already upon signing the contract, the beneficiary agrees that an immediate refund of the support will be required in the event of non-compliance with the contract's terms. This has not happend to date.

Concerning repayment, the Project Development loan has to be paid back, at the latest, 6 months after first day of principal photography. Concerning Promotion Packaging, it has to be repaid from first income from sales after the producer has recovered his own costs. This schedule is based on the feasibility study. Other board members confirmed this timetable for considerations of liquidity. It could be judged as a little too rigid. For the Promotion Packaging, the reason of paying back from the first income after the producer has recovered his own money, is that DOCUMENTARY wants to encourage producers to invest in sales efforts. In general, both repayment deadlines are judged as fair by the beneficiaries.

Looking at the Project Development status in March 1993, results show that three films have been already finished. Seven films are currently in production. Four are expected to go into production in March. From the finished films and films currently in production, approximately ECU 60,000 will have been paid back by the end of March 1993. Taking into account loans granted of nearly MECU 1, this represents 6 %. But we must admit that it is too early to give any definite conclusions regarding reimbursement. The project management counts four reimbursements of Project Development's loans of approximately 35 %.



The following reasons are given: DOCUMENTARY tries to work together with experienced producers who already have international experience. In accompanying the development of the documentary projects, they make sure that projects are developed and that they will have a market. The third reason is the reimbursement system itself, which allows the possibility of repayment at a reasonable point of time and level.

If we take into account that the normal reimbursement percentage of the regional film support systems in Germany is between 12 and 18 %, the expectations of DOCUMENTARY for reimbursement of the Project Development loans seem very high. On the other hand, due to DOCUMENTARY's image in professional circles (it was rather often perceived as being a 'bank') a much higher percentage of repayment can be estimated. It is also a question of educating the sector.

For the Promotion Packaging, it is too early to estimate the potential for reimbursements, because the loan recipient has to submit a sales report only until 18 months after the transfer of the first instalment. The Promotion Package loan must be reimbursed from first sales income after the producer has recouped his own investment in promotion. To date, one loan has been 100 % reimbursed.

#### *Income/cost structure*

Within DOCUMENTARY's cost structure, overhead costs of 30 % as well as personnel costs as a portion of overhead and of total expenditures can be estimated as rather high. Surely one reason is the split-up of activities between Copenhagen and Amsterdam which has led to more costs than one location normally would have had. With the concentration of activities at one location in Copenhagen, overhead costs are expected to diminish. Another reason for the high percentage of overhead is that database activity counts within the overhead cost.

Concerning self-financing of DOCUMENTARY, we can state that if the expected and estimated percentage of reflux will be obtained - on the basis of the actual income/cost structure - DOCUMENTARY will be able to cover nearly 40 % of its total income from sources outside of MEDIA. This is likely to be possible within the next years.

Danish and Dutch authorities assumed 49 % of overhead costs.



### *Reaching of aims*

The results of the questionnaire for DOCUMENTARY loan recipients, evaluated by DOCUMENTARY, showed the great majority of respondents saying that the project development loan gave them the possibility to concentrate on the best possible development of the project. Other opinions from our interviews stated that it takes much more time to do the film and means a reduction in quality. Roland Berger & Partner state, based on these results, DOCUMENTARY is on the best way to stimulate the development of creative documentaries.

DOCUMENTARY's recognition rate of 67 % can be judged rather high if one takes into consideration DOCUMENTARY's small target group. In the view of the professionals, DOCUMENTARY meets market needs with a 2.5. The quality of the DOCUMENTARY project was judged as 2.2. These are comparatively high figures. Even non-beneficiaries respect the quality of DOCUMENTARY: "DOCUMENTARY is a very engaged and nonbureaucratic team, doing a good job."

Concerning the aim of encouraging and stimulating a change in the industry, we can state that DOCUMENTARY supports the international orientation of TV broadcasters. All these partnerships are still very young, but these kind of projects can be more successful in the future.

Roland Berger & Partner point out the efficient running of the whole project. DOCUMENTARY delivered one of the best and clearest reports to the auditors. DOCUMENTARY was one of some projects whose control and accounting were characterised by clarity, thoroughness and accessibility.

In conclusion, Roland Berger & Partner can state that DOCUMENTARY reached its aims excellently.

## **10. SOURCES**

## Synoptical table SOURCES

### Project aim

Creating inspiring and stimulating sessions for professional screenwriters and film/television makers in Europe during the development of their scripts

### Organization

**based in:** Amsterdam

**founding date:** 10 /92

**started work:** 10 /92

**Staff:** 3 full time employees

body	members	election
● Board of governors	6	Steering committee/2 years
● Executive committee	3	Board of governors
● Participants' council	12	Steering committee

### Income- / cost-structure 10/92-10/93

Income (thousand ECU)	
MEDIA	880
other partners	848
reflux from beneficiaries	-
interest	
fees for training/studies etc.	31
<b>total</b>	<b>1.759</b>

Costs (thousand ECU)	
overhead	384
● personnel costs	157
● material costs	227
activities	1.376
<b>total</b>	<b>1.760</b>

<b>MEDIA/total income:</b>	50 %
<b>other partners/overhead:</b>	221%
<b>reflux/total income</b>	- %

<b>overhead/total costs:</b>	22 %
<b>personnel costs/overhead:</b>	41 %
<b>promotion costs/overhead:</b>	6 %

source: RB&P analysis

## Synoptical table SOURCES

### Project activities 1991-1992

activity	tool	% of budget for activities
training	financial assistance	85 %
individual script doctoring	service	6 %
database	financial assistance	6 %
participation in other activities	service	3 %

activity	MEDIA1) contribution*	other contribution*	other contr./ total budget in %	mobilization effect*2)
training	728	728	50 %	5.824
individual script doctoring	54	54	50 %	432
database	23	23	50 %	-
participation in other activities	-	-	-	-
<b>total</b>	<b>805</b>	<b>805</b>		<b>6.256</b>

source: project

1) 10/92-12/93

2) RB&P rough conservative estimates

\* thousand ECU

### Selection system

- Steps:**
1. Treatments and scripts registered and sent to national coordinator by secretariat
  2. Scripts are read and shortlisted by national coordinator
  3. Assessment of scripts by secretary general
  4. Interviews with applicants
  5. Assessment by scriptdoctors and final decision together with SOURCES

**Criteria:** Purely qualitative with focus on experience, reliability of writer and cross border appeal and production potential of project

**Synoptical table  
SOURCES**

**Evaluation by professionals**

Awareness (%)	Meeting needs of audiovisual sector (Score*)	Quality of project (Score*)
28 %	1,64	1,50

*\*0 = poor; 1 = fair; 2 = good; 3 = excellent*





## 10. SOURCES

SOURCES is an acronym for **Stimulating Outstanding Resources for Creative European Screenwriting**. The objective of SOURCES is to contribute to the further development of a successful European audiovisual industry by training professional screenwriters.

### *Organization*

The project SOURCES is one of the most recent projects within the MEDIA programme.

In June 1992, a steering committee was convened which served until the end of SOURCES' organizational phase in December 1992. Since then assessment has been performed by three distinct committees: the board of governors, the executive committee and the participant's committee.

The SOURCES steering committee (also founding board) has appointed the first participants' council, board of governors and executive committee as well as the secretary general. The establishment of an advisory committee is anticipated. However the structure of the committee remains to be defined in the participants' council. The advisory panel will consist exclusively of professionals focusing on the artistic and not the political level.

In the SOURCES' current organizational structure, there are several dual appointments: all members of the board of governors are members of the participants' council. Per definition all members of the executive committee are members of the board of governors. It is too early to draw conclusions as to the consequences of such overlapping structures for the projects' work.

Roland Berger & Partner want to point out, that in future appointments to all available positions should be spread more widely. More decision-makers should be involved in the organization and management of the SOURCES project.

With a change in the appointments to the participants' council one could think of integrating an advisory panel into the council to avoid excessive structural complexity.



### *Activities/results*

SOURCES' intention is to create practical models for training. This should further stimulate the vital resource of screenwriting which is essential to the development of the European audiovisual industry. Therefore a structure of workshops ~~aimed at screenwriters who have completed a script but need to refine it in the preproduction or production phase~~ will be developed.

In this respect, SOURCES will offer two main activities:

- training workshops
- support activities

### *Training workshops*

Two series of scriptdoctoring workshops will be set up for two different phases of script development. The first series of workshops aims at the development of treatments and draft scripts with production potential. The writer is trained in close contact with other leading creative disciplines involved in the film and audiovisual production. This workshop is a writer-oriented project.

Since the pilot workshop will only begin in May 1993, there are as yet no results on which to base an assessment of SOURCES. The first session will be held in Amsterdam from May 25 to June 3, 1993. The second session will take place from September 17 to September 24, 1993.

The second workshop aims at the development of a script during preproduction. This is a producer-oriented project. One general session unites writers from several European teams and is partially attended by producers. The two individual sessions that follow will be performed by an international team of flying "scriptdoctors".



### *Support activities*

Support activities are divided into two main activities.

- individual support for a specific script or by a specific director or writer
- information support as through collection of information on training and financing of screenwriters (database) and by stimulating a European network of screenwriters.

The individual script doctoring includes placement for writers who want to be attached as a "trainee" to a specific director or writer. Also placement to link writer/producer teams and script analysts for individual script doctoring is foreseen.

The information support activity consists of collection of information on training and financing of screenwriters. It is planned to set up a database which can provide all training possibilities in Europe. Information collection can begin with that available through other MEDIA projects and in close contact with MEDIA-Desks and antennae. This information support activity is intended to create a European professional screenwriters network.

SOURCES plans two more optional support activities following a pilot phase.

Seminars are planned, developed in cooperation with the MEDIA BUSINESS SCHOOL to strengthen screenwriters' professionalism and business skills. Screenwriting courses are to be supported which are considered to be the most European in outlook and/or best serving of local community needs. This is still the province of SCRIPT but, could be formalised in cooperation with SOURCES.

Furthermore, the steering committee of SOURCES and SCALE agreed to develop a common screenwriting programme (Scriptcraft) The pilot phase of scriptcraft has already started within the framework of SCALE. Scriptcraft's further development as a small countries' programme of SOURCES is planned following the pilot phase.

It is obvious and can be judged as good, that SOURCES already from the beginning planned to work very closely with other MEDIA projects like the EUROPEAN SCRIPT FUND, the MEDIA BUSINESS SCHOOL, EAVE, EURO AIM and SCALE.

Roland Berger & Partner propose also in the future that SOURCES should closely examine links to these other MEDIA projects, in order to avoid duplicating efforts and costs or inefficient functional overlap. Regarding the extension of its activities SOURCES should remember its starting point: Alfred Hitchcock's dictum "The script, the script, the script" and focus on training in screenwriting skills.

At the current moment, SOURCES is run by a small and flexible secretariate. One can assume that were all the planned new activities to be implemented, the staff would increase and the secretariat could lose its flexibility.

#### *Selection process/control*

The SOURCES selection system was established in close cooperation with SCRIPT and overtook a big part of its elements. Having in mind the relatively high overhead costs of SCRIPT's selection process, we can say that SOURCES should keep those costs under control right from the beginning.

As the first deadline for the first writer-oriented workshop is on March 22, 1993, it is much too early to evaluate the functioning of the selection process. This will depend greatly on quality and character of the scripts delivered to SOURCES and the work of the script analysts. A two-month period for selecting the projects is from the selectors' point of view very tight. This seems reasonable and favours applicants who want to continue work on their scripts.

One of the problems seen at the beginning was the selection of national coordinators. To date, nearly all national coordinators have been nominated. The secretariat has been able to find candidates in every language region with the assistance of the respective participants' council member experts.



The SOURCES project management expects about 70 % of the treatments and draft scripts handled within workshop one (writer-oriented workshop) to be realised/produced. SOURCE expects approximately 90 % of scripts from workshop two to go into production. The same applies to individual script doctoring within SOURCE support activities. The management bases this high estimate on the expectations that applicant support will take place as late as the preproduction and even production stages. A script's final production is heavily dependent upon the writer's or producer's experience, reputation, track record etc. This makes the potential effectiveness of the workshop very difficult to prognosticise.

As only qualitative and mostly subjective criteria are taken into account for the selection of applicants, SOURCES has to apply a very strict control mechanism to evaluate its results. The project management is aware that it is very important that contact between SOURCES and the scriptwriters after the workshops be maintained to observe improvements in the scripts and their final release if filmed. A newsletter to report project progress may be an appropriate means to satisfy this need.

#### *Income/cost structure planned*

In the period from October 1, 1992 to December 31, 1993 the project SOURCES will receive MECU 1.1 from MEDIA Brussels. The financial part of the draft proposal for a MEDIA programme on screenwriting provides: "Income will be guaranteed through the activities, sponsors, mediation for script doctoring etc." SOURCES budget foresees at least 5 % of SOURCES' total income coming from local authorities (Dutch Ministry of Cultural Affairs, Dutch Federation for Cinematography). Other private and public partners are supposed to contribute approximately 43 % to the overall budget. Fees for training and education will account for about 2 % of the total income. Thus 50 % of the total income is planned to come from other sources than MEDIA.

At the same time, overhead costs are 22 % of total expenditures.

Personnel costs in relations to total costs account for only 9 %. This is a reasonable percentage. The travel expenses will for nearly 30 % of the overhead which seems rather high. The personal interviews planned with the applicants could be reduced to only those cases where the script analyst and the secretary general still have doubts about the applicant.



With the regard to financing of the SOURCES activities which will be about ECU 860,000 for all activities from October 1992 to December 1993, the project management of SOURCES is aware, that the participants' contributions (ECU 1,000 for a workshop participation) will never cover total costs. Thus, SOURCES has to look for co-financing in public and private circles. SOURCES relies on at least matching funds for 96 % of the MEDIA contribution. Roland Berger & Partner see the matching funds efforts to this degree as very complicated. For the first workshop which is going to take place in May 1993 in Amsterdam, additional funding is very likely to come from the national film institute. The Dutch National Film Museum will contribute facilities for the workshop. Roland Berger & Partner hope, that the management of SOURCES will be successful, in matching funds in the volume needed.

In view of the 50 % rule, Roland Berger & Partner consider, that for the moment only 24 % of the overhead cost will be paid by Dutch authorities.

Regarding the 50 % rule, for activities the SOURCES secretariat expect that all external contributions (fees, travel expenses from participants, public and private contributions) will match the sum contributed by MEDIA. At present, it is too early to evaluate this.

#### *Reaching of aims*

SOURCES has only been in operation for a very short time. So it is difficult to evaluate how this project has reached its aims. The only points Roland Berger & Partner could evaluate in that stage is the overall approach of its organization. The fact that the establishment of the project and the development of guidelines was organised in very close cooperation with the EUROPEAN SCRIPT FUND, gives us the impression, that SOURCES is on the right track. Another indicator for a good working basis is that a detailed feasibility study was carried out, before the project was set up.

Roland Berger & Partner see two big challenges for SOURCES in the future work.

- To avoid excessive fragmentation of activity, leading to huge amounts of administration means and costs.
- The need to generating extra funds and the need to look for potential co-financers, in order to carry out their workshops. This coincides with fulfilling the 50 % rule.

Currently, SOURCES is not yet very well known within professional circles. It has only a 30 % recognition rate among persons interviewed. Those people who were aware of SOURCES project, did not judge the need of the project very high. Professionals only categorised SOURCES with 1.6. These low figures should not be overestimated, SOURCES had just started, and knowledge about the project is not yet very well established within professional circles.

On the other hand the interest in this project seems to be high: The percentage of inquiries for SOURCES at the MEDIA-Desks and Antennae throughout Europe lies at a rather high rate with 6.4 %.



## **11. CARTOON**



## Synoptical table CARTOON

### Project aim

Strengthening European animation film industry by encouraging the formation of networks, harmonizing and computerizing production methods, supporting preproduction and developing an information system

### Organization

based in: Brussels

founding date: 2/1988

started work: 9/1988

Staff: 13 (12 full time)

body	members	election
● General assembly	36	—
● Board of directors	14	General assembly, 3 years
● Council of management	3	Board of directors, 3 years
● Selection committee	5	Board of directors, 1 year

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	7.852
other partners	570
reflux from beneficiaries	0
interest	0
fees for training/studies etc.	17
<b>total</b>	<b>8.439</b>

Costs (thousand ECU)	
overhead	2.615
● personnel costs	1.344
● material costs	1.271
activities	5.832
<b>total</b>	<b>8.447</b>

<b>MEDIA/total income:</b>	93%
<b>other partners/overhead:</b>	22%
<b>reflux/total income</b>	0%

<b>overhead/total costs:</b>	31%
<b>personnel costs/overhead:</b>	51%
<b>promotion costs/overhead:</b>	17%

source: RB&P analysis

## Synoptical table CARTOON

### Project activities 1991-1992

activity	tool	% of budget for activities
1. Pre-production aid	soft loan	33%
2. Studio grouping	financial assistance	34%
3. Training	financial assistance	13%
4. Cartoon Forum	service	16%
5. Information	service	3%
6. Cartoon d'Or	financial assistance	1%

activity	MEDIA <sup>*/**</sup> contribution	other contribution <sup>*</sup>	other contr / total budget in %	mobilization effect <sup>*</sup>
1. Pre-production aid	2.019	4168	67%	29.813
2. Studio grouping	2.092	2319	52%	36.533
3. Training	775	2126	73%	-
4. Cartoon Forum	799	765	49%	128.800
5. Information	435	153	26%	-
6. Cartoon d'Or	136	-	0%	-
<b>total</b>	<b>6.256</b>	<b>9.531</b>	<b>60%</b>	<b>195.146</b>

source: project

\* thousand ECU \*\*includes overhead costs

### Selection system

#### 1. Pre-production aid

Steps: Project managers check CARTOON's criteria. Selection committee selects productions

Criteria: Quality of the production, financial soundness and market potential

#### 2. Studio grouping/Cartoon forum

Steps: No selection but applicants have to meet CARTOON's criteria

#### 3. Training

CARTOON expert expresses his opinion about applicants

## Synoptical table CARTOON

### Results

#### 1) Financing activities

applications/support (volume)			
	Applications (No.)	Support (No.)	Support/Appl. (%)
Pre-production	303	77	25%
Studio grouping	8	8	100%
Training	39	35	90%
<b>Total</b>	<b>350</b>	<b>120</b>	<b>34%</b>

#### 2) Studio grouping

	Created date	Supported since	Cartoon expenditures (thousand Ecu)		Total group turnover (thousand Ecu)		Total number of staff		Program hours completed		Cartoon evaluation*
			1991	1992	1991	1992	1991	1992	1991	1992	
EVA	Nov. 89	Nov. 89	150	200	3524	5106	165	130	4h32	7h06	3
Triangle	Sep. 90	Sep. 90	190	200	3118	3444	225	251	7h00	7h47	3
E Toons	Jan. 90	Jan. 90	120	160	1137	1570	67	82	2h10	3h11	3
European Animation Circle	Mar. 90	Mar. 90	140	210	1578	1784	78	70	1h05	1h10	1
Paloma	Sep. 91	Sep. 91	55	100	4601	5144	188	308	3h38	5h57	2
Hermes	Oct. 90	Oct. 90	25	100	2429	3104	94	114	4h41	7h22	1

\* 0 poor 1 fair 2 good 3 excellent

## Synoptical table CARTOON

### 3) Research activities

studies		
Topic	distrib. copies	costs
500 European animation films „CARTOON Bible“ (technical handbook) „CARTOON newsletter“ published 6 times per year	9.000	88.000 ECU*

database		
Topic	No. of requests	costs
Studios, professionals, schools, festivals, journalists, broadcasters etc. of the animation film industry	ca. 2.000	100.000 ECU*

\* estimation

### 4) Training activities

	1991	1992
supported trainings	15	20
persons trained	223	282
total training days	1447	1716
<b>main topics:</b> Animation (42%), preparation (20%), new technologies (26%) and other (12%)		

### Evaluation by professionals

Awareness (%)	Meeting needs of the audiovisual sector (Score*)	Quality of project (Score*)
81%	2,47	2,29

\*0 = poor; 1 = fair; 2 = good; 3 = excellent

## 11. CARTOON

### *Organization*

CARTOON's organization has a truly European character. In every EC country, there are national committees representing the professionals of the respective national animation film industry. All of them become associate members of CARTOON and elect three full members to the general assembly of CARTOON. This means that members of the general assembly rotate periodically. All members of CARTOON's bodies are professionals from the animation film industry, except the two representatives of public institutions (CNC, Ministry of the French-speaking community of Belgium). One should add that some of CARTOON's body members have been supported by CARTOON. Roland Berger & Partner and CARTOON concur that the real success of CARTOON, which is in fact the "European association of animation film", is to be represented by the most respected professionals within the European animation film industry. But nevertheless, CARTOON is financed almost entirely from public money. Hence, more transparency is necessary and care should be taken that some body members do not benefit disproportionately from the CARTOON budget.

To illustrate the involvement of the whole European animation film industry in CARTOON, we can cite a good example: We received from CARTOON a list of "projects that have not received preproduction support" containing eight studios. We contacted four of them. One is a board member of CARTOON. Another is a member of CARTOON. Two others had actually been refused for one of their projects, but had received CARTOON preproduction support for other productions.

Three members of CARTOON's selection committee are representatives of large European broadcasters (at present ARD, Canal + and BBC). Roland Berger & Partner judge that the professional background and experience from the demand side contributes an added value to the selection process and ensure only productions to be developed with real market potential will be selected.

Roland Berger & Partner can state that the CARTOON staff is characterised by its professional base, enthusiasm and solid ties to the animation film industry. This has seemingly positive effects on CARTOON's performance.



### *Activities/results*

To measure results of the preproduction aid is rather difficult. Production usually takes at least four years, frequently longer to complete. Nevertheless, eight productions that had been supported during the pilot phase, are currently in production or are being marketed.

Professionals state that CARTOON's preproduction aid is a very important step toward production completion. If CARTOON funds a production, broadcasters are more willing to invest in a production. CARTOON's decision is seen as a pedigree.

One should add that CARTOON's management thinks it is not possible to limit the support of studios within the studio grouping support scheme to three years as previously assumed. The studio groupings, are according to the CARTOON management, unable to hold on without CARTOON's help. Roland Berger & Partner want to mention that in 1992, average support for each studio grouping was ECU 160,000. Initial results of studio grouping show that they are an important step toward industrialization of the animation film industry. They give studios the opportunity to produce high quality series and feature films using the facilities and capacities which enable them to complete productions in a limited time. However, Roland Berger & Partner judge CARTOON's limited budget should be used for other new studio groupings. Supporting studio groupings longer than 3 years should be proved very carefully having in mind the "seed capital" principle. A three-year period with an enormous support should be enough to build up the studio groupings; to establish a close cooperation; to find ways to limit cooperation costs and to show evidence that the higher costs of joint production are covered by the added value given to all studios thanks to the grouping.

With regard to the CARTOON forum, CARTOON's contribution increased by 138 % from 1991 to 1992 whereas the number of projects presented decreased slightly from 72 to 60. Costs could probably be lowered. Anyway the first results for the CARTOON forum are impressive and show that the annual CARTOON forum has been established as the most important place for animation film producers to find financing.

### *Selection process/control*

Roland Berger & Partner assume that more transparency about the involvement of body members is needed. E.g. one member of the general assembly is not only the owner of a studio that is supported by CARTOON's studio grouping, but has been a frequent recipient of preproduction aid who has also organised three CARTOON supported training sessions. He has also been supported through several other MEDIA projects. Roland Berger & Partner can state that this practise is not a problem in itself, but requires clearer control and transparency.

Concerning studio grouping, Roland Berger & Partner assume that involvement of studios from at least three member countries of CARTOON is unnecessary. Maybe it leads to better access to the domestic markets of the respective studios but it increases coordination costs. If CARTOON wants to achieve truly industrial structures, greater concentration of capacity is needed. We want to mention that no clear criteria exist for selecting studio groupings.

CARTOON requires all dossiers in French and English. Roland Berger & Partner assume this might be an obstacle for some professionals.

Completing the supported productions within the preproduction aid scheme is provided by the payment provisions. Only 50 or 80 % (depending on the type of preproduction aid) of the amount awarded is paid upon signature of the contract. The second and third payment are only made, if the producer shows evidence of the preproduction's progress. Nevertheless, the producer is charged no penalty, if preproduction is not completed. For this reason, the first payment may be lost in some cases without any result.

CARTOON started with granting preproduction aid in 1989. CARTOON had not received a single repayment until the end of 1992. This is due to the fact that the producer need not repay the loan when production starts (as with SCRIPT). Repayment is first due when the producer receives the first gross operating receipts. Usually the producer delivers his first repayments after three to 12 years from the loan awarded by CARTOON. Roland Berger & Partner propose that CARTOON should adopt SCRIPTS repayment provisions to expedite repayment. Anyway, two producers should have repaid loans in 1992.



Surprisingly CARTOON's management argues more from the professional point of view than from the EC's point of view concerning repayments ("we should not become a bank").

CARTOON expects a 30 to 35 % reimbursement rate from projects that complete preproduction. This seems very optimistic. First of all, there are productions which do not complete preproduction stage. Secondly, the 30 to 35 % are based on the assumption that a third of the projects which received aid are completed and result in the production. This assumption seems very optimistic because not all productions that complete production will deliver repayments. Based on this, Roland Berger & Partner estimate that the repayments will be lower and will only occur after at least four years.

#### *Income/cost structure*

CARTOON's overhead is one of the highest of all MEDIA projects (MECU 2,6 in 1991 and 1992). CARTOON's office is an independent house with four floors. CARTOON employs 12 full time staff. CARTOON spent ECU 726.000 on infrastructure and ECU 457.000 on advertising and promotion in 1991 and 1992. Roland Berger & Partner can say that a strengthening of the overhead could decrease the overhead costs.

The Ministry of the French speaking community of Belgium, the local authority that should contribute substantially to covering the overhead costs had not raised its contribution within the last years. In 1991 and 1992, only 4 % of the overhead were covered by the Ministry of the French-speaking community of Belgium.

However, CARTOON has succeeded in finding other public partners to contribute money to CARTOON. Contributions amounted to ECU 475,000 in 1991 and 1992. But this money went to CARTOON's activities and not to CARTOON's overhead.

Repayments will contribute no significant share of self financing during the next years. E.g. in 1992, only 20 % of the total expenditures of CARTOON's total expenditures were loans awarded. All other expenditures were overhead, subsidies or services free of charge (total fees and charges for services: ECU 17,000 in 1991 and 1992). These contribute nothing towards financing CARTOON. Even if CARTOON's very optimistic repayment estimate is taken into account (35 % see above), CARTOON's repayments will contribute no more than 8 % to total self-financing.



Given all monies from other public authorities, charges for services and repayments based on CARTOON's own estimations (see above: 7 %, 0,2 %, 8 %), CARTOON's percentage of self-financing will not be higher than 15 % during the next years. Since most repayments will not occur before 1994, this share can not be reached before 1995.

### *Reaching of aims*

Roland Berger & Partner can say that CARTOON is the project mentioned by nearly everybody (from professionals, MEDIA committee members etc.), when we asked for structural changes within the audiovisual industry. Roland Berger & Partner agrees on this for several reasons.

Available statistics show that in 1986 European animated film production was approximately 60 programme hours. When CARTOON started, European production was approximately 200 hours. This increase in production was mainly based on the 1982 French governmental action plan which supported the animation film industry. One can say that in the 80's growth in European animation film industry was mainly French. CARTOON has led to increased animation film production all over Europe. Nevertheless most productions completed to date (according to CARTOON 756 hours in 1992) can only be judged as partly initiated by CARTOON. It takes years until productions are completed and CARTOON started work just 4 1/2 years ago (see above repayments). However, interviews with industry experts showed the enormous impact of CARTOON.

Production studio networks were formed. The competitive position of European animated films (feature & series) was strengthened.

CARTOON is well known throughout the audiovisual industry. In the animation film industry everyone is familiar with CARTOON. Its reputation among professionals is excellent and even higher within the target group.

In conclusion, Roland Berger & Partner can state that CARTOON has reached its aims excellently.

## **12. CLUB**

## Synoptical table MEDIA INVESTMENT CLUB

### Project aim

Promoting audio-visual creation and production by means of advanced technologies (digital and computer technologies; European standard HDTV; CD-I and CD-ROM)

### Organization

based in: Bry-sur-Marne-Cedex

founding date: 10/1988

started work: 1989

Staff: 7 (5 full time employees)

body	members	election
● General meeting	12	—
● Council of management	12 + 1	General meeting, 2 years
● Managing committee	3	Council of management
● Technical committee	6 + 4	Council of management

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	8.000
other partners	1.347
reflux from beneficiaries	79
interest	318
fees for training/studies etc.	0
<b>total</b>	<b>9.744</b>

Costs (thousand ECU)	
overhead	1.788
● personnel costs	918
● material costs	870
activities	9.500
<b>total</b>	<b>11.288</b>

<b>MEDIA/total income:</b>	82 %
<b>other partners/overhead:</b>	75 %
<b>reflux/total income</b>	0,8 %

<b>overhead/total costs:</b>	16 %
<b>personnel costs/overhead:</b>	51 %
<b>promotion costs/overhead:</b>	16 %

source: RB&P analysis

## Synoptical table MEDIA INVESTMENT CLUB

### Project activities 1991-1992

activity	tool	% of budget for activities
1. Financing productions - HD-MEDIA - CD-MEDIA - DIGITAL-MEDIA	CLUB is coproducer or grants soft loans	33 % 25 % 20 %
2. Training - HD-TV - MA-IMM - MA-ISCA	financial assistance	5 % 0,5 % 4,5 %
3. Computer Cartoon	CLUB is a coproducer or grants soft loans*	12 %

\* originally and in project's overview counted as financial assistance

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
1. Financing productions	7.284	98.144	93 %	105.428
2. Training	1.457	2.379	62 %	3.836
3. Computer Cartoon	1.200	2.314	67 %	3.372
<b>total</b>	<b>9.941</b>	<b>102.837</b>	<b>91 %</b>	<b>112.636</b>

source: project

\* thousand ECU

### Selection system

(Financing)

- Steps:**
1. CLUB managers check, if applications meet CLUB criteria
  2. CLUB evaluation committee evaluates projects
  3. Selected projects need to receive „patronage“ of at least two CLUB members from different countries
  4. CLUB's council of management selects projects

**Criteria:** Technical quality and feasibility of the production, financial soundness and market potential, creativity in production methods

## Synoptical table MEDIA INVESTMENT CLUB

### Results

#### 1) Financing activities

a. applications/support (volume)			
	Applications (No.)	Support (No.)	Support/Appl. (%)
Financing	378	80	21 %
<b>Total</b>	<b>378</b>	<b>80</b>	<b>21 %</b>

b. applications/support (value)			
	Applications (MECU)	Support (MECU)	Support/Appl. (%)
Financing	32*)	7.455	23 %*)
<b>Total</b>	<b>32</b>	<b>7.455</b>	<b>23%</b>

\* RB&P estimation

	Supported productions		Club expenditures thousand Ecu		Total budget of these projects thousand Ecu	
	1991	1992	1991	1992	1991	1992
▶ HDTV	8	19	1.200	1.800	6.300 (e)	9.900 (e)
▶ CD-I, CD-ROM	9	25	25	1.439	12.600 (e)	16.800 (e)
▶ Special effects, digital and computer techniques	10	9	9	700	26.100 (e)	15.800 (e)
▶ Computer Cartoon	-	3	-	1.200	-	4.370 (e)

(e) RB&P estimation

**Synoptical table  
MEDIA INVESTMENT CLUB**

**2) Research activities**

database		
Topic	No. of requests	costs
CLUB is building a database concerning all projects that have been supported		

**3) Training activities**

	1991	1992
persons trained	135	435
total training days	250	263
<b>main topics:</b> training of production crews, programme managers, decision makers and directors on HDTV; Master degree in computer animation (58 people were trained and found employment)		

**Evaluation by professionals**

Awareness (%)	Meeting needs of audiovisual sector (Score*)	Quality of project (Score*)
56 %	2,06	2,1

\*0 = poor; 1 = fair; 2 = good; 3 = excellent

## 12. MEDIA INVESTMENT CLUB (CLUB)

The recently published report "Production Européennes en Vidéo Haute Définition", jointly prepared by the French Centre National de la Cinématographie (CNC) and consultants Keystone Strategics shows a surprisingly slow rate of HDTV production in Europe when compared to that of the U.S.

This is due to the fact that 80 % of prime time TV-programming series is shot on 35 mm in the U.S. The 35 mm film is itself a HDTV-quality format. Since 1982, Europeans have produced only 340 hours of programming in HDTV. Given CLUB's limited budget Roland Berger & Partner assume that it won't be possible to favour productions shot with the European HDTV standard to an competitive end.

### *Organization*

CLUB's organization is different from most other MEDIA projects (but similar to EMG). 10 private members contribute annually a total of ECU 495,000 to CLUB. Among them are not only enterprises interested in the developing new technologies like Philips or Thompson, but broadcasters like BBC and Canal +. The size of these contributions to CLUB shows that these enterprises do really appreciate CLUB's activities.

### *Activities/results*

The 27 CLUB-supported projects represent more than 40 hours of HD video production.

The sum of CLUB's project investment made by December 1, 1992, amounted to MECU 13.84 (total sum spent on these projects was MECU 124). But CLUB members not only invested in CLUB itself, they invested an additional MECU 22.36 in the above-mentioned 90 projects. The MEDIA INVESTMENT CLUB is an example of how strong industrial players invest together with the European Community in future technologies.

Given the huge amount of money invested by CLUB members into CLUB, it is only fair that these members benefit partly from CLUB activities.



Roland Berger & Partner can state that CLUB is the first MEDIA project which could cease the support of an industry activity which became self reliant. The master of arts in image synthesis and computer animation (MA ISCA) directed by CITE/UK was initiated together with CITE in 1989. It is the first European master programme organised for high-level designers in the field of computer design for animation. 58 students succeeded in passing the masters degree forming a core group of specialists in the profession all over Europe. MA ISCA found other, mainly private, sponsors that allow continuation of the training programme without CLUB's help. One could say that this is the first complete success of MEDIA's seed capital principle ending in a self-reliant structure. Although it is difficult for us to evaluate the quality of CLUB's training activities, Roland Berger & Partner can state that the training activities have a very good reputation among professionals.

All beneficiaries interviewed who had received support for completing their productions, stated that it would have been impossible for them to produce the productions in new technologies without CLUB's support. The beneficiaries stated as well, CLUB's support had been a key factor in finding other financial partners.

#### *Selection process/control*

Peculiar to CLUB, many of the productions are chosen by so-called "calls". Roland Berger & Partner assume that the calls are an instrument to promote new technologies by itself by showing the audiovisual industry the importance the European Community gives to the new technologies.

Roland Berger & Partner state that the selection process is appropriate.

Productions' completion is guaranteed by means of the control mechanism. CLUB managers track the supported projects' progress. They do not provide the entire loan award, if the supported projects seem to prove unsuccessful.

CLUB's management expects that 75 % of the money invested will be repaid. They expect 25 % of the money within 4 years after the awarding of loans; additional 50 % after the 4 years, but probably with a longer delay. Roland Berger & Partner cannot estimate the repayments. The expectations are based on the experience of French national institutions. We agree with the project management that these expectations are very





optimistic and depend to a certain extent on the future of the European HDTV standard and use of new technologies. Controlling repayments might be easier than for most other MEDIA projects, because CLUB members are involved in most projects as coproducers.

#### *Income/cost structure*

The CLUB received ECU 258,000 from l'Institut National de l'Audiovisuel (INA), the contract partner of MEDIA (3 % of total income and 14 % in relation to overhead). Nevertheless it can be said that partners other than MEDIA contributed 18 % of CLUB's income mainly thanks to the members.

The CLUB can reach a higher share of self-financing than most other MEDIA projects. Today, the share of self-financing is 18 %. Given an expected reflux from beneficiaries of 75 %, occurring five years after the awarding of loans (average), repayments could contribute an additional 47 % of the total income (78 % of the budget for activities is loan awarding or coproducing: only these can expect repayments; 84 % of the total costs were spent for activities; finally 62 % of total expenditures may be recovered through repayments; 75 % of 62 % amount to 47 % of the total costs). 47 % + 18 % could amount to a self-financing share of 65 %. However, an average repayment of 75 % seems very optimistic and it might take longer than five years before the average production brings reflux. Roland Berger & Partner assume that a significantly higher share of self-financing cannot be reached before 1996. This is because the bulk of repayments from 1991 and 1992 loans/coproductions will not occur before 1995.

CLUB's overhead is quite high (MECU 1.788 in 1991 and 1992), given that CLUB offers no services. CLUB's overhead's task is solely applicant selection. If one compares CLUB's overhead expenditures with EFDO's overhead (MECU 1.336 in 1991 and 1992), overhead costs seem pretty high. It should be mentioned that the handling of different activities and the complicated selection process require a higher administration expenditure. However, Roland Berger & Partner propose project management should prove, if an overhead decrease is possible.



*Reaching of aims*

Roland Berger & Partner assume based on interviews with professionals and the project management that productions supported by CLUB in 1991 and 1992 represent approximately 60 % of the productions in the HDTV, CD-I, CD ROM and multimedia field. The scope of productions supported in the field of digital technologies is considerably lower. Considering that most beneficiaries stated they would not have shot their productions in new technologies without CLUB's help, Roland Berger & Partner can say that CLUB has been a real force in encouraging the mentioned technologies.

A self-reliance structure has been established with the MA/ISCA training programme. Approximately 400 persons were trained in HDTV technology in 1992. For this reason, many persons have been introduced to the new technologies.

In conclusion Roland Berger & Partner state that the project has reached its aims - as far as it is possible given such a limited HDTV budget - excellently.

## **13. MAP-TV**



## Synoptical table MAP-TV

### Project aim

Enhancing the value of the European audiovisual heritage by contributing to the production of works created on the basis of archives to increase the production of archive based films

### Organization

**based in:** Strasbourg

**founding date\*:** 4/1989

**started work\*:** 6/1991

**Staff:** 4 full time employees

\* explanation see p. 162

body	members	election
● General assembly	18 partner 50 associated	–
● Board of directors	18	General assembly/2 years
● Board committee	7	Board of directors/2 years
● Programmes committee	(same 7)	Board of directors
● Administration committee	3	Board of directors

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	1.950
other partners	199
reflux from beneficiaries	16
interest	–
fees for training/studies etc.	8
<b>total</b>	<b>2.149</b>

Costs (thousand ECU)	
overhead	724
● personnel costs	414
● material costs	310
activities	1.208
<b>total</b>	<b>1.932</b>

<b>MEDIA/total income:</b>	90 %
<b>other partners/overhead:</b>	27 %
<b>reflux/total income</b>	0,7%

<b>overhead/total costs:</b>	37 %
<b>personnel costs/overhead:</b>	57 %
<b>promotion costs/overhead:</b>	3 %

source: RB&P analysis

## Synoptical table MAP-TV

### Project activities 1991-1992

activity	tool	% of budget for activities
Financing development/pre-production	soft loans	96 %
Guide of European archives	subsidies	3 %
Networking	service	1 %
MAP-TV quality-label	service	-

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
Financing development/pre-production	1.358	25.11	65 %	32.785
Guide of European archives	100	84	46 %	-
Networking	-	-	-	-
MAP-TV quality-label	-	-	-	-
<b>total</b>	<b>1.458</b>	<b>2.595</b>	<b>64 %</b>	<b>32.785</b>

source: project

\* thousand ECU

### Selection system

#### Development support

- Steps:**
1. Check of eligibility by managing director and sending to partner members
  2. Assessment by the programme's committee
  3. Final decision of board of directors on the amount of grants

**Criteria:** Objective quantitative binding criteria for eligibility.  
Subjective criteria for assessment of production's quality and producer's solvency

## Synoptical table MAP-TV

### Results

#### 1) Financing activities

applications/support (volume)			
	Applications (No.)	Support (No.)	Support/Appf. (%)
Financing development	55	41	75 %
Networking	41	41	100%
Quality label	10	1	10%

#### 2) Research activities

studies		
Topic	distrib. copies	costs
Guide to European archives (just started)	-	100.000

### Evaluation by professionals

Awareness (%)	Meeting needs of audiovisual sector (Score*)	Quality of project (Score*)
51 %	1,95	1,58

\*0 = poor; 1 = fair; 2 = good; 3 = excellent



### 13. MEMORY ARCHIVES PROGRAMMES (MAP-TV)

#### *Organization*

In April 1989, MAP-TV was founded as a European non-profit making association. The founding partners of MAP-TV were the Council of Europe, L'Institut National de l'Audiovisuel (INA) and several private and state owned broadcasters and archives owners. The association has two categories of members which constitute the general assembly of MAP-TV. Partner members are all private or public European organizations which promote the conservation, production or broadcasting of programmes based on archive material. At present MAP-TV numbers 48 partner members including 18 television channels and 30 archive libraries and production companies. Associate members are any individual whose activity and centres of interest are in line with the aims of MAP-TV. MAP-TV currently numbers 50 associate members.

Together with the administration committee, MAP-TV has five different bodies. In order to keep the organization as "slim" and flexible as possible, the board should review the tasks and membership of the different committees. Aside from the fact, that the programme's committee is responsible for the applicants selection and for the day-to-day business, a criticism could occur that decisions are not taken independently enough.

Since July 1, 1992, the executive secretariat has been based in Strasbourg on the premises of FR 3 Alsace, whereas before it had been based in Bry-sur-Marne at the INA headquarters. Leaving aside possible political reasons for moving the executive secretariate from Bry-sur-Marne to Strasbourg, Roland Berger & Partner judge the new location of the MAP-TV board as good because more financial contributions are to be expected

#### *Activities/results*

MAP-TV has four main activities.

1. *Financing development/preproduction*

MAP-TV grants reimbursable loans for the development of projects based on archive material. These grants up to ECU 40,000, represent a loan for the European development phase of the project.

The low number of applications and the high percentage of support in relation to applications, suggest that MAP-TV has not attained a sort of critical mass.

According to MAP-TV managers, the development financing is well-known by producers, but some do not use it because they are reluctant to pay back loans. This activity of MAP-TV was judged as excellent in nearly all professional interviews with beneficiaries and non-beneficiaries. Maybe the activity needs more promotion to increase applications.

With regard to financing development, Roland Berger and Partner had the impression, that those interviewed highly appreciate MAP-TV's backing. Interviewees believed it would have been more difficult to produce a film without MAP-TV's support. Recognition by MAP-TV "opened many doors and has been very useful, especially in order to get broadcasters involved." In another case it was stated that MAP-TV support saved time.

2. *The guide of European archives*

In order to facilitate access to archives for producers, MAP-TV along with the British Universities' Film and Video Council (BUFVC) is preparing a guide of all private and public archive collections in Europe. MAP-TV has decided, to give incentives for creation of national guides and to pay 15 % of the costs of information research. MAP-TV envisaged research will begin by the RTBF in Belgium in the near future. France and the Netherlands were each given ECU 10,000 for preparation of a national guide. The ultimate objective of this activity is to stimulate research on national guides in European countries where they do not exist by the end of 1993. This can be judged as a rather early date for completing this activity.



The guidebook does not yet enjoy a particularly high recognition rate within professional circles because it is not completed yet. However, when asked if this is a necessary measure which meets the needs of the sector, again nearly all interviewees judged it as excellent. We concur in this view.

### 3. *Networking*

Within the networking activity, MAP-TV associated members may ask that their film projects be sent to other members (e.g. other producers, broadcasters or archive owners) who could be interested in becoming co-producers this project. No special budget has been planned for this activity. This cost, which the management describes as consisting only in mailings, some phone calls (and of course a part of the salaries of the programme delegate and her assistant), is included in MAP-TV's overhead costs amounting to approximately ECU 4,000 for 1991/1992.

This activity's recognition rate lies between good and fair. On the other hand, the quality of implementation of this activity is judged between good and excellent. Again this kind of development support can be judged as good, even if only 41 projects were sent to MAP-TV members.

These film projects are selected with out any selection mechanism. By chance, the number of film projects that have been circulated is the same as the number of film projects that were granted development loans for 1991 and 1992.

### 4. *MAP-TV quality label*

The original idea of MAP-TV was to grant MAP-TV label to some archive based films This should make it easier for them to receive support from Eurimages. However, as the association is becoming a reference for programmes based on archive material, MAP-TV has decided to grant this label of excellence to projects finished with and without MAP-TV's aid, but which exemplify quality in the use of archive material. To date, only one film was granted the MAP-TV label.

The quality label's recognition rate was not very good in professional circles. Estimates of the necessity of this MAP-TV activity spread from fair to excellent among our interviewees.



One can state that this activity could be strengthened - an in depth study should analyse whether broadcasters really would prefer the MAP-TV label films.

MAP-TV already had a very close cooperation with DOCUMENTARY which was continued to the benefit of number of independent producers may receive assistance from the two associations as long as the loans do not exceed 50 % of the total budget. Together with EURO AIM and DOCUMENTARY, MAP-TV is involved in establishing the documentary forum, a market place where MAP-TV members may make contact with major players in the broadcasting industry. This covers the immediate tasks of MAP-TV.

Concerning the relation to LUMIERE, the archive project for cinema feature films, MAP-TV is actively considering a scheme of providing top up grants through LUMIERE to archive collections being used by MAP-TV members which are in need of money. So MAP-TV plans to intensify their cooperation which can be judged as good and necessary.

For MAP-TV's long-term future the project management sees that representation of major broadcasters and archive holders as well as independent producers within MAP-TV does help in its modest way to strengthen the structure of the audiovisual industry. For this reason, from 1995 onwards, MAP-TV plans to move away from an organization that distributes grants towards and organization that co-produces projects. MAP-TV plans to gain much more influence in the production process of films. It plans to invest directly as co-producer in major projects, with which it wants to be associated (share in the profits, proof the editorial development etc.). A further development from this new status of MAP-TV as a co-producer would be to initiate projects on its own.

These plans show that the management of MAP-TV thinks much further than 1995. The structure, once established, could be used in future to strengthen even more the structures of the audiovisual industry.

For the moment it is not clear with which money this co-producer role should be played.

### *Selection process/control*

Roland Berger & Partner concentrate on evaluation of the selection process for the loan granting activity (activity 1).

In the first stage the criteria covered by MAP-TV are quantitative and objective. In the second stage, assessment criteria are taken into account. These criteria cover the quality of the film project (if the project subject is in line with the aims of MAP-TV) and the reliability of the co-producers (solvency of the various partners etc.).

Especially the "quality of the film project" is a very subjective matter. To decide whether a subject will foster the knowledge European countries have of each other and will encourage closer understanding among them, requires a lot of experience which is to be provided by MAP-TV.

The final decision is taken by the board of directors which has until now always followed the advice of the programme's committee. The board of directors decides the grant amount. The criteria used to define the right amount of the loan granted are needs and quality of the film project - again rather subjective decision criteria. In some cases, MAP-TV has granted only 50 % of the requested loan and advised the applicant to improve his project. This can be judged as a good measure for educating the sector.

Concerning the evaluation of application forms, we can state, although MAP-TV's management is convinced, that completing application forms is easy, interviewed beneficiaries and non-beneficiaries judged forms as fairly to very complicated.

In view of the small number of applications (23 in 1991 and 32 in 1992), Roland Berger & Partner judge, that the different stages of the selection process are appropriate. This is verified by beneficiaries' and non-beneficiaries' answers to questions about the time of the duration of the average selection process. With a much broader field of potential applicants, (which MAP-TV needs, to achieve a kind of critical mass) the current selection system could cost too much time and money. Furthermore, MAP-TV should be aware that the use of merely subjective criteria, can give rise to stronger criticism. Some rejected applicants objected that they did not quite understand the reasoning of the MAP-TV board of directors.

Another basis for criticism could be that associate members have been supported by MAP-TV already 13 times. Taking into account the whole number of grants awarded, (41), 30 % of all grants have been given to associated members. Thus, even if they are allowed to apply and a member of the board of directors who is directly involved in the film project currently under discussion, abstains from discussions or in the vote on the set project. MAP-TV has to be careful, not to be seen as an "exclusive club".

Contrary to other MEDIA programme projects, which grant conditionally repayable loans, MAP-TV loans must be paid back, even if the film project is not successful. Initial payment, the producer is legally bound to reimburse the grant after a period of one year without interest or after two years at an interest rate of 5 %. Until now almost every supported producer has decided to wait two years. First loans were granted in June, 1991. The first significant repayments are due in June, 1993. Until the end of 1992 ECU 16,000 were reimbursed. At present, it is too early to judge the reflux rate and repayment behaviour in general.

MAP-TV has a grant inspection system identical to the control mechanism of the French Centre National de la Cinématographie. The supported producer has to provide accounts certified by an accountant. The administration delegate is personally responsible for the control mechanism. He judged it for the moment, "it is OK."

Since selection is completed very strictly, the project management estimates that 80 % of the 1991 loans will be reimbursed. In the opinion of Roland Berger & Partner this percentage seems to be very high. The interview notices of surveyed beneficiaries and non-beneficiaries point to an impression that MAP-TV would not really insist on repayment if the film project was unsuccessful. They seem to be sure, that if a producer is in trouble, MAP-TV will not require reimbursement. They say the reimbursement rule could be more flexible. Roland Berger & Partner propose project management should stick to their reimbursement rules.

MAP-TV project management admits, that in some cases, however, it might be difficult to request the repayment, especially e.g. if it endangers the production companies' survival. To date one case the producer went bankrupt. MAP-TV was successful in requiring him to pay the loan back immediately. (The loan amounted to ECU 16,000).



The basic approach (granting only reimbursable loans), Roland Berger & Partner judge as good. It depends now how rigid or flexible this reimbursement rule is handled by MAP-TV, especially taking into account its future credibility.

#### *Income/cost structure*

Some preliminary notes concerning the budgetary figures:

- Some important figures, such as the annual contribution of MEDIA Brussels, were not clearly stated. Roland Berger & Partner has had to require this information from current project managers, who have been hired in June, 1992.
- In 1991, MAP-TV office was located in INA headquarters. MAP-TV employees were on INA's payroll. MAP-TV accountancy was completed by INA. Some INA related expenses and contributions were provided in kind. Therefore, Roland Berger & Partner has found it necessary to assess, if INA-related expenses and contributions were to be included in MAP-TV 1992 budget on a case-by-case basis.
- The 1992 budget was drawn in December 1992 and some 1992 expenses could not yet be estimated.

For these reasons, Roland Berger & Partner has drawn a rough estimated budget of MAP-TV for 1991 and 1992, which has to be seen under the above considerations.

The overhead costs in this term were ECU 724,000 which amounts to 37 % of total costs. Personnel costs were 21 % of total costs. These figures seem to be rather high, compared to the small number of applications received and loans granted within this time. The overhead costs are to be expected to decrease after the executive secretariat's move from Bry-sur-Marne to Strasbourg. According to MAP-TV managers, the percentage of MAP-TV total budget dedicated to overhead and administrative costs is:

- |   |         |
|---|---------|
| - 1st semester 1992 (in Bry-sur-Marne):             | 50,7 %  |
| - Year 1992 (including 2nd semester in Strasbourg): | 30,2 %  |
| - Year 1993 (forecast):                             | 18,75 % |



These figures have not been assessed by Roland Berger & Partner consultants. However, we assume that the move from Bry-sur-Marne to Strasbourg should permit a strong decrease in administrative costs.

Roland Berger & Partner can not estimate MAP-TV's self financing share in the future. Significant contributions from other seem uncertain for the next years. Repayments cannot be estimated. Income/cost structure is not reliable for the above mentioned reasons.

### *Reaching of aims*

With the activities initiated by MAP-TV, especially providing financial support for European archive-based coproductions and research measures, MAP-TV just began the first steps. Looking at the small amount of applications and supported productions to date, MAP-TV has to reach a critical mass within the next years.

If the networking activity is taken serious, this field should be broadened as well. Its low cost is another argument for developing this function.

Looking at the figures, for loans granted and loans transferred before January 18, 1993, Roland Berger & Partner can state, that 71 % of loans granted in 1991 have not been transferred yet. From the 1992 loans 48 % still have not been transferred. This can be explained by the fact that MAP-TV usually transfers granted loans in two installments. Because of MAP-TV's reimbursement rules, some producers may be cautious in spending MAP-TV's first installment and will not ask for the second one.

However, according to Roland Berger & Partner estimates, MAP-TV has experienced a budgetary surplus in 1991 and 1992 even if one counts all granted loans as expenses. Thus, there will be more funding money to support more projects.

MAP-TV showed a mediocre 55 % recognition rate among interviewed professionals. These professionals gave MAP-TV a 1.95 for needs. This is an indication of divisions of opinion as to whether MAP-TV is a project needed in the audiovisual industry. Project management was judged at only 1.6. This rather low quality mark could be due to several rumors, which moving MAP-TV from Bry-sur-Marne to Strasbourg has implied.

In conclusion, Roland Berger & Partner state that MAP-TV has reached its aims well.

## **14. LUMIERE**

## Synoptical table LUMIERE

### Project aim

Securing the rescue and survival of the European film heritage

### Organization

based in: Lisboa

founding date: 10/91

started work: 01/92

Staff: 2 full-time-employees

body	members	election
● General assembly	26	Delegates of members
● Executive committee	7	General assembly, 2 years
● Supervision committee	3	General assembly, 2 years

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	700
other partners	203
reflux from beneficiaries	
interest	
fees for training/studies etc.	
<b>total</b>	<b>903</b>

Costs (thousand ECU)	
overhead	197
● personnel costs	35
● material costs	162
activities	654
<b>total</b>	<b>851</b>

<b>MEDIA/total income:</b>	78%
<b>other partners/overhead:</b>	103%
<b>reflux/total income</b>	0%

<b>overhead/total costs:</b>	23%
<b>personnel costs/overhead:</b>	18%
<b>promotion costs/overhead:</b>	8%

source: RB&P analysis



## Synoptical table LUMIERE

### Project activities 1991-1992

activity	tool	% of budget for activities
Financing archivism	loan	90%
Filmography	service	8%
FIAF summer school	financial assistance	2%
Search for lost films	service	-

activity	MEDIA contribution*	other contribution*	other contr / total budget in %	mobilization effect*
Financing archivism	588	1.891	76	-
Filmography	52	-	-	-
Search for lost films	2	-	-	-
<b>total</b>	<b>642</b>	<b>1.891</b>	<b>76</b>	<b>-</b>

source: project

\* thousand ECU

### Selection system

- Steps:**
1. Reception and check by secretariat
  2. Evaluation and final decision by executive committee

**Criteria:**

Quantitative: Number of archives and countries involved  
 Qualitative: Historical and cultural importance, degree of possible diffusion



## Synoptical table LUMIERE

### Results

#### 1) Financing activities

applications/support (volume)			
	Applications (No.)	Support (No.)	Support/Appi. (%)
Financing archives	48	35	73
<b>Total</b>	<b>48</b>	<b>35</b>	<b>73</b>

#### 2) Research activities

studies		
Topic	distrib. copies	costs
Search for lost films	(Development)	2

database		
Topic	No. of requests	costs
Filmography	(Development)	52

**Synoptical table  
LUMIERE**

**3) Training activities**

**main topics:** Training project of archivists for restauration

**Evaluation by professionals**

Awareness (%)	Meeting needs of audiovisual sector (Score*)	Quality of project (Score*)
37	2,25	2,0

\*0 = poor; 1 = fair; 2 = good; 3 = excellent

## 14. LUMIERE

### *Organization*

The distribution of duties and functions among the general assembly, executive committee and supervision committee is, in Roland Berger & Partner's opinion, correct and useful for a non-profit organization. The coordination and cooperation between the statutory bodies is clearly defined and works well.

The day-to-day work is done by the president of the executive committee and the project staff. One member of the executive committee is involved as manager of a new LUMIERE activity in addition to the committee's work. Although this involvement appears important for integrating professional expertise, care should be taken not to blur the functional distribution between management and executive committee.

Until now, cooperation with other MEDIA projects has been low level. There is information exchange with MAP-TV, EVE and MBS. Especially the contact to MAP-TV should be strengthened. The project management proposes cooperation with MAP-TV jointly producing the "general archives guide" and film production for TV. With MBS, a workshop about the legal status of archives and the current restoration techniques activities are planned. As it is a small project with limited resources, LUMIERE should try to involve other projects in its work to force involvement of other projects in his work.

### *Activities/results*

The main activity of LUMIERE in 1992 was financing restoration projects. LUMIERE supported 35 film restoration projects involving 21 European archives. 90 % of the total activities budget or ECU 587,857 were spent on these activities. Through this LUMIERE initiative, some real threatened films could be saved in line with the project's goal. Surveyed professionals described restoration support as an activity that meets the needs of archives. The project is managed with a high degree of professionalism.



The European Filmography is a project to link the 12 national filmographies to one unified European Filmography. The filmography will contain records of every film ever produced in the EC countries. It is designed as a research resource for professionals in the audiovisual industry and education. For the European Filmography, ECU 52,000 were allocated in the 1992 budget which corresponds to 8 % of the total activities budget. The establishment of a European Filmography cannot be achieved within the prescribed period unless more funding is made available.

LUMIERE also supported an external training organization, the FIAF summer school for training archivists in restoration techniques. 2 % of LUMIERE's activity budget or ECU 12,000 were spent for this event.

A new initiative is the search for and identification of lost films which was adopted by the general assembly in November 1992. The search for missing European films will be carried out from a coordinating bureau in Bologna.

#### *Selection process/control*

There is only a selection process for the main activity, financing restoration projects. In Roland Berger & Partner's opinion, it may pose a problem in the selection process that the selection of applicants, all European archives, is made by the executive committee composed of European archive representatives. Maybe a stronger project management position in the preselection would be useful in order to integrate more objective aspects in the selection system.

The quantitative and qualitative selection criteria meet the aim of LUMIERE very well. Neither the economic value of a restoration project nor the ability to reimburse the loans are included in the selection criteria. If LUMIERE prefers to grant loans instead of non-reimbursable-funds, it is important to coordinate the selection criteria with this. Also, the repayment conditions in the contract should be clarified and dates defined. To control the earnings of the archives, a report-on-earnings form should be introduced.



The control of LUMIERE is restricted to the correct spending of the granted money. This control is done by the project management and the president of the executive committee through supervising the data and accounting records for the restoration's progress. In Roland Berger & Partner's opinion a good procedure is granting of support money in two installments.

There is no control mechanism for revenues from supported projects. The reason for this is that the project management expects almost no reimbursement of the loans. The possibility of an archive to earn money with restored films is very limited. It is difficult to achieve takings with the films supported. If it is shown on TV, the transmission fees are given to the owners of the rights. Due to this fact, it is difficult to understand why the support to archives is given as loans and not as non-reimbursable financial aid.

#### *Income/cost structure*

LUMIERE's receipts for 1992 totalled ECU 903,000. The Portuguese Government's contribution, as contract partner, was 22 %. This 22 % share or ECU 203,000 covers LUMIERE's overhead of ECU 197,000. LUMIERE's low personnel costs (ECU 35,000) are a benefit of its location in Portugal, close cooperation with Portugal's MEDIA Desk, and a small, enthusiastic team. If activities and project promotion are expanded, then it will be difficult for LUMIERE to maintain this level of personnel expenditure in the future. Since the overhead costs in 1992 were based on a proportionally high start-up cost (office acquisition etc.), the budget for overhead may be assumed as adequate for the coming year, even if activities and project promotion are expanded.

LUMIERE's chances of becoming self-financing are poor. From the 1992 budget, 69 % of total expenditures were loans to archives. The management could offer no estimate of likely repayment rates. As the expected reflux can be judged as insignificant, a self financing of LUMIERE through repayments is not possible.

### *Reaching of aims*

In the view of professionals interviewed by Roland Berger & Partner, the projects' quality was very good. Our interviewees suggested that overall familiarity with LUMIERE among members of the audiovisual sector was very low. Surveyed professionals acknowledged the cultural value of this project but rated its economic value as low. The project is working at a low-cost level and has a good reputation among its beneficiaries. Given its resources, LUMIERE should concentrate on financing restoration and European Filmography.

LUMIERE should try to find public and private sponsors for its work. In the opinion of Roland Berger & Partner only a change of the legal situation governing the relation between restorators/archives and rights owners can lead to even a partial reflux of restoration costs. Until this changes, the rescue and preservation of European films will remain a public task.

In conclusion, Roland Berger & Partner can state that LUMIERE has reached its aims very well.

## **15. EMG**



## Synoptical table EURO MEDIA GARANTIES

### Project aim

Attracting investors by providing financial guarantees

### Organization

based in: Paris

founding date: end of 1991

started work: end of 1991

Staff: 2

body	members	election
● General assembly	4	-
● Board of directors	5	General assembly, 2 years
● Selection committee	5	Members same as board of directors

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	800
other partners	1.500
reflux from beneficiaries	0
interest	256
fees for guarantee	5
<b>total</b>	<b>2.561</b>

Costs (thousand ECU)	
overhead	165
● personnel costs	77
● material costs	88
activities	2.259
<b>total</b>	<b>2.424</b>

<b>MEDIA/total income:</b>	31 %
<b>other partners/overhead:</b>	909 %
<b>reflux/total income</b>	0 %

<b>overhead/total costs:</b>	7 %
<b>personnel costs/overhead:</b>	47 %
<b>promotion costs/overhead:</b>	0 %

source: RB&P analysis

## Synoptical table EURO MEDIA GARANTIES

### Project activities 1991-1992

activity	tool	% of budget for activities
1. Stimulating investments	financial guarantees	100 %

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
1. Stimulating investments	2.559	12.248	83 %	72.574
<b>total</b>	<b>2.559</b>	<b>12.48</b>	<b>83 %</b>	<b>72.574</b>

source: project

\* thousand ECU

### Selection system

**Steps:** EMG coordinator checks if application meets EMG criteria. Selection committee selects applicants

**Criteria:** European character, distribution in 3 countries, 2 coproducers required, producers' skills, financial strength and market potential

## Synoptical table EURO MEDIA GARANTIES

### Results

#### Financing activity

applications/support (volume)			
\	Applications (No.)	Support (No.)	Support/Appf. (%)
Stimulating investors	15	8	53 %

### Evaluation by professionals

Awareness (%)	Meeting needs of the audiovisual sector (Score*)	Quality of project (Score*)
49 %	2,24	2

\*0 = poor; 1 = fair; 2 = good; 3 = excellent



## 15. EURO MEDIA GUARANTEES (EMG)

### *Organization*

EMG had three founding partners, the Institut par le Financement de Cinéma et d'Industrie Culturelle (IFCIC), Banca Nazionale del Lavoro (BNL) and the Banco Exterior de Espana (BEX). The IFCIC is supported by the CNC which is directly controlled by the French Ministry of culture. EMG's chairman is the head of IFCIC as well. For this reason, organization, accounting rules and selection process of EMG are very similar to IFCIC and meet defined tasks.

### *Activities/results*

In 1992, EMG decided to support seven productions with guarantees. Four guarantees had been awarded to French banks (representing 49 % of the budget). This is due to the fact that guarantees from public institutions for loans in the audiovisual industry are mostly known in France.

The EMG management stresses that an attempt should be made to make professionals in the other European countries more familiar with the EMG system. Roland Berger & Partner judge that it might be difficult to achieve this goal, if EMG requires all applications and dossiers in French. The planned seminars about EMG's functioning are an important and good instrument to fulfill this task.

All applications that met EMG's requirements had been supported in 1992.

### *Income/cost structure*

To understand the functioning of EMG's income/cost structure, some additional remarks should be made: EMG has an overhead and activities like other MEDIA projects. Different from other MEDIA projects, the money contributed from other partners is not used to cover overhead expenditures. Overhead expenditures are covered from receipts from the fund for guarantees (interest on guarantee fund invested and 1 % fee on guarantees given to banks). Interest and fees for guarantees amounted to ECU 261,000 in 1992. They covered more than the overhead (ECU 165,000 in 1992).



The money invested by MEDIA and other partners is the security for the guarantees awarded. EMG's management estimates that the amount of guaranteed loans can be equal to five times the amount of the guarantee fund. Therefore EMG has the ability to guarantee:

$$5 \times \text{MECU } 2.3 = \text{MECU } 11.5$$

Since EMG guarantees an average of 60 % of bank loans, the amount of bank loans that can be granted to producers thanks to EMG is:

$$\text{MECU } 11.5 / 60 \% = \text{MECU } 19.2$$

That means a leverage effect of 8.3.

Roland Berger & Partner can state that financial revenues from EMG guarantee fund should not be used to cover overhead expenditures because they are needed to compensate for inflation so that the real value of the guarantee fund does not decrease. If the overhead were covered with the 1 % fee on the amount of loans awarded, ECU 115,000 can be provided to cover overhead costs (ECU 2.3 Million guarantee fund x 5 = ECU 11.5 Million guarantees x 1 %). For this reason, some additional money might be needed to cover overhead costs. As long as revenues from the guarantee fund are used for overhead expenditures the real value of the guarantee fund will decrease slightly from year to year.

Roland Berger & Partner want to add that this calculation only seems appropriate as long as no bank claims the guarantee sum because earnings of supported productions fail to meet previously assumed performance expectations. EMG expects all supported films to excel. Given EMG has to pay under a guarantee in 20 % of the cases, EMG's whole guarantee fund would be lost. For this reason EMG can only support films with a limited risk. That might be one of the reasons why two beneficiaries interviewed stated, they might have found other financial sources than EMG also.

However, Roland Berger & Partner can state that the income structure of EMG is the most self-reliant of all MEDIA projects. If EMG succeeds in finding a small amount of money to cover overhead costs that cannot be covered from fees for guarantees and if productions supported have a quality that always allow return on investment and repayment of the loans, EMG could become completely self-reliant.

Overhead costs of EMG are extremely low.

*Reaching of aims*

EMG started awarding loans in 1992. Serious conclusions about the results achieved cannot be made at this early stage.

However, it can be said that the approach and organization of EMG is suited to reaching the defined goals.

As far as it is possible to say at this early stage, Roland Berger & Partner can state, that EMG has reached its aims excellently.



## **16. EAVE**

## Synoptical table EAVE

### Project aim

Innovating and improving systems of production and coproduction. Creating links between young producers and other industry actors.

### Organization

based in: Brussels

founding date: 12/1987

started work: 3/1988

Staff: 6 full time employees

body	members	election
● General assembly	21	-
● Board of directors	18	General assembly, 3 years
● Executive committee	4-6	Board of directors, 3 years
● Financial committee	4	Board of directors, 3 years
● Pedagogical committee	6	Board of directors, 3 years
● Expect committee	7	Board of directors, 3 years

### Income- / cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	1.920
other partners	121
reflux from beneficiaries	0
interest	0
charges for training/studies etc.	125
<b>total</b>	<b>2.166</b>

Costs (thousand ECU)	
overhead	1.264
● personnel costs	909
● material costs	355
activities	896
<b>total</b>	<b>2.160</b>

<b>MEDIA/total income:</b>	89%
<b>other partners/overhead:</b>	10%
<b>charges/total income</b>	6%

<b>overhead/total costs:</b>	59%
<b>personnel costs/overhead:</b>	72%
<b>promotion costs/overhead:</b>	8%

source: RB&P analysis



## Synoptical table EAVE

### Project activities 1991-1992

activity	tool	% of budget for activities
1. Training of professionals	service	100 %

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
1. Training of professionals	1.963	2.349	54%	99.700
<b>total</b>	<b>1.963</b>	<b>2.349</b>	<b>54%</b>	<b>99.700</b>

source: project

\* thousand ECU

### Selection system

- Steps:**
1. National coordinations choose app. 100 applicants in the Member States per year
  2. Head of studies (Mr. Stein) conducts personnel interviews and selects app. 50 applicants
  3. Board of directors responsible for final decision; about 50 professionals (usually it changes 5 names)

**Criteria:** subjective (potential of the candidate). Criteria of national coordinators unknown

## Synoptical table EAVE

### Results

#### Training activities

● scope	1990	1991	1992
persons trained	43	40	112*
total training days	24	24	96
<b>main topics:</b> According to EAVE management 60 % of days preproduction, 10 % production, 25 % distribution and 5 % related restrictions			

\* including specific programmes for East-German-states, Ireland, Scotland and Greece

#### ● EAVE mobilization effects: 1990 training sessions

1990	No.	production costs (thousand ECU)	
● number of production developments	feature film:	17	36,200
	TV	8	10,900
● Had been produced or went into production?	feature film:	4	8,250
	TV	5	4,320
● be produced later	feature film:	12	34,075
	TV	2	5,200
Estimates by EAVE managers. They recognize this may be optimistic			

### Evaluation by professionals

Awareness (%)	Meeting needs of the audiovisual sector (Score*)	Quality of project (Score*)
66 %	2,37	2,44

\*0 = poor; 1 = fair; 2 = good; 3 = excellent

## 16. EUROPEAN AUDIOVISUAL ENTREPRENEURS (EAVE)

### *Organization*

The general manager and founder of EAVE is a member of all bodies. Some other body members occupy several boards as well. It should be mentioned that several national coordinators who are responsible for the first selection stage are body members of EAVE. We see no problem with the fact that several persons are members of the board of directors and executive committee or the pedagogical committee and the board of directors. However, no member of the board of directors should be a member of the general assembly. One body is needed that controls the body responsible for the project's operation.

Roland Berger & Partner judge that two committees are not necessary because the functions and powers can be distributed between the executive and training committee (or the financial and the pedagogical committee). One committee could concentrate on all aspects of running the project including financial matters. One committee should concentrate on all matters concerning training.

It can be stated that the EAVE management is very experienced in training matters. This applies especially to the general manager who was once the head of INSAS, one of the Belgium audiovisual schools.

### *Activities/results*

It is very difficult to evaluate the training quality for a creative producer. However, EAVE can be judged in two ways as an innovative scheme.

- It was the first time a training scheme for the audiovisual industry was initiated on an European level.
- This training scheme concentrates on producer skills.

Before, national film schools stuck mostly to the model approved for years to teach, "teachable" technical and conceptual skills, i. e. within the "author cinema" environment. The approach of giving more authority to the producer than to the director was influenced by the anglosaxon way of film producing where the producer is the legal owner of the film project who hires the director and all other people for film production.

EAVE concentrates on training a small circle of people by providing them with appropriate resources to create a creative producer.

It can be said that all professionals interviewed were quiet enthusiastic about the quality of training. The professionals mentioned not only the concentration on business aspects within the EAVE training but, the creation of networks, cross-border contacts and time-saving possibilities for their project's development. Furthermore, it can be seen the beneficiaries familiarity with the MEDIA programme is very high and that many apply to other MEDIA projects as well.

Judging from statistics on successful productions provided by EAVE, many projects were undoubtedly developed and produced by former participants. Hence, Roland Berger & Partner can state that EAVE seems a good way for young producers to complete a film project.

The number of projects EAVE's management expects to be completed later are probably fewer than previously assumed. Two beneficiaries interviewed whose projects were considered by EAVE as "to be produced", said they do not see a reasonable chance of completing their project.

#### *Selection/control*

The first selection of applicants is conducted by national coordinators. The EAVE management does not have any information about the number of applications in the several EC countries or about the criteria used by the national coordinators for choosing applicants. On the second stage the head of studies selects, from among approximately 100 applicants per year, 50 applicants. There are no clear criteria for choosing applicants at this second stage either. The only one is the candidate's potential and the quality of the candidate's project, if he has one. For this reason transparency in the selection process is not very high.



Several professionals, who are connected in some way to body members, had been trained within the EAVE project. Some of EAVE's experts had been connected with projects delivered by participants. Roland Berger & Partner state that this practice is not a problem in itself but, it must be made more transparent. In such cases a special procedure should be established enabling greater transparency.

Roland Berger & Partner appreciate the difficulties in establishing more objective criteria for choosing the right applicants.

Bearing in mind that final selection for applicants to be trained is always subjective (the head of a studio smells out talent). Roland Berger & Partner propose to introduce more objective elements in EAVE's selection process. A good and successful producer must be able to read and understands scripts and work with authors, to see and assess films in the post production phase and to count, i.e. to "make the deal". Within all three qualities EAVE's participants should prove know how.

To at least objectivise the potential to 'count' Roland Berger & Partner propose a selection mechanism that is concentrated mainly on the applicants' economic background in order to ensure selection of professionals with an entrepreneurial potential. This would save costs and increase transparency. EAVE should conduct written tests in the respective countries (similar to the GMAT tests of reputable business schools). This test score, together with some additional criteria would allow EAVE to evaluate the participants without personal interviews. On a second stage only "high potential" applicants should be selected through personal interviews.

#### *Income/cost structure*

The contribution of the contract partner, the Ministry of the French-speaking Community of Belgium, decreased from ECU 83,000 in 1991 to ECU 12,000 in 1992. EAVE succeeded in receiving ECU 26,000 from EUREKA the first contributions from EFTA countries. The fees for training increased from ECU 61,000 in 1991 to ECU 64,000 in 1992. The contract partner contributed 4 % to EAVE's total income and 7.5 % to EAVE's overhead. That means that 11 % of EAVE's income comes from partners other than MEDIA.



To raise EAVE's self-financing share additional public institutional sponsors and increased charges for training would be necessary. Finding other public institutions to sponsor EAVE might be very difficult because several institutions sponsor EAVE by providing facilities in cities where the EAVE training is held (as "contribution in kind"). To raise training fees might cause problems as well. EAVE participants pay at the moment ECU 1,000 to ECU 2,000 for attendance to EAVE and accomodation and travel expenses by themselves (it should be mentioned that two beneficiaries interviewed stated that their travel expenses had been sponsored by national public authorities). In conclusion, a considerably higher share of self- financing might be difficult to reach.

Concerning the cost structure, we should add that it is very difficult to separate overhead costs from activity costs for training projects. For this reason Roland Berger & Partner estimated that 50 % of the running costs of EAVE are allocated to activities. The figures for the 1991 budget had been estimated because detailed figures such as those for the 1992 budget were unavailable for the 1991 budget. Taking this into account the overhead costs of EAVE seem pretty high. This is due mainly to the fact that selection of applicants is conducted through a system which is time-consuming and requires much travel by those involved in the selection. Roland Berger & Partner propose that overhead costs could be lowered through a different selection system (see above).

Roland Berger & Partner cannot judge, if EAVE costs are in general too high. However, in 1991, EAVE trained only 40 professionals. A small amount of EAVE's budget was dedicated to run EAVE's alumni club "European Producers' Network" (EPN). Each professional was trained app. 24 days. That means in relation to total costs nearly ECU 24,000 per participant (participants pay ECU 1,000 or ECU 2,000 of this). One year EAVE training is more expensive than a full-term year participant's fee on one of World's best business schools. Therefore efforts should be done to decrease EAVE's expenditures concerning organization and selection process.



*Reaching of aims*

EAVE trained 152 participants in 1991 and 1992 and established a network between these professionals not only through the training but, e.g. by the means of the EAVE newsletter (the magazine of the European producers' network) training on an European level proved succesful to promote "European professionals".

EAVE was one of the first training schemes mainly concentrated on creative producers combining artistic and business skills. CILECT (Centre International de Liaison des Ecoles de Cinéma et de Télévision) proves to adopt EAVE's training scheme.

In conclusion, Roland Berger & Partner state that EAVE reached its aims very well.



**17. MBS**



## Synoptical table MEDIA BUSINESS SCHOOL (MBS)

### Project aim

Establishing a pattern of training by providing necessary research for professionals and financing development strategies for the industry

### Organization

based in: Madrid

founding date: 11/90

started work: 12/90

Staff: 7 (6 full time employees)

body	members	election
● Board of directors	15	funding partners/2 years
● Executive Committee	13	board of directors/2 years
● Ad hoc steering committees	varies	executive committee

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	3.794
other partners	970
reflux from beneficiaries	-
interest	-
fees for training/studies etc.	55
<b>total</b>	<b>4.819</b>

Costs (thousand ECU)	
overhead	1.430
● personnel costs	462
● material costs	968
activities	2.918
<b>total</b>	<b>4.348</b>

<b>MEDIA/total income:</b>	79 %
<b>other partners/overhead:</b>	68 %
<b>reflux/total income</b>	-- %

<b>overhead/total costs:</b>	33 %
<b>personnel costs/overhead:</b>	32 %
<b>promotion costs/overhead:</b>	3 %

source: RB&P analysis



## Synoptical table MEDIA BUSINESS SCHOOL (MBS)

### Project activities 1991-1992

activity	tool	% of budget for activities
training	service	46 %
co-financing of training institutions	financial assistance	41 %
support of research	financial assistance	10 %
publication	financial assistance	3 %

activity	MEDIA contribution*	other contribution*	other contr / total budget in %	mobilization effect*
training	1.347	1.674	55 %	--
co-financing of training institutions	1.220	1.855	60 %	--
support of research	291	200	40 %	--
publication	60	--	--	--
<b>total</b>	<b>2.918</b>	<b>3.729</b>	<b>61%</b>	<b>-</b>

source: project

\* thousand ECU

### Selection system

- Steps:**
1. After presentation assesment of a potential project by general management and coordinator
  2. Consultation with industry analysts
  3. Second evaluation and proposal to executive committee which approves or rejects proposals

- Criteria:** Mostly qualitative criteria:
- subject: development, training, research
  - financial viability or cultural significance
  - meet needs in European audiovisual industry

**Synoptical table  
MEDIA BUSINESS SCHOOL (MBS)**

**Results**

**1) Financing activities**

<b>applications/support (volume)</b>			
	Applications (No.)	Support (No.)	Support/Appi. (%)
Training	app. 50	18 (+4 training sch.)	36 %
Research	app. 30	7	23 %
<b>Total</b>	<b>80</b>	<b>25</b>	<b>31 %</b>

**2) Research activities**

<b>studies</b>		
Topic	distrib. copies	costs
<ul style="list-style-type: none"> <li>● Film/TV/Video</li> <li>● New technologies</li> <li>● Conferences/Promotion</li> </ul>	app. 8.500	291.000 ECU

**Synoptical table  
MEDIA BUSINESS SCHOOL (MBS)**

**3) Training activities**

	1990	1991	1992
persons trained	--	1.048	808
total training days	--	25	68
<b>main topics:</b> project development (4%), production (66%), post production (7%), distribution/marketing (13%), exhibition (10%)			

**Evaluation by professionals**

Awareness (%)	Meeting needs of audiovisual sector (Score*)	Quality of project (Score*)
68 %	2,10 %	2,26

\*0 = poor; 1 = fair; 2 = good; 3 = excellent



## 17. MEDIA BUSINESS SCHOOL (MBS)

The MEDIA BUSINESS SCHOOL is aimed primarily at responding to the needs of the audiovisual entrepreneur in Europe. For this purpose the MEDIA BUSINESS SCHOOL chooses projects such as any training, research or development activity designed to strengthen the audiovisual industry in the context of the Single European market.

### *Organization*

Regarding the organizational bodies, the MEDIA BUSINESS SCHOOL has, in comparison with other MEDIA projects, a very "slim" organization. The executive committee - which consists of the same members as the board of directors of the foundation - is in charge of governing the MEDIA BUSINESS SCHOOL. The executive committee may appoint ad-hoc steering committees to supervise activities in specific geographical or professional areas.

Together with the small staff, the organization seems to work very efficiently especially in comparison to the amount of activities the MEDIA BUSINESS SCHOOL conducts. However, the MBS is currently reorganising its operation organigramm dividing it in three areas. As the project's needs grow, its organization is adapting the structure to the new needs by clearly dividing up the tasks:

- central administration (supervising expenditure and in charge of promotion)
- coordination of activities (supervising relations with the schemes)
- publications committee (supervising publication and research)

The clear division between administrative and activity responsibility is to be judged very good.

### *Activities/results*

MEDIA BUSINESS SCHOOL's activities can be grouped as follows:

- providing and organizing of training
- cofinancing of training institutions
- support of search
- publication.

Having been in operation for only two years, the MEDIA BUSINESS SCHOOL has carried out a considerable number of activities within these categories. Between January 1991 and February 1993, the MEDIA BUSINESS SCHOOL organised or collaborated in the organization and financing of 20 seminars, conferences, master classes or workshops. It has also committed funding to 9 such activities scheduled to take place during 1993. In the same period the MEDIA BUSINESS SCHOOL contributed funding to the development of four European training schemes. In the same period the MBS has generated seven researches studies and 17 publications. This is a huge amount of different activities (one interviewee even called it "Wirtschaftswunder"). But the range of activities can hardly be overviewed by professionals interviewed.

Despite MBS' policy of restricting its activities to professionals with a high standard of performance in the industry approximately 1,850 participants attended the training events. Only the seven research studies have been distributed with approximately 8,500 copies.

The MEDIA BUSINESS SCHOOL sees its role as a supervisor and guiding body for decentralised training schemes created under its aegis. The MEDIA BUSINESS SCHOOL is not a school in any formal sense. It guides and supervises training schemes, serving as an activity promoter, a provider of research and a conductor of its material through MBS publications.

During interviews with professionals it was mentioned several times, that the name "school" for the activities of MEDIA BUSINESS SCHOOL is inappropriate and could mislead participants or applicants. Since it was the creative activity of the Harvard Business School in Cambridge, Massachusetts focusing of case studies and achieved a kind of field research which inspired the MEDIA BUSINESS SCHOOL, the name seems to be appropriate. Perhaps this conjunction could be better communicated to European professional circles in the audiovisual sector. However, if MBS wants to better communicate the entity what it deals with it could consider to drop the word school and stick to "MEDIA BUSINESS" .

Professionals interviewed by Roland Berger & Partner judged the activities (training and support of research studies) as good and excellent. It was started that MBS was extremely successful in identifying the right problems, experts and recipients.



Participants in the MEDIA BUSINESS SCHOOL training schemes were asked by the MBS to give their opinion of the activities. Most of them (at least in the letters attached to the auditor report) mentioned, above all, two positive points:

1. The extremely good organization and excellent design of the programme

The good choice of people attending, both as producers, participants, and experts, was acknowledged. The programme's composition was well-balanced and of an impressively high standard. The quality of the activities and "value for money" were judged exceptionally good, especially in comparison with other conferences of this sort in Europe.

2. The possibility of participating in a broad cross-fertilization of ideas and concepts.

These training schemes were seen as an important "connector", where a variety of participants have had the opportunity to meet, discuss, debate and exchange knowhow.

With its ambitious research aim, the MEDIA BUSINESS SCHOOL has set itself ambitious objectives. It is an obvious and well-known fact, that the availability of reliable data within the European audiovisual industry is very poor. As in any business, information is king, the research activities of the MEDIA BUSINESS SCHOOL contribute to achieving a more reliable data base for the European audiovisual industry. It remains to be seen how the "club of researchers" - an initiative to create a pool of European researches from universities and public and private bodies - will perform.

The unique position of the MEDIA BUSINESS SCHOOL as the only full-time research and seminar organizer in the MEDIA programme, risks creating duplications of effort. The project management sees, above all, the risks of overlaps with EURO AIM and the EUROPEAN FILM ACADEMY if areas are not clearly defined right from the beginning.

Training activities constitute a particular overlap potential. In professional interviews it was rather often stated that one training project - EAVE or MBS - would cover the training needs of the sector sufficiently. Roland Berger & Partner are aware that the target groups of both initiatives are different. Young professionals are trained by EAVE, this knowledge could be intensified within the seminar and workshops of the MBS. MBS' target group are already experienced professionals. EAVE is aimed at less experienced producers who try to achieve substantial progress in their film project during a EAVE training year. Furthermore, the range of topics within the MBS training activities is more widespread than EAVE's.

Again Roland Berger & Partner want to point out that information exchanges and coordination of activities with every other MEDIA project MBS collaborates closely is essential for the MEDIA BUSINESS SCHOOL's future work to avoid overlaps, create synergies and obtain better results.

#### *Selection system/control*

The selection system seems appropriate for devising training mechanisms, research and publications particularly useful to the industry. As the quality of innovations and its relevance to the European industry is the main criteria used to selection a project, those people who make the preselection should be very well informed about the needs of the audiovisual industry. Looking at the lists of training and research activities conducted in the past two years, one can say, that preselection was well-done. After the change in the MEDIA BUSINESS SCHOOL's executive secretariat, it remains to be seen, whether the new team is able to carry out the tasks in the same way. However it was stated that new schemes initiated by the board of directors proved more useful than schemes introduced from outside MBS. The board of directors should consider this aspect for future work.

The project management stated, that there is a kind of informal feedback for people who have attended the seminars. Direct feedback opinions are usually obtained at the seminars. It would be "easy" to create a mechanism for asking for more feedback. However, the project management placed no great importance on this measure.





Concerning the follow up the MEDIA BUSINESS SCHOOL is confronted with the same control problems as other training activities within the MEDIA initiative. With regard to the external institutions supported by MBS, the performance of training institutions (MECU 1.2 invested) needs rigorous monitoring.

#### *Income/cost structure*

In 1991 and 1992, MBS was financed from sources other than MEDIA by 21 % (ECU 970,000). As stated by project management monies were provided by the Spanish Ministry of Culture for office functioning (ECU 720,000) and for MBS' activities taken place in Spain. Roland Berger & Partner stresses again that for the projects' financial situation only real income and costs were taken into consideration in order to draw a clear, truly and comparable picture of the projects' financial situation. However the delivered figures were not assessed deeply by Roland Berger & Partner.

MBS' strategy to create self-sufficient structures is not to increase this self-financing share by charges and fees (MBS's contract partners receive the training fees), but to decrease MBS's financing part of the initiated training schemes.

The MBS committee's plan anticipated that most of the schemes would be financially independent by 1995. Even if to date some doubts occurred, and a longer time will be needed to consolidate the different schemes. One can say, that the MEDIA BUSINESS SCHOOL has one of the best initial conditions for getting its initiatives to self-sufficiency in the long-run. Again, it should be stated, that this development would not mean, MBS becomes self-sufficient itself.

Overhead costs of 33 % can be judged as rather high. However, they can be explained by rather high initial costs. It was stated by the project management that a part of the research activities are included within the overhead. Furthermore the high percentage of travel costs (19 %) for the gaining of matching funds is another reason for the high overhead. MBS is aware of this fact.

### *Reaching of aims*

The MEDIA BUSINESS SCHOOL has a rather high recognition rate within the European audiovisual sector. The high scores for meeting the sectors' needs and especially for project quality reflect the good and useful work the MEDIA BUSINESS SCHOOL does.

However, the MEDIA BUSINESS SCHOOL can still be seen in as searching for a strong consistent identity. In its first two years, the MEDIA BUSINESS SCHOOL covered nearly all important points required in the audiovisual industry from the business point of view. In the coming years, a consolidation and refocussing of activities should be aimed at. As it was stated many times by professionals, the broad variety of different MBS activities remains unclear and lacks enough transparency. Roland Berger & Partner propose a more concentrated approach to face this problem.

In some interviews conducted within professional circles, it was mentioned several times, that the MEDIA BUSINESS SCHOOL should concentrate on the desperately needed research within the European audiovisual sector, and leave training activities to other MEDIA projects. Concerning MBS's training activities, Roland Berger & Partner recommend training focus should be redefined clearer. MBS should concentrate on fewer trainings and on those initiated by MBS itself in order to increase training activities' identity. At this time, according to the project management, a danger is seen that there is a tendency to do activities, where there are matching funds and not where there is a need.

Roland Berger & Partner think that the information, documentation and research tasks of all MEDIA projects need better coordination and more support. The executive committee of the MEDIA BUSINESS SCHOOL could re-think together with MEDIA Brussels the tasks of the MEDIA BUSINESS SCHOOL so as to create a central documentation and information support centre for all MEDIA projects.

In conclusion, Roland Berger & Partner can state that the MEDIA BUSINESS SCHOOL has reached its aims excellently.



## **18. SCALE**

## Synoptical table SCALE

### Project aim

Supporting the audiovisual industries of the „Smaller Countries“ of the European Communities in particular in the context of the growth of the audiovisual market in Europe

### Organization

based in: Lisbon

founding date: 03/92

started work: 03/92

Staff: 1 general secretary, 5 full-time-employees, 1 part-time-employee in Lisboa office  
1 full-time-employee, 1 parttime-employee in the offices in Paris, Luxembourg

body	members	election
● General assembly	12	Member countries agreements
● Board of directors	7	General assembly
● Fiscal council	3	General assembly
● Task force	4	Board of directors

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	4.074*
other partners	218
reflux from beneficiaries	
interest	
fees for training/studies etc.	
<b>total</b>	<b>4.292</b>

Costs (thousand ECU)	
overhead	498
● personnel costs	160
● material costs	338
activities	3.794*
<b>total</b>	<b>4.292</b>

<b>MEDIA/total income:</b>	95%
<b>other partners/overhead:</b>	44%
<b>reflux/total income</b>	0%

<b>overhead/total costs:</b>	11%
<b>personnel costs/overhead:</b>	32%
<b>promotion costs/overhead:</b>	7%

source: RB&P analysis

\* contribution to EAVE 145 not included, contribution from BABEL 375 included

## Synoptical table SCALE

### Project activities 1991-1992

activity	tool	% of budget for activities
SPSS	loan	73%
Training of professionals ● SCRIPT CRAFT ● European Film College ● Celtic Film Festival	financial assistance	19%
Miscellaneous studies and launching of new activities ● Twin Fund ● Portfolio ● Scale News ● Acting ● Others	diverse	8%

activity	MEDIA contribution*	other contribution*	other contr./ total budget in %	mobilization effect*
SPSS	2.098	4.812	70%	14.576
<b>total</b>	<b>2.098</b>	<b>4.812</b>	<b>70%</b>	<b>14.576</b>

source: project

\* thousand ECU

## Synoptical table SCALE

### Selection system

**Steps:** SPSS:

1. Preselection by the general secretary of SCALE and the director of SPSS
2. Remaining applicants selected by SPSS jury
3. Approval by the board of directors

**Criteria:** Binding criterias, origin of "small" countries, financial situation and number of projects as well as an evaluation of company track records, industrial potential and personality of company managers

### Results

#### 1) Financing activities

applications/support (volume)			
\	Applications (No.)	Support (No.)	Support/Appl. (%)
SPSS	131	29	22
<b>Total</b>	<b>131</b>	<b>29</b>	<b>22</b>

**Synoptical table  
SCALE**

**2) Training activities**

**main topics:** SCRIPT CRAFT – training in script writing (with SOURCES)  
European Film College, Denmark

**Evaluation by professionals**

<b>Awareness (%)</b>	<b>Meeting needs of audiovisual sector (Score*)</b>	<b>Quality of project (Score*)</b>
44	1,90	1,92

\*0 = poor; 1 = fair; 2 = good; 3 = excellent

## 18. SCALE

### *Project aim*

SCALE is somewhat different from other projects in the MEDIA programme. It originates from a political decision taken at the European Ministers' council in 1990 to establish specific actions regarding the countries with less-developed audiovisual sectors ("small countries"). The definition of the project's operational content was carried out after a feasibility study of Mr. Colin Kenny. The objectives focused on means to overcome handicaps created by fragmented production in "small" countries. Through the creation of pools for co-production, distribution and promotion using common resources, a critical mass is attained. SCALE is the only MEDIA programme which supports plans to cover the whole value-added chain and additional services.

### *Organization*

The distribution of duties and functions among the general assembly, board of directors, task force and project management is, in Roland Berger & Partner's opinion, efficient and useful. One aim of SCALE is to improve the cooperation between the "small", and "large" countries. It seems therefore, to be an important decision by the general assembly to associate members of the "large" countries in the work of the board of directors. The members of the board of directors are nearly all professionals.

One of SCALE's main problems is working in many different sectors. The creation of a task force can be considered as a step for better control of the different activities. Another problem is that the task force is composed of members of the board of directors and the general secretary. However, the duties and responsibilities of the board of directors and the task force are distinct.

SCALE's administrative structure is decentralised in character. Apart from the main office in Lisboa, there are an office in Luxembourg and in Paris (correspondent). This structure, a representative of SCALE called it a "microcosmos" within MEDIA, corresponds to the aims of SCALE, as SCALE has to serve all "small" countries. However, this structure can cause higher overhead costs.



The multiple activities in which SCALE is involved cause difficulties within the existing structure, especially with support to the executive secretary in managing the project. There are obvious difficulties in handling the project figures. SCALE's revenues and expenditures calculation delivered to Roland Berger & Partner contained several inconsistencies.

However, the project management was very quick in answering requests and in correcting the mistakes of previous incorrect figures, which reflects a good ability to solve emerging problems. For the increasing tasks of SCALE in the future, it seems important to strengthen the administration, by involving a financial and administrative expert or establishing a financial committee. An increase in the team seems unnecessary because activities requiring much administrative work e.g. SPSS, have their own management.

SCALE is practically the only project which has coordinated its promotion mostly by way of the MEDIA Desks/Antennae in the "small" countries. So the first contact between project and applicants was established 70 % through the MEDIA Desks and Antennae. This seems to be very efficient and should be continued. SCALE should not form own antennae.

#### *Activities/results*

The work of SCALE in 1992 can be categorised into three lines of activities, the SCALE PRODUCER SUPPORT SYSTEM (SPSS), the support of training programmes for professionals and the launching of future activities.

The SPSS is a loan system for independent production companies in the seven "small" member states of the European Community. This soft loan is granted according to criteria aimed to stimulate companies to improve their structure and activities. So it should be possible to promote several dozen producer companies located in the "small" countries that they are competitive in the European market. For SPSS, 73 % of the budget for activities were allocated for this activity in 1992. Company overhead loans were granted ECU 1.560,000, company development loans ECU 318,000 and loans for multilinguism ECU 220,000. The overhead of SPSS, there is an own organization structure, was ECU 227,000 in 1992.



The main criticism of professionals was excessing time between the announcement by the project that the applicant was successful and disbursement of the money. E.g. the announcement for the first deadline was made in October 1992. The contract was signed in February 1993, but the beneficiary still has not received any money. This can create lots of problems for the fiscal planning of the respective company.

The surveyed professionals also praised SCALE as the first MEDIA project that helps companies of independent producers in "small" countries on a long-term base with a considerable support.

The feasibility study identified market needs in "small" countries for training, particularly in the context of international coproduction. SCALE limited its engagement in training activities to support of other training institutions.

SCALE participated in SCRIPTCRAFT which deals with scriptwriting and scriptdoctoring. After the pilot phase, SCRIPTCRAFT is planned to be integrated with SOURCES. In the SCALE budget, ECU 323,000 were allocated to SCRIPTCRAFT.

SCALE coproduced with EAVE a training workshop for independent producers from Ireland and Greece which was extended to trans-border regions where a similar lack of training was indicated: respectively Scotland and Sicily. For this activity, ECU 145,000 were allocated in the SCALE budget. SCALE also participated in the European film college in Ebeltopf, Denmark. This amounted to ECU 265,000. A minor activity was the support for the Celtic Film Festival which was held in Carmarthen, Wales, this summer with ECU 10,000.

In Roland Berger & Partner's opinion, the chosen supported training projects were of a high quality and met the aims of SCALE. Participation and contribution to training projects with experienced partners seems to be more efficient and effective than the establishing of own activities. The ability of SCALE to cooperate with other MEDIA projects for joint activities can be praised. SCRIPTCRAFT is not designed for independent production companies, which is SCALE's defined target group, and it is therefore a good decision to hand this activity to SOURCES.

In 1992, SCALE was designing several new activities:

1. TWIN FUNDS

TWIN FUNDS is a development fund for television production. The idea is to create an MECU 5,0 fund made up of capital from public television in the "small" countries (1/3), and capital from private investors in all European Community countries (2/3). Fund management should be done by the Belgian company TRACER. The SCALE participation in this project is currently restricted to setting up the fund and ECU 60,000 are allocated for this in the 1992 budget. Roland Berger & Partner regard the approach of TWIN FUNDS as correct and a good possibility for strengthening the independent sector. But at this moment, the participation of public broadcasters and private investors remains unclear.

2. PORTFOLIO

PORTFOLIO should be an answer to all the difficulties producers face in the "small" countries when marketing their films and managing their rights, whether this involves film distribution, television programming or video editing. PORTFOLIO will be a management structure handling a catalogue of rights for independent producers, in order to guarantee the supply of audiovisual products.

3. SCALE NEWS

SCALE has ordered a study for creating an information and promotion network, SCALE NEWS, with the triple objective of encouraging the circulation of information concerning audiovisual production in "small" countries, orientating the presentation of "audiovisual events" in the major markets, and significantly strengthening and regrouping the promotional means for films made in the "small" countries. Lack of information was one of the problems identified in the feasibility study for SCALE. Therefore, SCALE NEWS seems to be the right project, but the approach of SCALE NEWS is very wide and it seems unlikely to achieve all the targeted aims. In Roland Berger & Partner's opinion it is better to concentrate on one or two objectives.

#### 4. STRATEGICS

The activity, loans for marketing pools, is a measure of the SPSS system, and is managed by the Luxembourg company, C&S, and cofinanced by the Luxembourg Government. The aim of STRATEGICS is to train and support producers in the field of marketing and promotion support for their feature films. In 1992, STRATEGICS was in its first phase of training and consultancy and ECU 52,640 have been spent for this activity. In the 1992 budget, ECU 283,810 were allocated and after the pilot phase loans will be granted.

#### 5. ACTING

For the training of actors for the European market, a seminar is planned for the summer of 1993, called ACTING. In 1992, ECU 17,000 have been spent for this activity.

#### 6. Joint activities with other MEDIA initiatives

Besides the current cooperation between SCALE and BABEL in the field of multilinguism and EAVE and SOURCES in the field of training, SCALE is planning a variety of future joint activities with other MEDIA projects. A cooperation with EURO AIM for a database for independent producers is planned. In the distribution sector, a cooperation with EFDO and EVE for realising strategies for the simultaneous film release and the Pan-European edition of cassettes should be set up. SCALE will cooperate with the CLUB D'INVESTISSEMENT MEDIA and the MEDIA BUSINESS SCHOOL on problems involved in HDTV. Additionally, in 1993, the design and launch of a project especially focused on the idea of a "sixth market", which includes all EC Member states lexcept the five "large" countries, is planned.

Available information on SCALE's new activities remains scarce. Since to date no professionals have been supported within these schemes, no interviewee could be contacted. Thus Roland Berger & Partner is unable to evaluate any individual activities.

In Roland Berger & Partner's opinion, the proliferation of activities will endanger current initiatives and overstretch SCALE's administration and organization. Attention should be paid that without a stronger management team in Lisbon expansion cannot be achieved. Roland Berger & Partner suggest an efficient controlling system with detailed, quarterly reports. Also the set up of new activities will cause a fragmentation of SCALE's limited budget, but for the declared aims of SCALE a critical mass of support for a single activity is necessary.

#### *Selection process/control*

Interviewees criticised that in the beginning SCALE's application forms were complicated and its activities difficult to distinguish from each other. As a result of these complaints, SCALE has simplified its application forms. Roland Berger & Partner got the impression in the interviews that better communication of SPSS activities to producers is needed. An example is the fact that some activities could overlap with other MEDIA projects, e.g. SCRIPT in the field of development.

The selection process is sophisticated but exemplary and corresponds to the high average grant of app. ECU 72,000. The selection criteria meet the aims of SCALE. The willingness of the board of directors and the project management to intensify the attention to company track records, companies' industrial potential and the company's ability to reimburse loans is, in the opinion of Roland Berger & Partner, correct and should be reinforced. Roland Berger & Partner have the impression that support limits are handled flexibly. So e.g. loans for multilinguism are limited up to ECU 45,000 per project. However according to the records at the second deadline ECU 175,000 were granted to three companies (average granted loan app. ECU 58,000). In Roland Berger & Partner's opinion, SCALE should either stick close to the guidelines or, if the guidelines are not practicable, change them.



### *Income/cost structure*

SCALE's annual receipts are characterised by high MEDIA participation. The relation of MEDIA contributions to the total income was 95 % in 1992. It has to be mentioned that the direct MEDIA contribution to SCALE, was augmented by BABEL's contribution (MECU 375). The Portuguese Government's (IPC) share of the overhead costs is 44 %. For a correct overview of all projects the EAVE contribution (MECU 145) was not included in the SCALE's expenditure figures.

Taking into account that SCALE started work in March 1992, overhead costs amounting to ECU 498,000 + ECU 227,000 (SPSS) = ECU 725,000, seem quite high.

A reasonable forecast for SCALE's self-financing is currently not possible.

### *Reaching of aims*

An evaluation of SCALE in this preliminary stage is difficult. It would seem inappropriate to compare the results of SCALE with projects which have existed for three or four years. SCALE is still in the launch phase and involved board members and managers are doing their jobs with a great enthusiasm. The most important objective of the board of directors should be to create a more operational strategy, followed by a focussing of SCALE's lines of activity. Given SCALE's limited budget, it is necessary to avoid a diffusion of efforts. A critical mass should be reached and activities should be focussed on schemes not provided by other MEDIA projects. SCALE should emphasise on its target group, independent production companies, in "small" countries.

This also has to be seen within the context of the biggest problem and challenge for SCALE in the future, the opening to the EFTA countries. All new countries belonging to EFTA are "small" countries. Therefore the budgetary consequences for SCALE will be a 50 % reduction in SCALE's capacity for financial support. To meet this challenge, SCALE should be in a good organizational and budgetary shape.

It is too early to evaluate if SCALE has reached its aims. However, Roland Berger & Partner can state that SCALE's approach is good.

**19. EFA**

## Synoptical table European Film Academy (EFA)

### Project aim

Intensifying the exchange of ideas within Europe and promoting the European film - with special regard to young talent - in order to create a new awareness of a modern pan-European cinema

### Organization

based in: Berlin

founding date: 11/91

started work: 11/91

Staff: 5 (2=100% MEDIA; 3=50% MEDIA 50% European Film Awards)

body	members	election
● General assembly	90	–
● Board of directors	10	General assembly / 2 or 3 years

### Income-/ cost-structure 1991-1992

Income (thousand ECU)	
MEDIA	355
other partners	268
reflux from beneficiaries	–
interest	–
fees for training/studies etc.	4
<b>total</b>	<b>627</b>

Costs (thousand ECU)	
overhead	507
● personnel costs	254
● material costs	253
activities	70
<b>total</b>	<b>577</b>

<b>MEDIA/total income:</b>	57%
<b>other partners/overhead:</b>	53%
<b>reflux/total income</b>	–

<b>overhead/total costs:</b>	88%
<b>personnel costs/overhead:</b>	50%
<b>promotion costs/overhead:</b>	10%

source: RB&P analysis



## Synoptical table European Film Academy (EFA)

### Project activities 1991-1992

activity	tool	% of budget for activities
Training	service	46%
- Master school		13%
- Symposia		
Promotion of European films	service	41%

activity	MEDIA contribution*	other contribution*	other contr / total budget in %	mobilization effect*
Training	20	232	92%	-
Promotion of European films	28	35	56%	-
<b>total</b>	<b>48</b>	<b>267</b>	<b>84%</b>	<b>-</b>

source: project

\* thousand ECU

### Selection system

- Steps:**
1. Eligibility of masterschool applicants is checked by head of events
  2. Creative excerpts are judged in advance by workshop lead-instructor

**Criteria:** Qualitative, subjective based on experience in filmmaking (1-2 feature films completed) and a creative excerpt delivered in advance to EFA

## Synoptical table European Film Academy (EFA)

### 3) Training activities

	1990	1991	1992
persons trained	-	-	40 (70)*
total training days	-	-	16
<b>main topics:</b> Master school: directing; Summer academy: HDTV - workshop			

\* observes

### Evaluation by professionals

Awareness (%)	Meeting needs of the audiovisual sector (Score*)	Quality of project (Score*)
66%	1,52	1,53

\*0 = poor; 1 = fair; 2 = good; 3 = excellent

## 19. EUROPEAN FILM ACADEMY (EFA)

EFA is the only MEDIA project not anticipated in the Council decision of December 21, 1990.

### *Organization*

It must be emphasised, that active members of the EFA general assembly include the most prominent and acknowledged filmmakers on the Continent - in some cases in the world. Its honorary members have even written film history. Together with associated members (representatives of the audiovisual industry and of film institutions and politicians), the EUROPEAN FILM ACADEMY represents a major power of the most important film makers - especially from the artistic point of view.

The EFA has often been criticised for being an exclusive little intellectual club. In contrast, was Wim Wenders' opinion that in this field the reality is that there exist only a small number of persons, who represent this kind of experience and success throughout Europe. Furthermore the EFA sees its members as multipliers for the film sector, these are the people who are constantly involved in film making, which is finally dealt with by a big part of the other MEDIA projects.

The incorporation of the EFA into the MEDIA programme enabled the EFA along with its FELIX activities to develop and to some extent also to realise its own programme of reflexion, further education and promotion. In addition its new legal status coinciding with EFA's founding permitted it to assume responsibility for the project which remains its major task, the European Film Awards, which is independent from MEDIA's support. This separation, however, has the organizational consequence of two activities with two totally separated responsibilities within one office which leads to additional administrative work. This fact is hardly known or acknowledged in professional circles.

### *Activities/results*

Within the education/training field EFA has only conducted one workshop with 10 participants. The small number was intended to ensure a close work with the workshop lead instructor. Directing was the subject of the first workshop. The next workshop planned should cover marketing and finance. Roland Berger & Partner recommend concentrating on the "artistic" side of education to avoid duplicating efforts already undertaken by MEDIA BUSINESS SCHOOL.

A second activity are EFA's four symposia (Stars without a sky - a sky without stars?, A cold dose of reality, Methods to improve the distribution situation for European films, How to make a European box office hit?) and the European Summer Academy of film and media. The Summer Academy consists of workshops, symposia, screenings and "rendez vous" between cinematographers, directors and the audience.

In view of the attractive subjects, the experienced workshop instructors and the "high quality" people on the panel symposia discussions Roland Berger & Partner can only reiterate EFA management regret that it has not been possible, to adequately summarize or otherwise document these events. Documentation should be given more attention in future.

Promotion screenings of FELIX awarded films constitute a second activity within the MEDIA part of EFA: In 1992 a promotion tour of FELIX awarded films was organized for the first time. The four stop tour, which presented three to four films in each city, was accompanied by one or two members of the Academy who introduced the films along with directors and award winners. Each event included screenings, with audience discussions, press conferences/receptions and was supported by intensive PR work.

This kind of activity is judged to do a very good work for the image of European film - especially considering, that on the verge of unification, Europe still has a long way to go to reach a consistent identity of European films.

All planned PR measures within the framework of "Names and faces at the service of European cinema" can be judged as very good measures for promoting European cinema - especially given the comparatively low EFA budget.

### *Selection system/control*

Regarding the selection process for the workshops, Roland Berger & Partner note, that eligibility criteria are very strict. On the one hand, the EFA wants to support young "talent". On the other hand they require, that applicants must already have completed one or two long feature films.

Even considering the fact that EFA workshops are not designed, to become "mass events", the Academy should always remember the potential criticism of being a "small intellectual club, supported by public money".

The second point to be discussed in the selection system is the criteria applied by the workshop's lead-instructor for judging the creative excerpts in advance. There are no objective criteria applied. The creative excerpt is judged only by the very subjective opinion of the workshop's chief. As in this case the aim is not - as in other MEDIA projects - to develop projects with business potential and European cross-boarder appeal. Rather it is to support young professionals with knowledge and experience passed on at European master schools of film directed by the members of the EFA. Those judgements are very closely connected with the respective person, like Jiri Menzel with the workshop: Anybody can make art, but you have to know how to make a comedy, or Ben Kingsely's workshop: How to work with actors (planned for 1993).

Having this in mind, the selection mechanism can be judged as appropriate.

For the moment, EFA does not apply any kind of control system because it is not applicable for the workshops. A follow-up could mean maybe to accompany the film career of all participants. The promotion screenings could be better prepared and controlled - as already mentioned by the project management.



### *Income/cost structure*

The business manager of the EFA runs two different business plans: One for the FELIX Awards and one for the MEDIA activities. The budgets for the FELIX Awards foresees ECU 432,000 for running cost and a production budget MECU 1.9 for the event. Furthermore ECU 75,000 prize money is awarded (supported by sponsors). The total budget for the FELIX Awards counts up to MECU 2.5.

Considering this enormous amount of money, it seems to be understandable, that the MEDIA programme cannot afford to join the Felix Awards.

In 1991 and 1992 the EFA received ECU 355,000 from the MEDIA programme which contributes to overhead and EFA's initiated activities, which only started in June 1992. The total costs of the MEDIA part of the EFA were ECU 577,000. On the other hand, EFA's activity budget was such small (ECU 70.000) that the overhead costs in relation to total costs came up to 88 %. Even, if it must be acknowledged that during the establishing phase overhead costs are normally higher, the absolute figure of EFA's overhead has to be seen as too high, if one takes into account their MEDIA activities. All five executives - three of them part time responsible for FELIX Awards - are paid by MEDIA.

However, as mentioned above, the artificial separation of both EFA activities is believed to result in at least 20 % additional work and costs for administration. Given its small infrastructure, operating with two separate budgets is rather devastating EFA's secretariate must constantly keep within political and geographic borderlines for each of both activities: the film awards involve 39 countries, the Academy involve 17.

Self financing is not possible.

### *Reaching of aims*

Given EFA's aim of creating a new sensibility for a modern, pan-European cinema, two thirds of the interviewed professionals expressed familiarity with the project. This could be judged as a rather high score for a project that only has been in operation 16 months. The relatively low score for meeting needs of the audiovisual sector can be explained by the "diffuse image" the EFA still has within the sector.

This confusion is aggravated by the existence of a European Academy for Film & Television based in Brussels, also a very new initiative. Close cooperation between both academies should be encouraged. It may make sense to merge the two.

People do not really understand the separation between the MEDIA part of the EFA and the Felix Awards. A second reason for the actual "low image" is, that a European film award is subject to broad criticism all over Europe, e. g. an imitation Oscar ceremony taking the right selection criteria for European films; Seen as a tedious European event. This is not subject of Roland Berger & Partner's evaluation.

However, the EFA together with MEDIA Brussels, should consider a creative solution to the current "shizophrenic situation" with regard to the financial, administrative, geographical and promotional division between the Academy and the European Film Awards.

One of EFA's main problems is that they depend on two sources of public financing which prevent them from planning for longer periods than one year. With more reliable and stable financing, activities could be better planned and carried out.

In view of the small number of activities which has been carried out to date, an evaluation is premature. However, Roland Berger & Partner can state that the EFA is on the right track, especially as a public relations project for European film, EFA's approach can be judged as very good.

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**D. Horizontal auditing**





## **D. Horizontal auditing**

Within the framework of horizontal auditing an organizational analysis of the MEDIA programme's structure and guidelines will be conducted. The organizational analysis is to offer support to:

- the company organization structure of each project (structures and tasks) and the comparison of these
- the cooperation and interrelations between the projects and the use of synergy potentials
- the potential gaps, overlaps or duplication of efforts
- the effectiveness and transparency of horizontal measures
- coordination and control by MEDIA headquarters in Brussels

To this end the horizontal audit is divided into three categories: Standardization, transparency and synergy potentials.

### **I. Standardization**

Within this part, organizational structures and selection processes are analysed to determine their standardization potential. Primarily in connection with MEDIA headquarters, it has been examined to what extent standardization possibilities exist in the administrative area.

#### **1. Organization**

In general, all MEDIA projects are associations and their organizational structures cover three principal bodies.

##### *General assembly*

The general assembly constitutes all members of the association. It elects the board of directors from its ranks. It normally constitutes the controlling body of the association. GRECO is the exception; controlling function are rested in a supervisory board.



### *Board of directors*

The board of directors normally consists of one member from each approved member country of the association including one representative from each founding member. The board shall have the final authority in all matters and overall responsibility. This includes the approval of every decision taken within the association e.g. the approval of funding decisions. The board elects a chairman, a vice-chairman and a treasurer from within its own ranks and appoints the secretary general.

### *Executive committee*

The chairman, the vice-chairman and the treasurer and, in some instances, one or two more persons, constitute the executive committee of the association. The executive committee is responsible for the association's operation and directs day-to-day business. The executive committee is responsible for the financial control of the association. In some projects a financial or administrative committee takes over this task. In those projects where there is no executive committee the board meets more often. Normally, board meetings take place three times per year.

Apart from this general structure, some projects have sub-committees of the board which are responsible for the projects' activities. For example, the EUROPEAN SCRIPT FUND, has an editorial committee, which sets selection policy for the single writer/team funding and conducts selection; EAVE, has a pedagogical committee, which gives advice on pedagogical matters; CLUB, has an evaluation committee, which assesses feasibility of the productions.

Furthermore, one can find within all projects which must make funding decisions some kind of selection committee. This selection committee may consist either of board members as in the case of EFDO, or of independent experts as with DOCUMENTARY. In some cases experts from the demand side are involved in the selection process. E.g. in CARTOON's and GRECO's selection committee programme directors from European broadcasters are involved.



Roland Berger & Partner can state that the organizations have mature structures appropriate to their respective missions as has been demonstrated through the vertical auditing project by project. We see no need for further organizational standardization. Increased structural standardization would make no appreciable improvements.

However, one remark should be made about the number of different committees and about the amount of dual office-holding within a projects' organization. Roland Berger & Partner are convinced, that *every project's task can be fulfilled with a very "lean" organization*. The above mentioned basis structure should be enough for efficient project management. Introducing *more committees does not increase transparency but increases complexity as well as administrative costs*. Projects are asked to review their organizational structure for organizational efficiency. This has been discussed in detail within the vertical auditing project by project.

One point, Roland Berger & Partner wish to make in examining the organizational structure, is that *executive and control functions should be clearly separated within each project's organization*. We discovered that five of 19 projects have no general assembly. Here, the control function is assumed by the board. These projects are SCRIPT, DOCUMENTARY, SOURCES, BABEL and MEDIA BUSINESS SCHOOL. BABEL will introduce if the founding partners commit a general assembly this year.

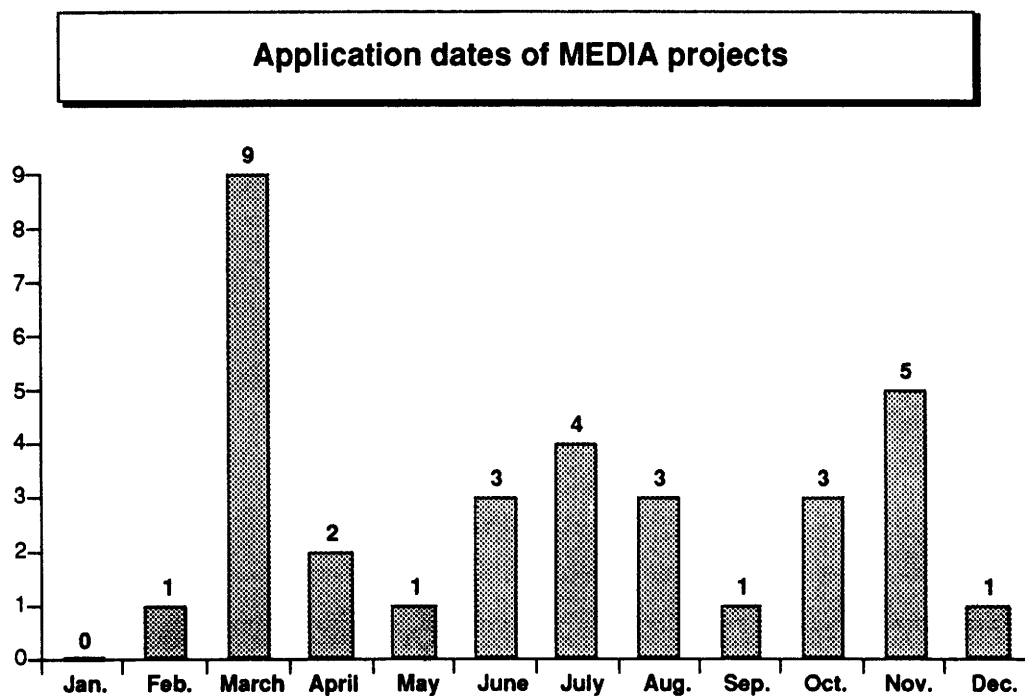
In those cases, the control function over the project management has to be fulfilled by the board. At the same time, these board members are not democratically elected by a general assembly, but are arbitrarily chosen according to their professional experience and willingness to assist in these kind of associations. Given this situation a high degree of controlling is needed by the founding partners, which must be and is fulfilled by the observer function of MEDIA headquarters' representatives from Brussels.

In conclusion, Roland Berger & Partner can state, that clear separation between executive and controlling tasks should be maintained at the level of organizational bodies as well as at project management's level. Within the project management, it should be clearly defined which part is responsible for administration and financial matters and which part for activities' management. This cannot be done in a standardized fashion. Again the different projects should review their practice based on the proposals outlined in the vertical auditing.



## 2. Selection system

One possibility of standardization within the selection system is to harmonize application dates. Even if Roland Berger & Partner are aware, that application dates within some projects are strictly connected with important festivals or markets, MEDIA should try to harmonize application dates for all projects. Currently, application dates are handled as follows:



*source: Roland Berger & Partner standardized project management interviews*

16 projects work with 40 different application dates for 11 different months throughout the year. For BABEL and EMG applications are possible at any time, application dates for MEDIA BUSINESS SCHOOL vary depending on event or training activity.

There is no summary of application deadlines available. The MEDIA newsletter provides only an overview of forthcoming application deadlines.

A good example of a harmonized application deadline is the quarterly closing date of one German building society (Bausparkasse) which is also used for intensified marketing. Three weeks before the deadline, a big marketing and promotion campaign takes place, with commercials, advertisement etc. to inform people that the closing day takes place within two weeks. Three or four deadlines per year for the whole MEDIA programme, could be more easily and consistently communicated to European professionals and understood by them. MEDIA should create a creative slogan like e.g. "March 31 is MEDIA day" and publish it throughout Europe.

*This measure would help to save time and costs for the projects and MEDIA Brussels and it would further simplify the information work of the MEDIA-Desks and Antennae. Furthermore it would improve transparency for applicants and convey to professionals a more coherent project image.*

In contrast, no standardization of the selection systems would appear either necessary or possible. Roland Berger & Partner have found out, that out of 19 projects

- 2 work with an automatic system.
- 8 work with a semi-automatic system and
- 9 work with a "totally free" selection system,

We define "automatic" as a selection system which applies "knock out" criteria. That means that no space for subjective opinions or personal interpretation is given. "Free" means, that the persons' subjective opinion is essential for selection of the respective person or production.

Those projects which apply automatic systems, judge already finished products like EFDO. EFDO, a project with an automatic selection system, contributes priority points to applicant films using EFDO criteria. After a plausibility check, this work is done by a computer. The selection system for GRECO can be categorized as an automatic system, even though it does not deal with already produced programmes. As GRECO requires commitment for financing from three different broadcasters, the programme is practically sold and completion guaranteed. European character and involvement of broadcasters are given priority points according to which the final decision is taken.



Various projects, applying a semi-automatic system, decide on already finished films and programmes; BABEL, EVE, DOCUMENTARY for Promotion Packaging. EURO AIM with the exception of the "rendez vous" event.

The cinema projects MEDIA SALLES and EUROPA CINEMAS and the archive project LUMIERE apply semi-automatic systems as well, to choose the right applicants for their support.

There are three projects which do not deal with finished productions but apply a semi-automatic system as well. EURO MEDIA GARANTIES, MAP-TV and DOCUMENTARY Project Development grant loans or guarantees during the development or preproduction phase. These projects apply knock-out criteria for the European character and international appeal in this phase. Of course, EURO MEDIA GARANTIES has a special status. That is why it is even more unusual for a project which gives development loans to apply a semi-automatic system like DOCUMENTARY and MAP-TV do.

On the contrary, other projects involved in the development phase and awarding development or preproduction loans, apply totally free systems. This applies to the EUROPEAN SCRIPT FUND, involved in the development phase of a film or TV-production. SCRIPT is convinced that "development is by its very nature an inexact science". SCRIPT's selection system for individual projects is based primarily on qualitative subjective criteria. Whereas the selection of companies for incentive funding can be called a semi-automatic system such as the SCALE SPSS activity.

Training projects like EAVE, SOURCES and MEDIA BUSINESS SCHOOL, apply totally free systems. This is to be found with training activities of CLUB, CARTOON and EUROPEAN FILM ACADEMY as well. Within these projects, the personal opinion of different (expert) committee members at different selection steps decide the selection of applicants.

Without enumerating all 51 project activities and their respective selection mechanism Roland Berger & Partner state, that *the selection systems are well-chosen and meet their respective tasks.*

Furthermore we can state, that all criteria are derived from the two main objectives of the Council decision: "Industry potential" and "balanced variety" is found in every selection system. Even in the free selection procedure of the EUROPEAN SCRIPT FUND, the fundamental criteria for the single project funding are dramatic potential and production potential. Thus by focussing upon final realisations and success of the production its industry potential is judged. Applying an European approach allows a measure for attaining balanced variety. Another example is GRECO's selection criteria of the involvement of 3 broadcasters from 3 different language areas for the European approach.

Industry potential is secured for two reasons:

- First            the involvement of three broadcasters guarantees production's completion.
  
- Second        GRECO disbursement rules guarantee GRECO's funding is only used for productions that are released on TV, see GRECO vertical auditing, selection system/control.

Roland Berger & Partner judge that the projects' choice of selection criteria was very well balanced, between those two aims provided by the Council decision. However bearing in mind that the MEDIA programme is an economic programme (to support cultural activities such as film, TV-programmes etc.) the assessment within the vertical auditing concentrates more on the economic aim. The majority of industry experts interviewed believed that *economic criteria should be heavily emphasized in order to strengthen the European audiovisual sector*. That was one reason why our proposals concerning selection mechanism focussed on the reinforcement of business oriented and economic selection criteria.

### 3.     Controlling

In Roland Berger & Partner's analysis, communication between each MEDIA project and MEDIA headquarters in Brussels was generally perceived as good. The projects send their activity and financial reports as well as meeting reports to Brussels. The projects get mostly informal feedback by phone either from the responsible project coordinator in Brussels or the head of the programme herself.

However, in the estimation of Roland Berger & Partner, *the information flow between MEDIA headquarters in Brussels and the projects could and should be much more formalized and standardized.* With today's information base a continuous controlling of all projects is only possible to a limited extent. Instead of cabinets full of documents, files and records, project coordinators in Brussels should concentrate on minimal but, essential information for projects' controlling.

The basis for a standardized reporting system is the comparability of the data. For the income and cost structure, Roland Berger & Partner have developed criteria to make the projects comparable (see D.II. 2.1.; 2.2.). E.g. a spreadsheet which gives an exact view of the financial situation on the income and the cost side of the project is to be found in the Annex (I).

Roland Berger & Partner are aware, that all projects started at different points, in different European countries and apply different accounting systems in each respective country. However, to facilitate controlling tasks at MEDIA Brussels, *it is essential to make the financial structures comparable*, even if the first figures are sometimes based on - as far as possible - realistic estimations.

A uniform reporting system should concentrate on the following aspects:

- state of operation
  - income
  - costs
  
- results
  - quantitative overview of funded applicants (persons, productions)
  - balanced variety (small, medium-sized, big countries and undertakings; TV, cinema, new technologies)
  - industry potential (box office results, TV viewers, attendance at cinemas, etc.)
  - seed capital/mobilization effect.



Roland Berger & Partner are aware that MEDIA Brussels is already provided with these data and information for all projects. What we assume to be necessary, is to develop a standardized sheet, where all this information can be filled in. The second page can be used for qualitative information. Our synoptical table can serve as an example for the results of the different projects. This document would be delivered every three months.

Roland Berger & Partner judge this measure to be crucial, for providing decision makers with the needed information for the actual controlling and future strategy of the MEDIA programme. As we learned during our interviews and analysis, most of the controlling work is currently done by the head of the programme. In order to lighten the workload and to centralize the controlling function, Roland Berger & Partner propose to *create an office within the MEDIA headquarters which is responsible solely for the financial controlling of the projects*. This person must be responsible for preparing the quarterly report.

This office, of course, must be well integrated within the existing structure of MEDIA headquarters Brussels, where project coordinators are responsible for several projects. Project coordinators would be responsible for collecting the standardized and uniform figures from the projects and deliver it to the controller. Furthermore the coordinators' task will be still to assist in the board meetings as observers, to discuss the project strategy for the future to channel and supervise coordination with other MEDIA projects. The shift of the controlling task from the head of the programme to a centralized controlling officer, permits the head of the programme to get more involved in the ever growing coordination task of the programme's activities.

## II. Transparency

Transparency within MEDIA is one of the preconditions for a well-functioning control system. Furthermore, MEDIA's external transparency, is essential for high acceptance at the political level.

### 1. Internal transparency

In our interviews, MEDIA had to face the criticism several times, that people involved in the MEDIA programme, only work in favour of their own projects and companies (self-advantage). As a response to this criticism, MEDIA should try to increase transparency in

- the appointment of body members, expert committee members and the management of the projects,
- the range of funded persons who are connected to projects.

As already discussed in I. Standardization, in five projects, there is no general assembly foreseen as a controlling body of the board. The fact, that new board members are appointed either by recent ones or by the different member countries (at any rate not elected from a wider group in a democratic way), was criticized as reducing transparency for the public. The MEDIA programme should be aware of the potential significance of this fact.

Within this context it should be mentioned, several members of bodies within the MEDIA programme are dual office-holder on boards, expert committees or as secretary generals of projects. At least, 20 persons are to be mentioned to date, who hold two offices at the same time. Again, Roland Berger & Partner point out, that *dual office-holding should be avoided to hinder potential conflicts of interest.*

However, Roland Berger & Partner acknowledge, that the number of persons willing to get involved in these kind of media projects on a European level, either as an unpaid board member, or with a fixed-term contract as a secretary general, is rather limited. In smaller countries finding people willing to assist in these kind of programmes becomes even more difficult.

Concerning funded persons, Roland Berger & Partner can state, that in several schemes persons and institutions who are closely related with the respective project, have been funded. This is, in itself, not to be criticized, especially because the reason often was given, that board members or other institutions contributing their time and experience to establishing the project, could not be "punished" through exclusion from funding. As long as the respective applicant does not take part in the funding session, MEDIA Brussels agree that policy.

In general, we can state, that MEDIA should pay attention as not too many "relatives and friends" of board members and executives are funded by MEDIA schemes. This again means that the controlling function of MEDIA Brussels should be reinforced to give selection proceeding transparency.

In order to increase transparency regarding funded persons, companies or institutions, Roland Berger & Partner recommend, inclusion as a part of the application form, an *enumeration of funding already received from any other MEDIA projects*. Even if they apply with another film project for the respective scheme, they should be asked to present a MEDIA-track record. Again, this measure should not be taken, to exclude people from the programme, but to make the circle of funded persons more transparent.

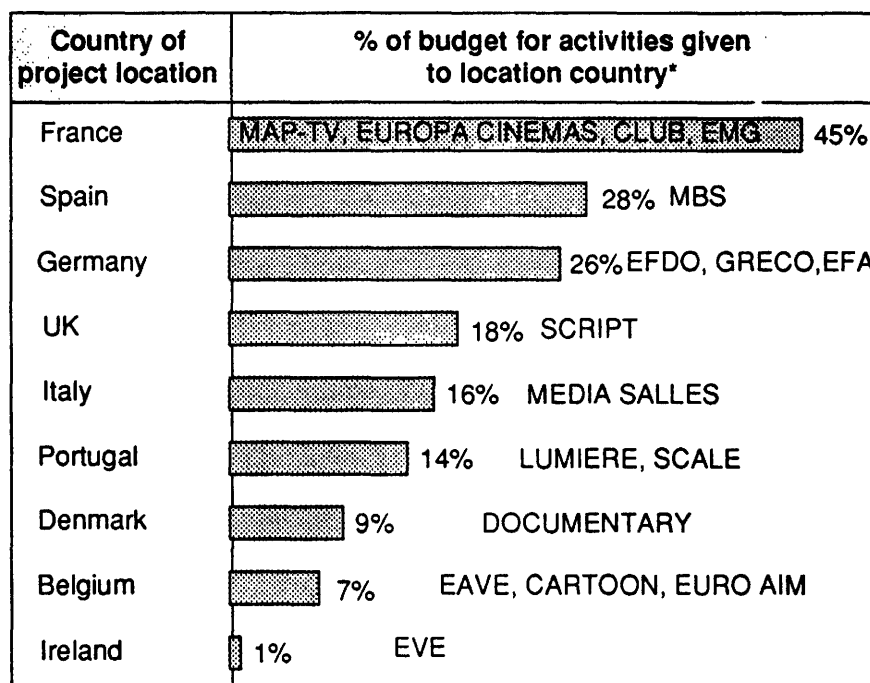
An applicable case, described in the vertical audit of CARTOON, serves to illustrate the relevance of the above recommendation. Roland Berger & Partner assumed that more transparency about the involvement of the body members and supporting by other MEDIA initiatives is crucial.

Within this context, MEDIA Brussels started an initiative, *to establish a database*, to identify possible "black sheep". This concerns, on the one hand, people who apply for one of the MEDIA schemes and have failed to pay back their soft loan within another initiative. On the other hand, this concerns controlling the origin of the other 50 % of project money. It is required, that no more than 50 % of an investment should be provided by public money. The applicant is asked to provide 50 % of the costs either in cash or partly in cash and partly in kind. If any other public funding is available, no award from the respective MEDIA project shall subsidize the total costs of the applicant's project by more than 50 % in the aggregate. The controlling of the "private part" should be improved by the establishing of the database.

Establishing the database can be judged as a very good and important measure - as long as basic development costs are not excessive.

Another rumour with which MEDIA was often faced was the assertion that the projects give priority support to their "home country". Based on data provided by the project management, Roland Berger & Partner analysed the allocation of project resources to applicants within the territory of the contract-partner.

**Allocation of MEDIA projects' activity budget to countries of project location**



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source: RB & P standardized project management interviews

As Roland Berger & Partner do not believe that the board of directors judge arbitrarily in favour of their project and country we can only offer two explanations, for this distribution:



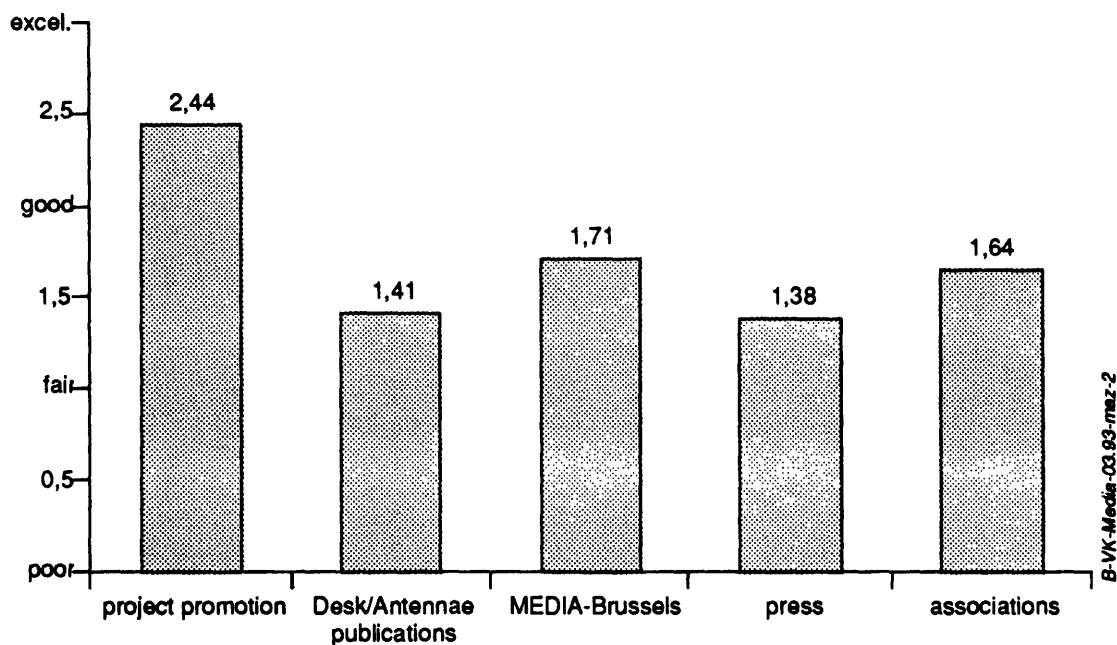
- Projects are currently well situated in "their" countries, in the sense that resources should be concentrated in countries where structures for this respective genre or field already exist. This applies for SCRIPT, DOCUMENTARY and SCALE. It does not necessarily apply for MAP-TV.
- A lack of projects transparency in the other European countries. The assessment of MEDIA-Desks/Antennae requests for information could not be used to illuminate this fact, because projects promotion, promotion from MEDIA Brussels as well as specific preferences in the respective countries can have influence on the project transparency throughout Europe. However Roland Berger & Partner can state that a presumptive lack of transparency will be met by the reinforcement of the Desk/Antennae work in the next years.

## 2. External transparency

Based on the review of selected press-articles about the entire MEDIA programme and every single project from 1991 until end of January 1993, Roland Berger & Partner can state, that the MEDIA initiative has a very high recognition within the press. The nearly 1,300 pages of articles were widespread in special interest papers, general newspapers and periodicals, as well as festival newsletters. Newspapers covered the most important ones for the industry. In general, the press showed a very high interest in the MEDIA programme and its specific activities: General information was given about every new project in course of its establishment, single activities of the different projects were discussed, and results presented. Some articles even discussed in-depth the history and possible impact of the MEDIA programme for the audiovisual industry. In general, it can be said, that these articles draw a quite positive and "true" picture of the MEDIA programme. However, in some cases information was less than accurately reported reflecting "journalistic license" in its interpretation.

Concerning the promotion and public relation work of the projects, Roland Berger & Partner can state, that it is very effective. Except BABEL, CLUB and LUMIERE (according to the information which they provided us), every project does its own presswork consisting of; press conferences, regular press releases about results and activities, project-specific newsletters, project-specific workshops like the "SCRIPT DAYS", held regularly in each country, flyers and documentation about seminars and workshops like the MEDIA BUSINESS SCHOOL. Regarding the press echo, Roland Berger & Partner judge the press work of the projects in general as very good.

**MEDIA projects: first contact with professionals  
- Evaluation by professionals -**



source: RB&P standardized professional interviews

This impression was verified by the interviews of professionals, who evaluated project promotion with the highest score for their first contact with the MEDIA programme. Professionals gave the press, as information source for MEDIA projects, the lowest score. This was despite the high visibility of MEDIA and its projects in the press. This would indicate, that professionals want to be more directly contacted.



MEDIA Brussels gets an impressively high score for the first contact evaluation by professionals. This means, at least in the starting phase of the MEDIA programme, MEDIA Brussels assumed a major role in informing professionals.

Regarding the extensive press and information work needed by MEDIA Brussels, Roland Berger & Partner propose the *introduction of a central office in MEDIA headquarters, which is responsible only for public relations and press work*. This could further lighten the workload of the head of the MEDIA programme, and concentrate on the information and communication with associations, film institutes and other bodies politically and culturally interested in the MEDIA programme.

This seems even more necessary, because through the interviews with associations and political institutions, Roland Berger & Partner learned, that information from and communication with MEDIA Brussels should be intensified. One proposition was to organize a yearly or bi-yearly meeting with all interested bodies to inform them about the progress of the MEDIA initiatives to date. This proposal should be considered by MEDIA Brussels.

In general, Roland Berger & Partner judge, establishing the MEDIA programme, primarily with professionals who are not official representatives of associations or member countries' governments can be judged as appropriate and very effective for the establishing phase of the whole programme. It is undeniable, that this procedure, facilitated the rapid development of the programme. However, in future, a closer communication and cooperation with or even integration of official representatives, should be considered to insure the general acceptance of MEDIA by official bodies. The surveyed professionals stressed again and again the advantage that MEDIA is a programme "of professionals for professionals".

The measures proposed above aim to insure that the MEDIA organization is sensitive to potential criticisms. The best way to meet criticism is to be as open as possible.



A centralized information and communication office could also be responsible for the MEDIA newsletter. The newsletter has to be judged from the current point of view as a very informative means which, with its print run of 30,000 copies (50 % French, 50 % English) is distributed throughout the projects, the MEDIA-Desks and the central mailing list of 20,000 professional addresses. MEDIA Brussels plans to change the next issue in order to make the newsletter "more attractive". It is planned to introduce more photos and articles from external professionals. By doing this, MEDIA Brussels should keep in mind, that the MEDIA newsletter is the "official bulletin" of the MEDIA programme. Its main duty is, to report the performance of the different projects and the current activity of the entire MEDIA programme. In this respect, the MEDIA newsletter could be seen as a potentially critical instrument for creating transparency in the MEDIA activity "jungle".

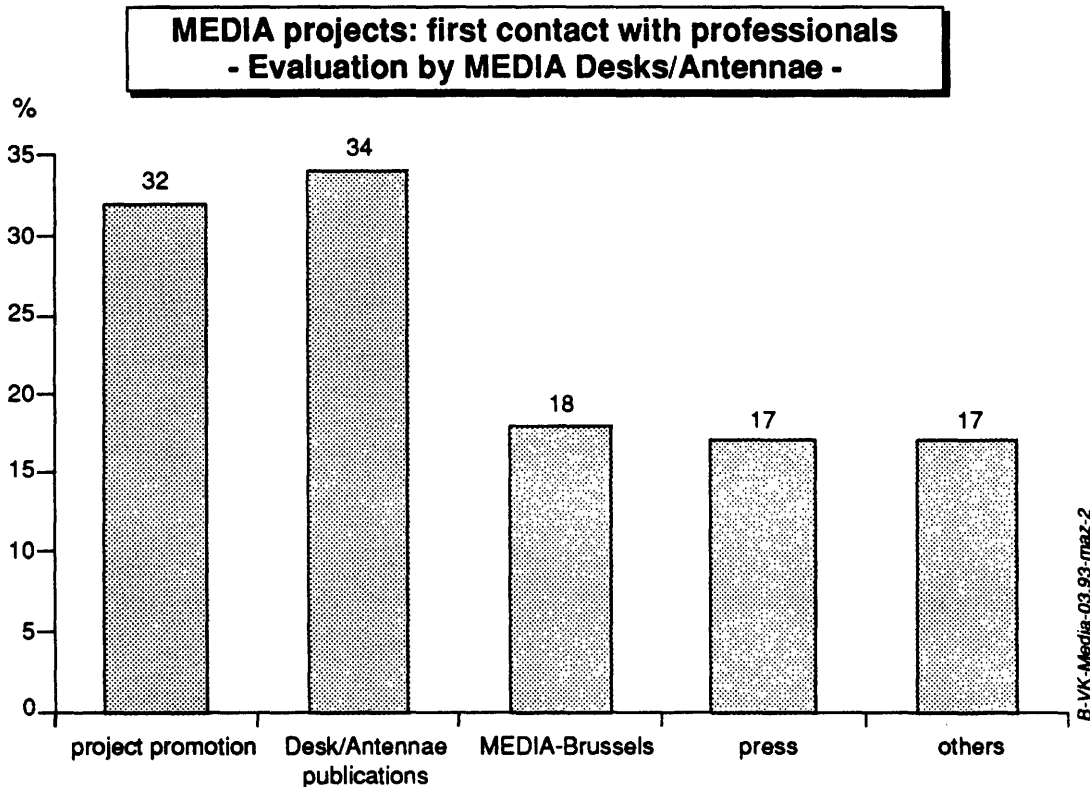
The most important tool for informing prospective applicants about all MEDIA projects and activities is the MEDIA Guide for the Audiovisual Industry (MEDIA bible). After having assessed the interviews, one can state that professionals have quite a lot of difficulty digesting the entire MEDIA bible to figure out which project is appropriate to their needs.

The MEDIA bible fulfills two different tasks: one is to concentrate information about the projects' motivation, target groups, the kind and amount of support and the location of the project. The second task is to provide in depth and precise information about project guidelines, project organization, application, payment and repayment procedures. Roland Berger & Partner state, that these two tasks could be fulfilled by two different sorts of brochure. For the general information on all MEDIA projects, the German MEDIA handbook, is a good model. In a very attractive way, it shows what MEDIA is all about. Interviewed professionals have judged the MEDIA handbook a very useful and insightful guide into MEDIA. This overall information could be enough for the beginning. The MEDIA-Desks and Antenna could then be, to give clear advice for application etc.

One very important means of increasing the transparency about the MEDIA activities and projects was establishing the MEDIA-Desks and Antennae throughout Europe. The first Desks started work only in October 1991 and the establishment of new Desks and Antennae continues. The very low score given by professionals to the information work of the MEDIA-Desks could be due to the fact that full information support throughout Europe has only begun very recently.



Asking the Desk and Antennae on the one hand, they see their work as one of the most important sources for the first contact of professionals with MEDIA. On the other hand, they are aware, that presentation of the projects themselves is still a very important source.

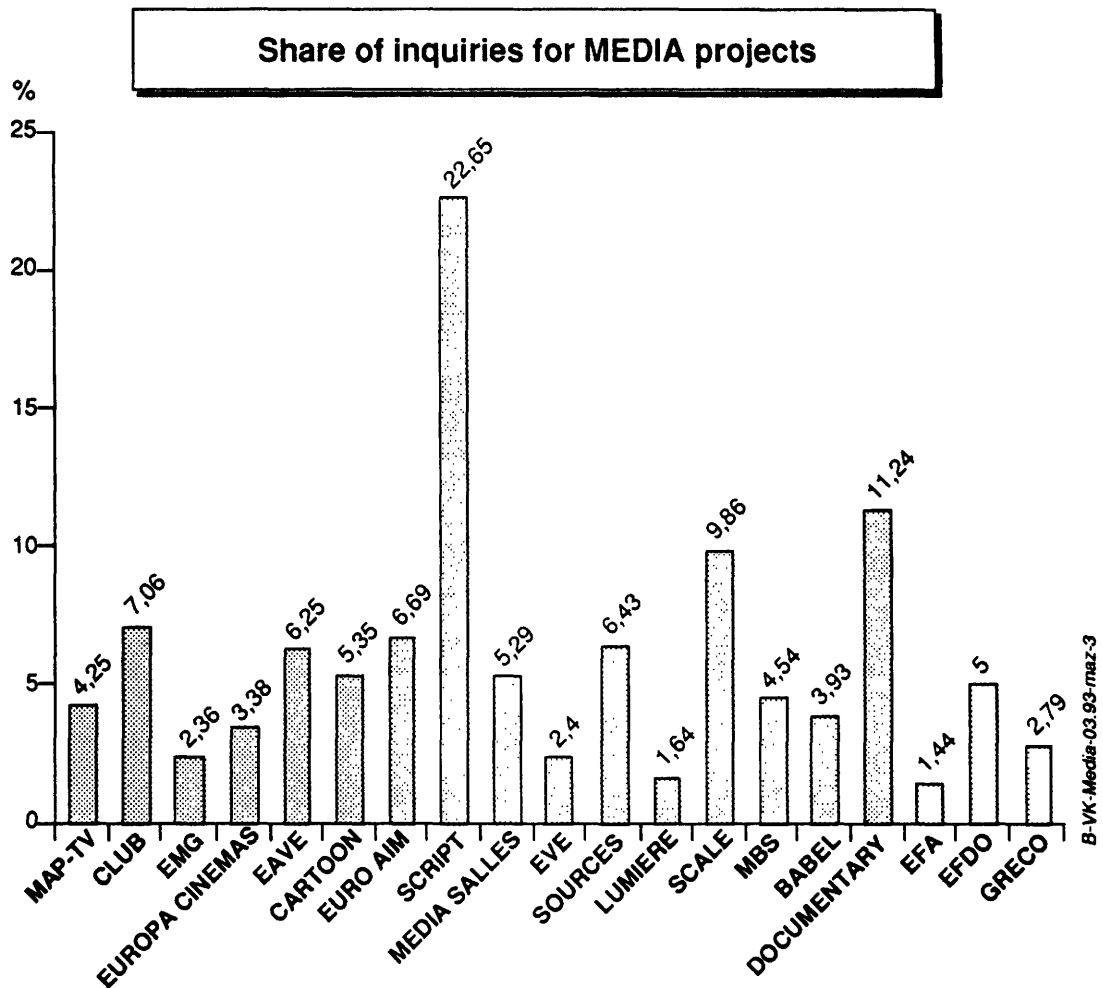


source: RB&P standardized Desk/Antennae interviews

In general, one could state, together with the predominant opinion of the project management, that information and communication tasks about the functioning of the projects and their activities should be *managed as decentralized as possible* - always according to principal information and communication guidelines, given out by MEDIA Brussels. On the other hand, statements on the overall policy of the MEDIA programme, should be only come from the headquarters in Brussels.

Roland Berger & Partner judge the directive to deliver all written information about projects to Brussels headquarters before its publication as too time and cost consuming for both projects and headquarters. On the one hand as clear and written guidelines are formulated, Brussels should rely on the projects publishing policy. On the other hand, central documentation of every published statement should be maintained in Brussels.

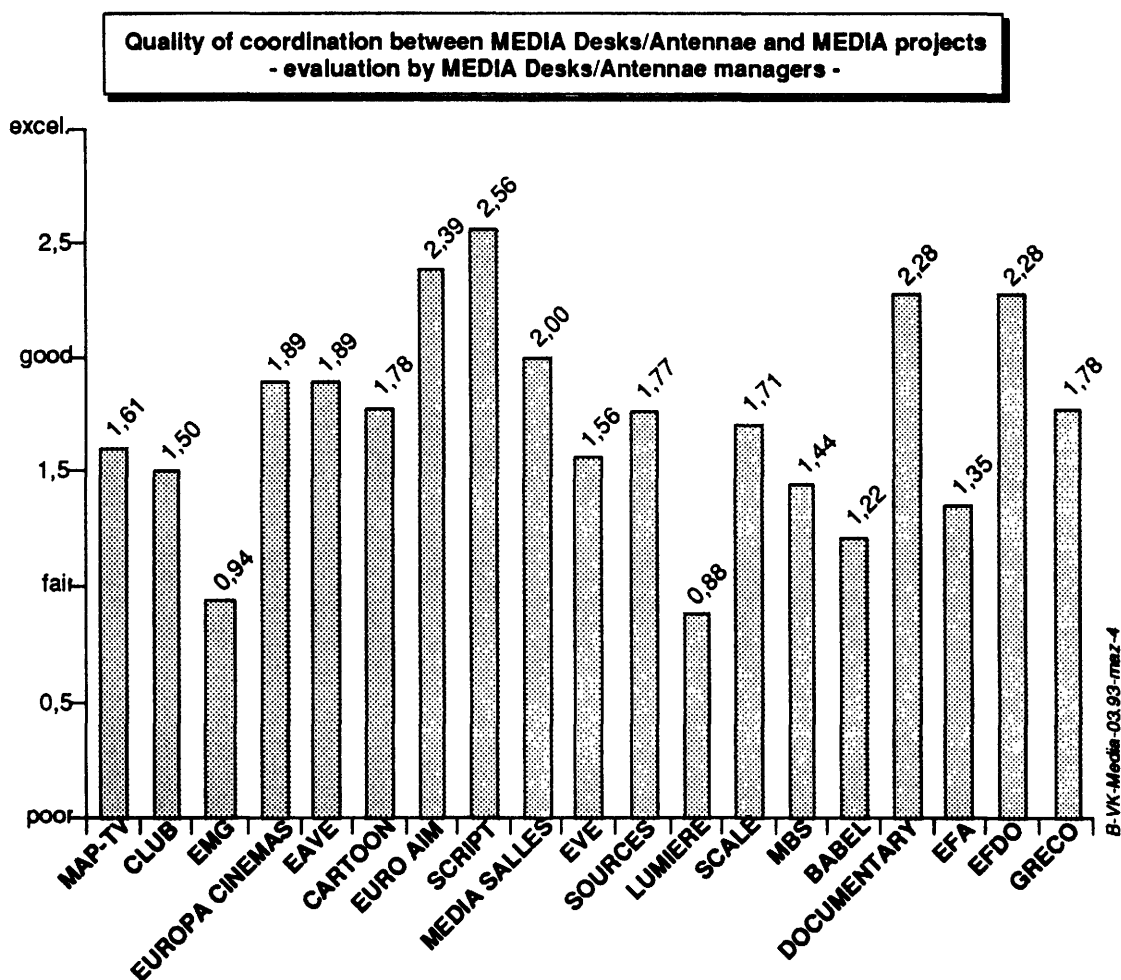
Looking closely at the work of the MEDIA-Desks and Antennae, one can see, that the overwhelming share of inquiries have been for SCRIPT with 23 % of all MEDIA-Desks and Antennae throughout Europe. SCRIPT is then followed by DOCUMENTARY with only half the inquiries (11 %). The next project professionals are most interested in is SCALE with 10 %. All other projects on average have inquiry-quotient under 10 %.



source: RB&P standardized Desk/Antennae interviews

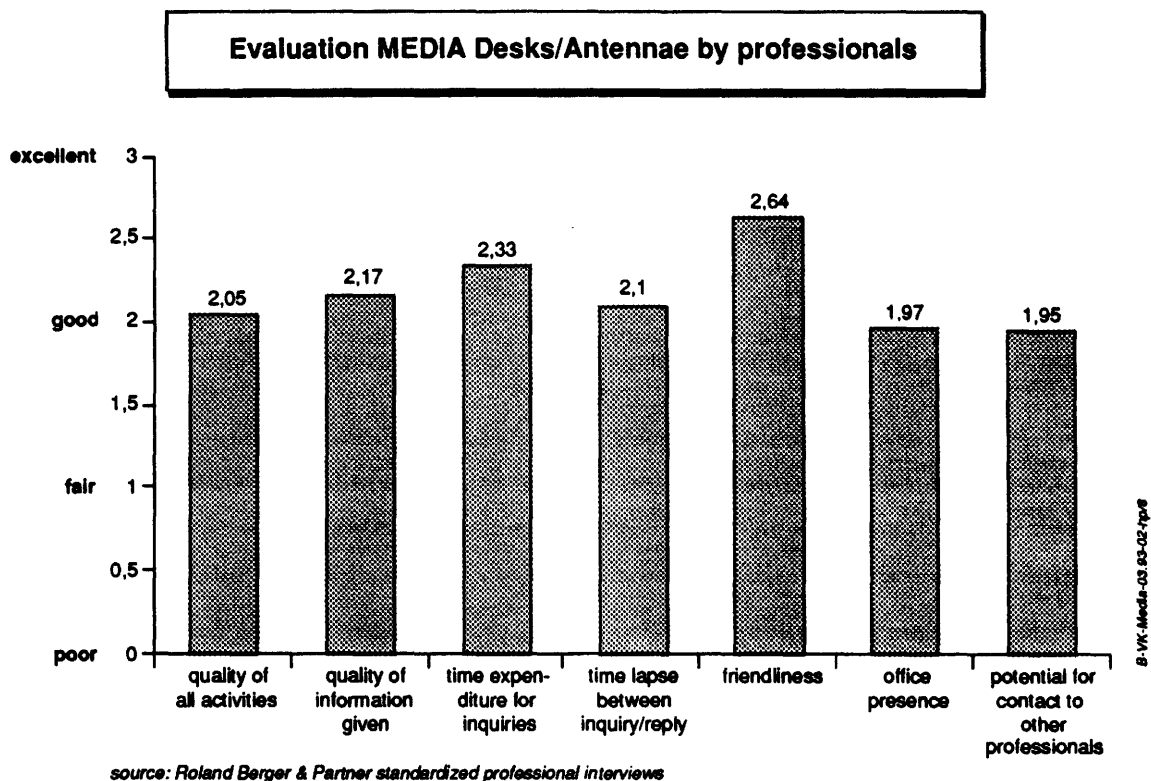


A comparison between the inquiry-quotients and MEDIA Desks/Antennae rating of project coordination quality gave SCRIPT the best marks. EURO AIM, DOCUMENTARY and EFDO were also credited with good cooperation rating with the MEDIA-Desks and Antennae. Given that the inquiry share for SCALE is rather high the cooperation between the project and the MEDIA-Desks could be improved. This is applicable for all projects which have a high inquiry-quotient on one hand and a low evaluation of their cooperation with the MEDIA-Desks and Antennae on the other.



source: RB&P standardized Desk/Antennae interviews

The professionals interviewed about the quality of the MEDIA-Desks/Antennae work were satisfied to a very high degree with quality of activities, quality of information given, the amount of time it takes to get the information even with the possibility of getting contact to other professionals. The friendliness of the persons who run the Desks and Antennae got in average the highest marks.



In general, we can state, that in the future, an intensified integration of the MEDIA-Desks and Antenna in the information and communication work of MEDIA should be pursued.



### III. Overlaps, synergy and gaps?

After a pilot phase, in 1991 the MEDIA programme began to implement the Council decision of December 21, 1990, and the action lines with the prescribed projects. Additional to the already 9 existing projects, 5 projects started work in 1991, 5 others followed in 1992.

The action lines of the Council decision, already contained a sort of "interfering structure of projects": different projects covered different steps of the value-added chain of the audiovisual sector, others covered "genres" and a third category dealt with countries and markets.

Some of the projects, were based on an in-depth feasibility study, which was supposed to show the needs, possibilities and ways of establishing an initiative under the MEDIA scheme. All projects were established with the aim of developing the most appropriate activities for their respective sector. After two operating years of the MEDIA 1995 programme, one can now find a *wide range of different activities, aiming sometimes at identical or similar target groups or with the similar or equivalent contents.*

So long as the same group of professionals is not targeted with the same activities contents, there is no overlap within the activities to be seen. Overlaps of this sort have only been discovered at a very low degree by Roland Berger & Partner.

One overlap among the MEDIA activities, which could meet these criteria is between the projects: MEDIA SALLES and EUROPA CINEMAS. Both projects aim at the same target group the European cinemas and exhibitors. The demarcation of their target groups is done according to the size of the town where the supported cinema is located. EUROPA CINEMAS concentrates on European big cities whereas MEDIA SALLES focusses on middle sized towns. At the same time, they try to establish the same activity in form of cinema support - even if the several measures taken are different.



Already the similarity of the project names EUROPA CINEMAS - CINEMA DELL'EUROPA/MEDIA SALLES was judged by professionals interviewed to be difficult to distinguish which led to the impression of overlapping in their view. Roland Berger & Partner state that the similarity of target groups, activities and names can be seen as a chance to coordinate even stronger the activities and to concentrate MEDIA's means. MEDIA Brussels should rethink, together with both projects, possibilities for joint activities in the future.

Even if SCALE management does not see any overlapping with existing MEDIA projects, Roland Berger & Partner state that the very nature of SCALE to support the audiovisual industry of "small" countries, creates dangers of overlap. E.g. the SPSS activity with the incentive funding scheme of SCRIPT in the sector of development, or SCRIPT CRAFT with SOURCES in the sector of screen writing. Roland Berger & Partner want to point out that the danger of overlapping should be shifted to a potential for synergies. Very close cooperation and coordination is needed. The demonstrated ability of SCALE to match activities with other MEDIA projects should be pursued.

Other activities within the MEDIA schemes, frequently criticized for overlaps are training activities. The training schemes MEDIA BUSINESS SCHOOL, EAVE and EUROPEAN FILM ACADEMY were judged to have several overlaps and duplication of effort. Roland Berger & Partner can state, that as long as they keep their target groups distinct EAVE and MEDIA BUSINESS SCHOOL could easily complement each other's work. EAVE could further provide a highly efficient training structure for new producers seeking expert advice on a variety of projects. MEDIA BUSINESS SCHOOL should work within a wider field of action which addresses far more established professionals. True is that the content of both training initiatives is purely concentrated on marketing, financing and distribution as producer know-how. This can be judged as very good, if borne in mind, that it is exactly this kind of know-how, which is needed to make producers more competitive in the international market and finally achieve a producer-led industry.

The EUROPEAN FILM ACADEMY plans to establish a marketing and financing master school for directors and screen writers as well, furthermore SOURCES wants to develop seminars to strengthen screenwriters' professionalism and business skills, Roland Berger & Partner state, that a possible overlap and needless duplications of effort could occur out of these future activities. It is recommended that EFA and SOURCES concentrate on their original fields of training.



The development efforts within the MEDIA programme are another example of possible duplications of effort. Several projects do development work such as the EUROPEAN SCRIPT FUND for fiction projects, DOCUMENTARY for documentaries and CARTOON for animation films. Interviewed professionals and project managers rather often stated that there should be one "development centre" in the MEDIA programme. This is a very difficult question to judge because development work for documentaries, fiction projects and cartoons aim at totally different target groups. Roland Berger & Partner recommend, that in a future "redefinition phase" of MEDIA, this question should be discussed in detail with all project managers, MEDIA Brussels and the professional circles concerned.

Another example of a possible overlap is the work of DOCUMENTARY and MAP-TV. Bearing in mind the measures to be realised under the Council decision, MAP-TV was foreseen within the action line to contribute to the establishment of a "second market in particular using archive material". MAP-TV's declared aim is to enhance the value of the European audiovisual heritage by contributing to the production of works created on the basis of archives thus promoting of archive-based films. So today MAP-TV focusses on financing development/preproduction (96 % of budget for activities).

DOCUMENTARY aims at stimulating the development of high-quality creative documentaries. MAP-TV aims, using same elements (development financing) at the same group (primarily documentary producers). The difference is that MAP-TV aims for a 20 % archive content as the supported film. Nevertheless there is a potential overlap which should be analysed in more detail by a MEDIA working group and projects' management.

EURO AIM's management does not see any overlapping at present, but fears overlapping in the future if other projects widen their activities. However in five cases overlapping with EURO AIM was cited by other MEDIA projects interviewed - but mostly in future activities. Roland Berger & Partner recommend that coordination work be intensified given the potential for overlapping inherent in EURO AIM's broad activities concerning the very important field of marketing. MEDIA Brussels is already aware of that fact.

Hence, a good instrument to be introduced formally would two explicitly called "coordination meetings" at the end and beginning of the year, where every project has to present its planned activities and where joint decisions should be taken on all MEDIA projects.

The coordination work of the projects with each other can be stated as a very strong point of the MEDIA programme. For the degree of coordination by means of information exchange, coordination of activities or even shared activities with a substantial part of invested money, see the project management assessment (Annex II).

Coordination instruments are informal personal and telephone communication, meetings at large festivals, providing participants for other projects, integrating other projects in one's activities, e.g. EMG with the rendez-vous finance and coproduction in Munich organized by EURO AIM, joint conferences for example carried out by MBS etc.. The stated examples give only a rough overview over all coordination activities undertaken.

In conclusion, Roland Berger & Partner recommend, that *each project should concentrate on its tasks as originally defined*. Consolidation of the MEDIA activities seem to be appropriate after two years (or more concerning projects of the pilot phase of MEDIA) of establishing all different activities. Roland Berger & Partner acknowledge the coordination work of the MEDIA headquarters in Brussels, which has become more and more complex. Even stronger coordination would change the danger of overlaps by better using synergy potentials which are to be found over all projects. MEDIA Brussels is aware of the above mentioned facts and tries to channel the activities of the different projects and foster coordination. A positive example in this respect is the coordination of DOCUMENTARY's, EURO AIM's and MAP-TV's activities for the planned documentary-forum.

Amazingly, our interview partners did not suggest that the MEDIA programme should directly finance productions. Apparently it is accepted within the industry that the European MEDIA programme is not meant to subsidize film and TV productions, but to act as a seed capital fund, initiate private investment and improve the production and marketing capabilities of the European audiovisual industry.



Right from the beginning, the MEDIA programme was established not in order to be a production fund, but to cover all other sectors within the value-added chain. It should provide development, training, networking schemes that help to foster a competitive European audiovisual structure. This approach, which was surely innovative, can be judged as very good. The MEDIA initiatives cover sufficiently every step of the value-added chain. In the opinion of Roland Berger & Partner and in the estimation of professionals, 19 projects with their 51 different activities meet the requirements of the audiovisual sector even if to varying degrees (see C II. 3).

Furthermore, MEDIA intends to support a production through its several stages by means of its own programme phases. The most cited example of this is the successful film "Toto le héros" which was supported by SCRIPT, EAVE, EFDO and finally EVE. All together at least 50 more film productions have been supported by two distinct MEDIA schemes.

Roland Berger & Partner can state that there is no "gap" in the MEDIA initiatives to be found, which were not intended in the original conception of the programme.

## **E. Overall conclusions**



## **E. Overall conclusions**

Roland Berger & Partner evaluated how far MEDIA met its goals as provided by article 2 of the Council decision of December 21, 1990 (see I. MEDIA's goal and objectives).

Furthermore, Roland Berger & Partner evaluated MEDIA's acceptance within the audiovisual industry based on standardized interviews and personal interviews with industry experts and professionals who contacted MEDIA (see I. MEDIA's goals and objectives, 1. Acceptance within the audiovisual industry).

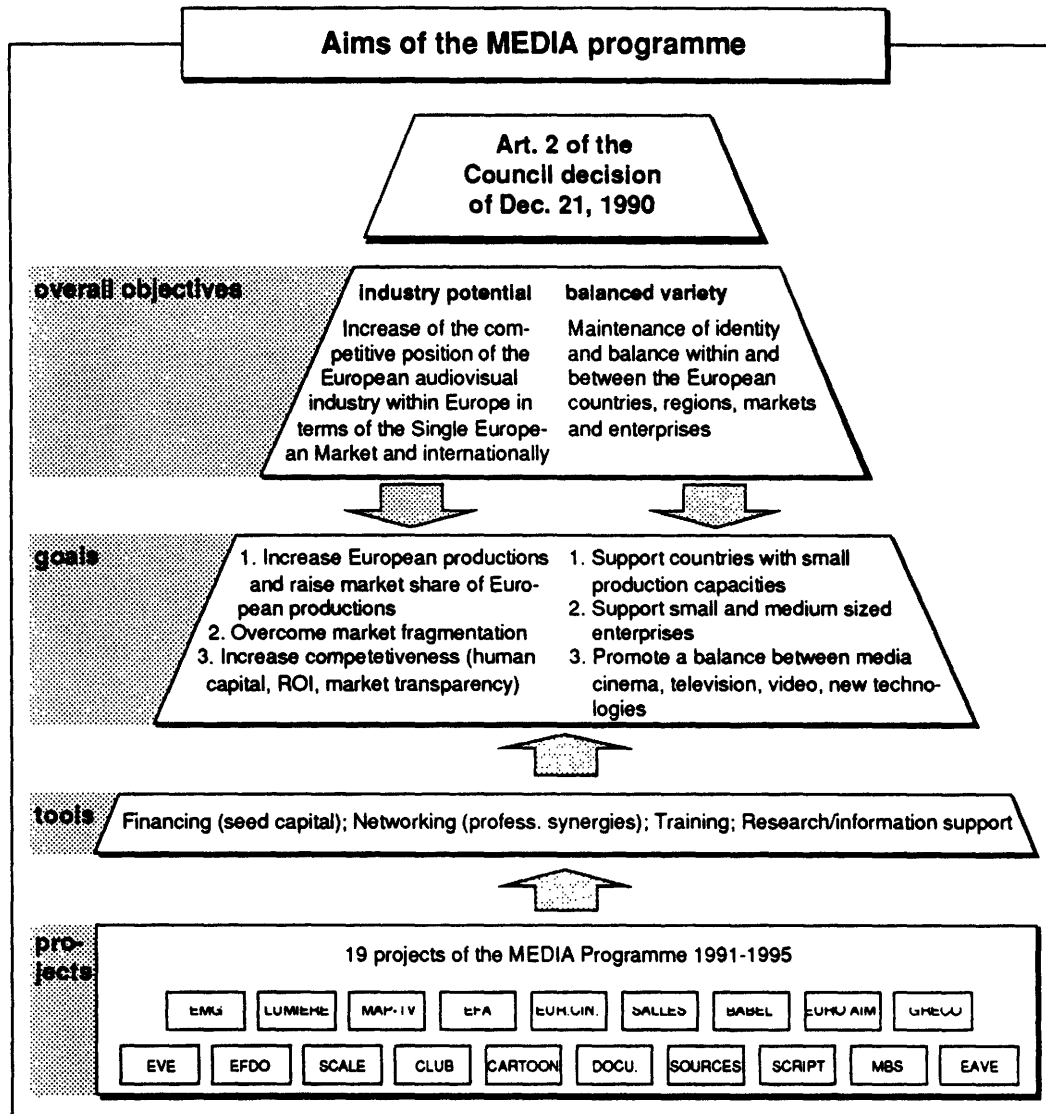
MEDIA's tools and principles were assessed carefully in order to explore improvement potentials. Proposals were given as far as necessary (see II. MEDIA's tools and principles).

Concerning MEDIA's goals and objectives, a cost benefit analyses was conducted (see I. MEDIA's goals and objectives, 2. cost benefit analysis).

In the last section of the overall conclusions, Roland Berger & Partner state proposals for the whole MEDIA programme (III., 1.). Proposals for the individual MEDIA projects are listed (III., 2.).

## **I. MEDIA's goals and objectives**

The aims of the MEDIA programme, laid down in the Council decision of December 21, 1990, were analysed consolidated into two main objectives, industry potential and balanced variety. Furthermore Roland Berger & Partner derived the main goals based on the aims of the Council decision. (see B)



In the following it will be shown, how MEDIA's objectives and goals were perceived by professionals in the audiovisual industry, achieving of the aims of the Council decision will be assessed with respect to each individual goal.

1. Acceptance within the audiovisual industry

First, Roland Berger & Partner want to state, that the entire *MEDIA programme* has a very high visibility and acceptance in all EC Member states. Interviews with beneficiaries, non-beneficiaries and industry experts showed that in all countries the MEDIA programme is very well-known. Roland Berger & Partner could not easily discover people who had not yet heard of MEDIA within the interested professional circles all over Europe. It seems that the promotion work of the MEDIA headquarters, the individual projects and recently the MEDIA-Desks and Antennae have contributed to the popularity of the MEDIA programme. (see D, II, 2).

In general, Roland Berger & Partner can state, that the approach of the MEDIA programme and its projects is regarded as positive. The MEDIA programme was set up to create more cooperation in the European audiovisual industry and to work as an integrating instrument in order to create a Common market in the audiovisual sector. The perception of the programme reflects this approach.

Furthermore the programme is not seen as bureaucratic, but as a catalyst for the self-organization of the industry. Thus it is safe to say, that the MEDIA programme and its goals have been positively accepted by the European audiovisual industry. The overwhelming majority of interviewed persons inside and outside the MEDIA structure expressed their view that the programme has been a catalyst for improving the conditions of production and the competitive position of the European film industry. According to some interview partners, who have an insight in political matters, it also has a positive effect on governmental commitment to the audiovisual sector.

However, pursuing both main objectives of the Council decision, industry potential and balanced variety, was rather often perceived in professional interviews as being contradictory and mutually exclusive. It was stated, that the programme lacks focus and that following both objectives will never lead to any final result for MEDIA.

However, Roland Berger & Partner state, that the parallel achievement of both aims is a matter for Europe. Not being provided with a Common market like the United States of America, European industry policy has to do both: to strengthen already strong units to increase global competitiveness, i.e. on a world market, and to promote market access for countries in Europe with smaller audiovisual production capacities and/or with a limited geographical and linguistic area. To create conditions, which will enable the usually small and medium sized undertakings in that sector to take full advantage of the Single Market dimension is also an important goal.

Although MEDIA programme's approach is clear, that "Europe has to do both", Roland Berger & Partner were faced with criticism of one of its objectives throughout most professional interviews. Several persons surveyed were of the opinion that MEDIA must increase market access of "small" undertakings and countries or regions. Other interview partners stated, that MEDIA should concentrate much more on their economic approach: MEDIA should be an economic programme based on the Treaty establishing the European Economic Community.

Professionals expressing one of these points of view, were not very openminded toward MEDIA's other main objective, in general they did not quite understand why MEDIA stresses both sides. The fact that the audiovisual industry is hardly aware of the underlying aims of the programme causes - unfortunately - a diffuse image of MEDIA's goals within European professional circles. It was rather often stated, that MEDIA should aim at a reorientation of its goals.

Roland Berger & Partner's opinion is the following:

The necessity of pursuing both overall objectives of the Council decision at the same time has been an enormous task to be fulfilled by the MEDIA programme. In conclusion, Roland Berger & Partner can state, that MEDIA fulfilled this task - to "do the splits" between the various aims - very well.

In the course of discussing the reaching of every single goal (E, I, 2) it will turn out, that MEDIA made the first steps to create conditions which will give undertakings full advantage of the European Single Market dimension and thus increase economies of scale and industry potential. On the other hand, it is shown that MEDIA promotes access to this Common Market to "small" and medium sized undertakings within the audiovisual sector as well as to "small" countries and regions.

Projects behaved very professionally and responsibly by choosing selection criteria for their activities regarding both overall objectives of the Council decision (see D, I, 2).

However, Roland Berger & Partner can state, that these "contradictory" aims are sometimes very difficult to be fulfilled by individual projects, especially bearing in mind development and changes of market conditions. As one example can serve EFDO. As shown in the vertical auditing, EFDO seems today, after four years of operation and some adjustments in its guidelines, "stuck in the middle" between its original starting point to deliver distribution support for low-budget films and the actual clear tendency in the film sector, that productions with higher budgets are much more often produced throughout Europe. Roland Berger & Partner recommend - having in mind EFDO's declared overall goal to effectively strengthen the European distribution market to concentrate its approach more on the industry potential objective.

Bearing in mind the "diffuse image" within professional circles throughout Europe and projects' situation being characterised as "stuck in the middle", Roland Berger & Partner recommend that within the second half of the MEDIA '91 to'95 programme, a working group of MEDIA Brussels and project management should assess this situation in-depth and adjust programme's and projects' policy to this end.

## 2. Cost benefit analysis

Roland Berger & Partner have conducted a two step cost benefit analysis of the MEDIA programme. We evaluated the opportunities available to MEDIA to influence the audiovisual industry with its budget of MECU 200 within a five year period. The attainment of MEDIA's overall aims and objectives as provided by the Council decision of December 21, 1990, was also assessed.



## *Conclusion*

MEDIA's overall objective "industry potential":

*On a quantitative level results could not have been achieved yet. On a qualitative level results are visible. MEDIA's approach is well-chosen. MEDIA projects' scope is too small in most cases. Results on a quantitative level are not to be expected before 2000.*

MEDIA's overall objective "balanced variety":

*MEDIA's scope in supporting "small" countries and small and medium sized enterprises is high. Results are visible on a qualitative level. MEDIA gave independent professionals in "small" countries possibility to take advantage of the Single Market dimension. MEDIA projects achieved a balance between media in their support.*

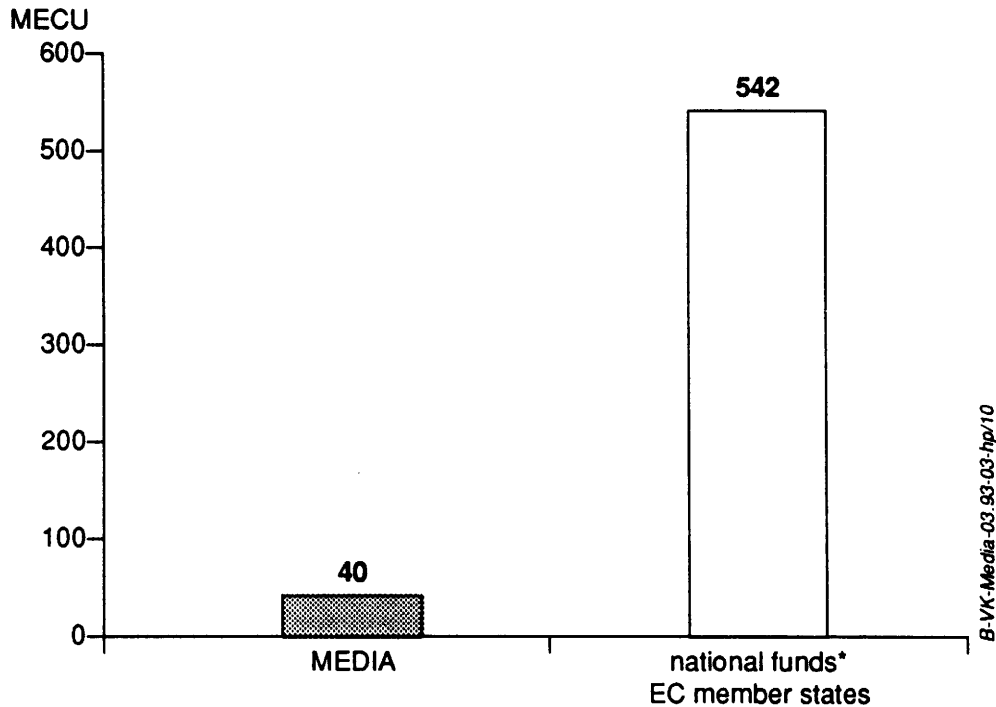
## *MEDIA's influence potential*

Roland Berger & Partner are aware MEDIA could not change the audiovisual industry after only two years of programme operation. Film and TV business is completely different from most other industries. From the initial idea, through script development, production and final cinema or TV release it takes years.

Roland Berger & Partner analysed - as far as data were available - the funding programmes for the audiovisual industry in the various EC Member states.



## Funds for the European audiovisual industry 1991\*



\* does only include funds to MEDIA's target groups. Does not include e.g. aid for research & development on new standards etc. or tax advantages

source: *Les Mécanismes de Financement du Cinéma et de L'Audiovisuel en Europe*, CNC, Roland Berger & Partner interviews

Of assistance from Member states only funds which reach MEDIA's target groups were considered. E.g. funds for research & development for new standards in electronic industry or tax advantages were not included.

MEDIA projects' managers and managers from MEDIA Brussels reiterated that MEDIA's budget cannot be compared with the national funds. According to MEDIA managers, the MEDIA programme is completely different from national funds and should have a stronger mobilization effect. It was stated repeatedly, MEDIA should not only be different, but better than public funds. At this time, it is too early to judge if MEDIA's performance excels that of national public funding programmes.

However, in the opinion of Roland Berger & Partner the MEDIA programme might probably excel national funds' performance.



MEDIA follows principles quite distinct from those of most public funds. Above all, MEDIA wants to promote professionals who face risks and profit opportunities based on market structures (entrepreneurial spirit). This requires a turn-around within the European audiovisual industry from a director-led to a producer-led industry.

To achieve changes within the industry professionals need a completely different approach towards film and TV productions. As long as public funds are one of the main sources of film financing, professionals will tend to focus the funds with the largest budgets. These funds and their operation influence professionals' behaviour towards the industry (education of the sector).

For the above mentioned reasons, MEDIA's influence potential faces certain limitations.

#### *Scope approach*

The MEDIA '91 to '95 programme has been in effect for two years and three months. Obviously, it is too early to see quantitative results in most cases. However, Roland Berger & Partner want to make qualitative arguments, but based on quantitative arguments.

Therefore Roland Berger & Partner used a "scope" approach measuring MEDIA's effects and impact potential in three steps:

- An assessment of the current situation concerning MEDIA's goals (as far as data were available) was made; MEDIA's target group was measured on a quantitative level, e.g. number of films in Europe or number of documentaries in Europe,
- the achievements of MEDIA's projects were analysed on a quantitative level and compared with the total number of productions/persons within the target group (scope),
- based on these quantitative results, Roland Berger & Partner evaluated MEDIA's projects' operations and performance on a qualitative level.

The scope approach makes qualitative assessment of the MEDIA programme and MEDIA's projects as objective as possible. It provides MEDIA's decision makers an instrument to assess MEDIA's future impact potential on the audiovisual industry.

For the purpose of the cost/benefit analysis, Roland Berger & Partner deduced operational goals from the main objectives of the Council decision (see B). These goals are:

- Increase European productions and raise market share of European productions
- Overcome market fragmentation
- Increase competitiveness (human capital, ROI, market transparency)
- Support countries with small production capacities
- Support small and medium sized enterprises
- Promote a balance between media (cinema, television, video, new technologies)

For the assessment, we took into consideration that numerous effects can only be discontinued after a time delay of several years. As far as possible, Roland Berger & Partner made serious appraisals concerning these future effects.

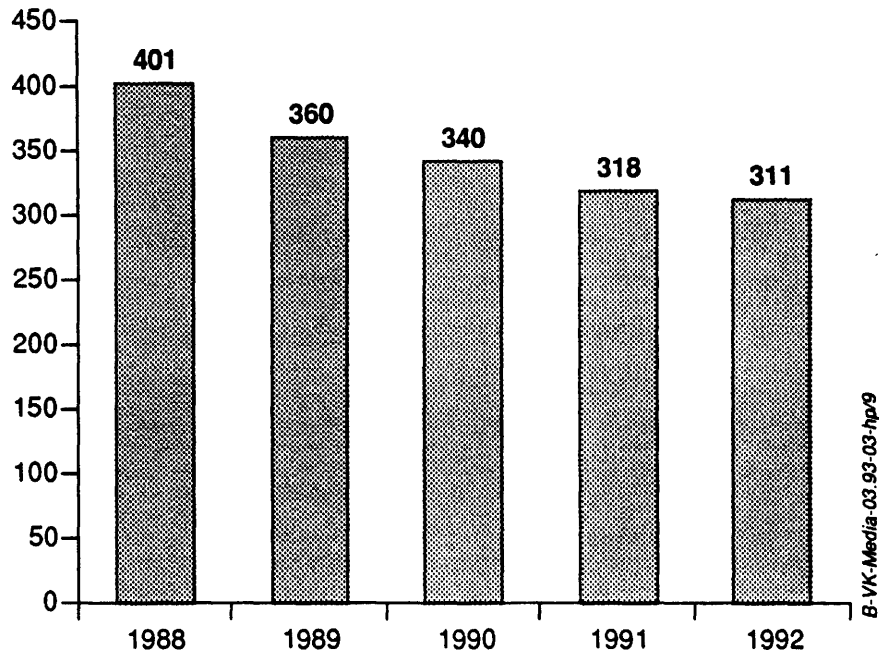
It should be mentioned Roland Berger & Partner did not carry out a macroeconomic analysis of the audiovisual industry. But for a serious and sound evaluation of MEDIA's benefits, a reliable quantitative basis was needed. Therefore Roland Berger & Partner screened different data sources. We decided to rely mainly on two main sources (Nick Roddick, Split Screen; Screen Digest). They provided most reliable data.

## 2.1. Increasing European productions and raise market share of European productions

### *Increase productions: cinema*

Produced films in the EC Member states decreased from 401 in 1988 to 311 in 1992, if one considers only national productions, excluding coproductions throughout EC Member states.

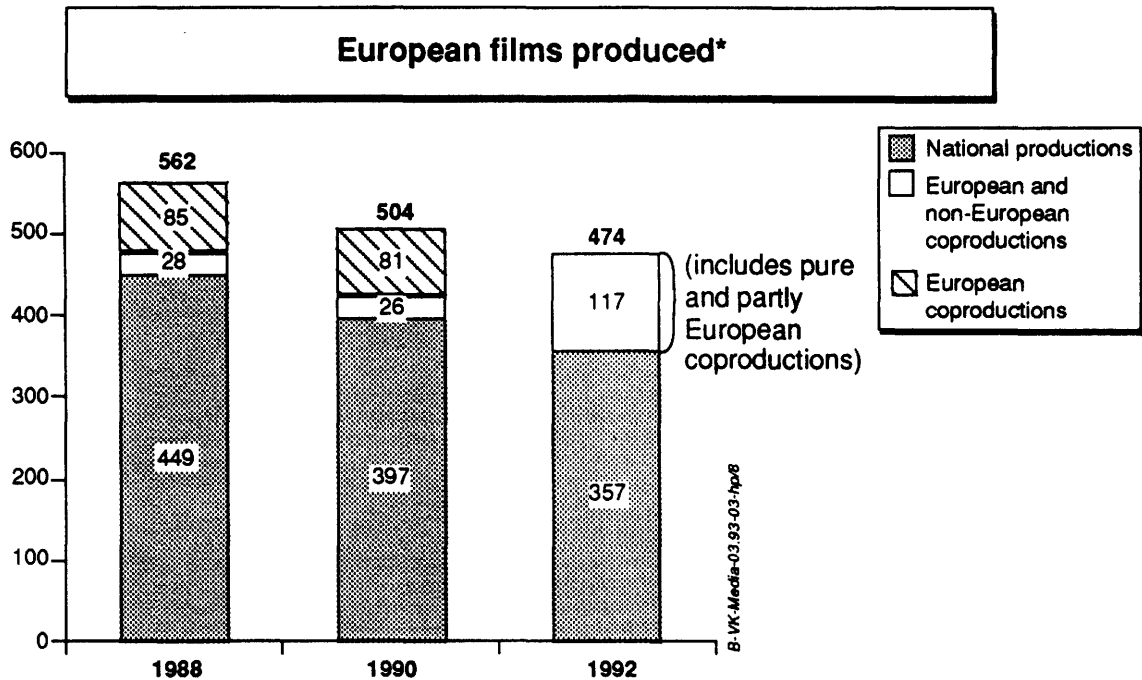
**Produced films in EC Member states\***



\* excluding coproductions  
 source: Split Screen

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Figures concerning coproductions in EC Member states are not available without any double entries. However, figures without double entries are available for all Western European countries:



\* all EC Member states plus Austria, Switzerland, Norway, Sweden, Ireland, Finland.  
This calculation does not include any double entries.

source: Split Screen, Roland Berger & Partner

According to these figures, Western European film production decreased by 16 % from 562 in 1988 to 464 in 1992. Coproductions increased slightly from 113 in 1988 to 117 in 1992. Figures concerning the part of pure European coproductions in 1992, were not available. That means, 117 coproductions in 1992 include partly and pure European coproductions. One can say, the number of coproductions stabilized. Therefore coproductions' share of all films produced in Western Europe increased from 20 % in 1988 to 25 % in 1992.

In the opinion of Roland Berger & Partner, decreasing productions in EC Member states in the last years should not be judged as a negative indicator. Since several years the number of films produced decreases from year to year worldwide. The tendency, less films but higher budgets, is noticeable in the film and TV industry all over the world.

Roland Berger & Partner estimated MEDIA projects' scope within European productions for the future. This approach was chosen because 1993 is the first year of most MEDIA projects' full functioning. Furthermore production completion can only be expected with a time delay of several years.



Concerning MEDIA projects that support development, preproduction or production EMG's guarantees budgets, we proceeded as follows. Number of future productions to be supported were estimated based on number of productions supported in 1991 and 1992. By doing this, Roland Berger & Partner assumed MEDIA projects' budget is equal to MEDIA projects' budget in 1991. In a second step Roland Berger & Partner estimated based on projects' results achieved how many of supported productions can expect to complete production. Concerning projects' results achieved, we took into account projects' lifetime.

With MEDIA's help the following films could be produced per year in the future:

<b>Project</b>	<b>Number of productions to be supported</b>	<b>Number of films to be produced</b>
CARTOON	3	1
SCRIPT	150	30
EMG	12	11
EAVE	17	7
TOTAL	182	49

These figures contain several double entries, e.g. some films might be supported by EAVE and SCRIPT. Roland Berger & Partner estimate the above mentioned number of films to be produced include app. 20 % double entries.

Concerning MEDIA projects' networking activities, e.g. EURO AIM's markets or CARTOON's forum, Roland Berger & Partner estimated app. 20 additional films will be produced partly thanks to MEDIA. However, this is a rough and dangerous estimate based on our interviews with beneficiaries, industry experts and the respective project management. One may say, MEDIA synergies might probably add some more produced films per year (app. 10; rough and dangerous estimate).

In conclusion, MEDIA can expect to initiate partly 70 European films produced per year (without double entries).



This figure should be compared with app. 370 produced films in EC Member states in 1992 (311 pure national films plus app. 59 pure European coproductions). Taking into account the number of finally films to be produced supported in different stages of the value-added chain by MEDIA, one can state that the expected scope (19 %) of productions is rather high.

This scope can be judged as very good, if one takes into consideration MEDIA's limited budget (see above). However, one has to consider, these films will be only partly financed by MEDIA. Most of the films to be produced will be financed predominately from other public funds and private investments.

Not only projects supporting productions influence the number of films to be produced in EC countries. Projects like EURO AIM or CARTOON have networking activities which allow a strong multiplier effect. Although MEDIA projects' networking activities do not support a preproduction, development or production budget directly, they help professionals to create links with professionals from other EC countries. They establish a system for European professionals seeking financing sources. Networking activities unite power, know how, skills and money to make use of economies of scale. Therefore networking activities are important to increase "competitive supply capacity of European audiovisual products" (Council decision).

Roland Berger & Partner judge the effects of these indirect activities on European film production are even exceeding the results, which can be achieved by supporting a preproduction, a development or a production budget. Therefore these effects - which can unfortunately not be measured on a quantitative basis - have to be added to the above mentioned productions, which will be completed thanks to MEDIA.

*In conclusion, Roland Berger & Partner can state, MEDIA makes the best use of its small budget to increase European film productions. However, it should be mentioned, the potential impact MEDIA can reach with its small budget, is somewhat restricted (see 2. Cost benefit analysis, influencing potential).*



*Increase productions: television*

Unfortunately, no reliable data exist concerning European TV production. However, estimations conducted by CIT Research, London show that app. 31,000 programme hours (only commissioned productions and coproductions) were produced in Western Europe in 1992.

With MEDIA's help the following programme hours could be produced per year (for procedure, see above, Increase productions: cinema):

<b>Projects</b>	<b>Number of programme hours to be supported</b>	<b>Programme hours to be completed</b>
GRECO	35	32
SCRIPT	80	16
DOCUMENTARY	117	17
CARTOON	200	65
CLUB	20	15
MAP-TV	49	7
EMG	15	14
EAVE	16	12
<b>TOTAL</b>	<b>532</b>	<b>178</b>

Therefore estimated productions that will be completed partly thanks to the above mentioned MEDIA projects, might be app. 178 programme hours per year (140 programme hours without double entries).

With MEDIA's networking activities more programme hours than film productions can be reached. Roland Berger & Partner estimate based on figures delivered by EURO AIM and CARTOON additional 100 programme hours can be reached. If one adds MEDIA's synergies (app. 30 programme hours; rough and dangerous estimate), the total number of produced programme hours supported by MEDIA will amount to 270.

Therefore MEDIA's scope within programme hours produced in Western Europe might probably achieve 0.8 %. Even if one considers only productions within EC Member states, MEDIA's scope can be said not to be higher than 1.5 %.





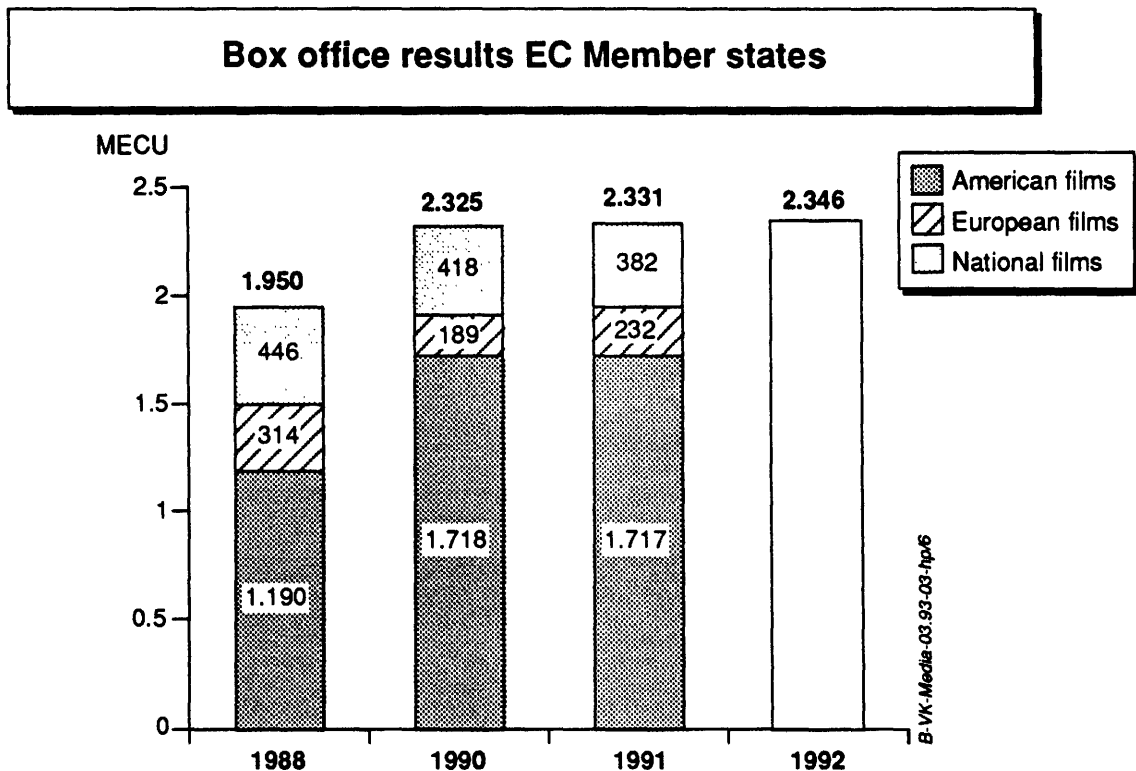
To increase European TV productions and the presence of European productions on TV (which is an aim of the EC commission not only because of MEDIA, but also because of the Council directive on the coordination of certain provisions laid down by law, concerning the pursuit of television broadcasting activities of October 3, 1989) might probably be achieved. However, in this context, *MEDIA's activities and budget concerning TV productions seems too low to reach a critical mass.*

*Increase productions: conclusion*

Roland Berger & Partner judge MEDIA's approach of granting soft loans in most cases in the development and distribution stage is very good. Thus a comparably high number of productions can be reached even with MEDIA's relatively small budget. MEDIA should continue not to compete with national funds by supporting larger shares of production budgets. *MEDIA made full use with its small budget and reached as many productions as were possible.*

In conclusion, Roland Berger & Partner can state, MEDIA is on a good track to give birth to many European productions with a truly European appeal.

*Increase market share*



source: Screen Digest

The market share of European films (excluding national films) in national markets decreased. This was caused by American films as well as national film releases.

Reliable data concerning 1992 box office results are not currently available. Anyway, box office results stabilized. Interviews in the respective countries showed, that the situation in 1992 might probably be the same as in 1991. Data provided from the CNC concerning France, the biggest European cinema market, show that cinema visits decreased slightly from 117 to 116 million visitors in 1992. Market share of American films stabilized. Cinema visits of films from other European countries decreased from 13.3 million in 1990 to 7.9 million in 1992. Therefore market share of French films increased from 31 % to 35 %.

It would be premature to estimate the future success of European film and TV productions supported by MEDIA on European markets. Given MEDIA's supported productions perform like an average European production, MEDIA's scope within European markets will be equal to MEDIA's scope among European productions (see Increase productions).



A crucial point to increase the market share of European films is to enlarge the number of cinemas showing European films. In the exhibition sector app. 10,353 cinema buildings with app. 16,750 screens existed in 1991. MEDIA projects supporting cinemas reach only 1.4 % (147) of cinema buildings and 1.7 % (287) of screens. Therefore these actions can be regarded as constitutional.

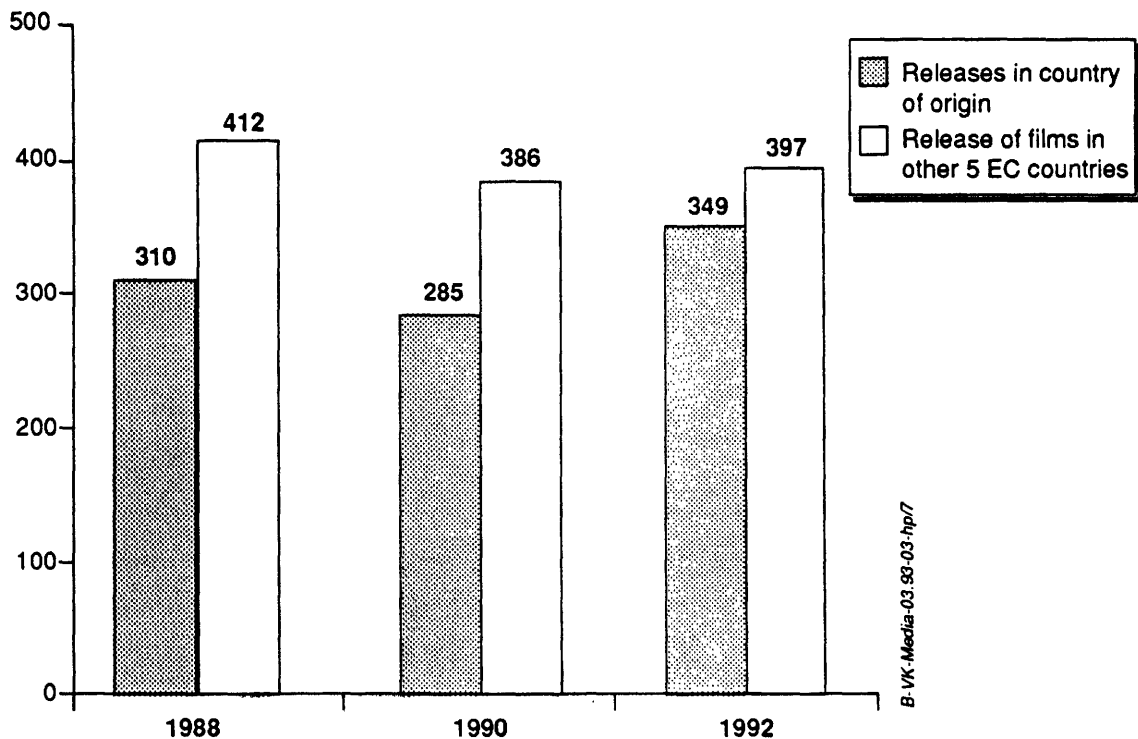
## 2.2. Overcoming market fragmentation

### *Cinema*

Roland Berger & Partner examined cross-border releases of national films in other European countries and the box-office results of European films on national markets.

Several EC Member states' film releases in other language areas were analysed. Three years were taken into consideration (1988, when EFDO started; 1990, when the MEDIA programme was announced and 1992). Six EC countries, for which reliable data exist, were taken into consideration (Belgium, France, Denmark, Italy, Germany and UK). Hence, all large European national audiovisual industries (except Spain) were included. Releases in the film's country of origin were compared with releases of these films in the above mentioned six EC countries. Roland Berger & Partner gave every release in one of the mentioned six countries the same value. That means, e.g. three films, each released in one foreign country, count the same as one film released in three foreign countries.

### Cross-border releases of European films\*



\* only includes films from Belgium, France, Denmark, Italy, Germany and UK. Releases in other countries count per reached country (e.g. 3 films, each released in one other country count as one film released in 3 foreign countries)

source: Split Screen, Roland Berger & Partner analysis

It can be seen, releases in other European countries decreased slightly from 412 in 1988 to 397 in 1992. The releases in country of origin increased from 310 in 1988 to 349 in 1992.

In conclusion, one may say, market fragmentation in terms of numbers of film released has not been overcome.

European films' market fragmentation is even worse, if one considers European films' market share (excluding national productions), see above 2.1, Increase market share. It can be seen, European films are in general more successful in their home country than in other European countries.



MEDIA cannot be blamed for the situation of European films. MEDIA's measures usually have a long-term effect.

Anyway, EFDO's influence on the number of released films and box office results is not visible. EFDO deals with completed productions and can therefore realize effects faster than most other MEDIA projects. However, it cannot be said that EFDO made no impact in the last years. The situation of European distributors became worse in 1991 and 1992. In this context, EFDO's performance can be seen as a helping for the small European distributors to survive.

Based on interviews with experts and distributors, Roland Berger & Partner can say, American distribution companies become more aggressive and stronger from year to year. E.g. the last Francis Coppola film "Dracula" started in Germany with 500 copies, although a self restraint commitment by German and American distributors has limited the number of distributed copies to 300 in the last years. EFDO caused a structural effect by supporting 198 or 23 % of all app. 850 distributors based in the EC Member states, Austria and Switzerland. This can be seen as a large scope and in the long run helpful to stabilize distributors' performance. Hence, EFDO has been an effective defender of a very small market (European films released in other European countries).

Anyway, all industry experts, professionals, EFDO's management and Roland Berger & Partner could identify no trend toward a market fragmentation decrease. Therefore at least several years will be needed to overcome market fragmentation.

*It will be difficult to overcome film market fragmentation with EFDO's limited budget.* EFDO's aim to support 20 % of annual European film production (app. 100 films) can be seen as critical mass for overcoming market fragmentation.

How MEDIA's networking activities helped to overcome market fragmentation, cannot be assessed on a quantitative level. However, in Roland Berger & Partner's opinion MEDIA's approach to overcome film, television and video market fragmentation with networking is well chosen (see 2.1).

### *Video*

Unfortunately no data concerning Europe's market share were available. Some video industry experts mentioned, European video distributors became stronger in the last years (from a very low level, of course). Video market's fragmentation is even higher than film market's fragmentation.

However, it can be said, EVE's activities and approach are first steps in the right direction. At this time, EVE's results cannot be assessed seriously. Nevertheless, Roland Berger & Partner can state, *EVE's budget, MECU 2.5 in 1992, is too small to influence the European video market*. Total turnover on European video market amounted to app. MECU 3.611 (rental and sell-through) in 1991 (Screen Digest). Therefore a critical mass cannot be achieved.

### *Television*

No reliable data exist concerning European TV production (except a few countries, e.g. French CNC provides useful figures concerning France).

Roland Berger & Partner conducted interviews with professionals who are involved in European TV-fiction coproductions. They stated - and GRECO's management agree - European broadcasters' willingness to invest in European coproductions decreased in the last three years. Reasons mentioned were consumer behaviour and broadcasting restructuring. It is said European TV-viewers preferred more truly national productions in 1991 and 1992. The strength of private broadcasters, which follow other rules than public broadcasters is mentioned as a difficult factor in some countries, e.g. Italy. Roland Berger & Partner cannot state how in terms of numbers this development will influence European coproductions in future. In any case, professional opinion is less than optimistic. It should be reiterated, GRECO's support for European coproductions is important. With its app. 10 supported productions per year (compared with app. 40-50 in all EC Member states per year), GRECO's scope seems rather high. *MEDIA is on a good way in promoting European TV coproductions of long series or TV plays (at least 90 minutes).*



*In the area of animation film, CARTOON has achieved structural effects. CARTOON stabilized European animation film production turning a French dominated industry towards a European one making use of economies of scale.*

Through studio grouping, the CARTOON forum and the CARTOON d'or European networks have been established. This has led to better information penetration in the European market. Therefore Roland Berger & Partner can say, *market fragmentation has partly been overcome in the European animation film industry.*

Concerning documentaries, structural effects could not be achieved within 1991 and 1992. DOCUMENTARY started to promote documentaries in 1991. Anyway, industry experts see a growing potential for cross-border releases of documentaries. DOCUMENTARY estimates app. 5000 documentaries (app. 75 % are released on TV) are produced throughout Europe per year. Even in the long run, 98 supported documentary developments and 101 promotion packagings in 15 months seems *too low to reach a critical mass and thus overcome market fragmentation in documentaries.* The same applies to MAP-TV. MAP-TV and DOCUMENTARY supported app. 290 programme hours (DOCUMENTARY: 238,5; MAP-TV app. 51,5) in 1991 and 1992. 35 % are expected to be produced.

BABEL's support of multilinguism has been important too. It limits risks for independent producers who invest in subtitling or dubbing. Anyway, Roland Berger & Partner cannot estimate BABEL's effect on the audiovisual industry. Results delivered by BABEL are rough estimates (for details see synoptical table). However, BABEL had positive effects at least in the "small" countries.

*In conclusion, Roland Berger & Partner can state, initial steps have been taken to overcome market fragmentation in TV production.*

*MEDIA's overall budget for television seems too low to reach a critical mass considering thus in 1992 an estimated 31,000 programme hours were commissioned and coproduced in Western Europe (CIT Research).*

### *Long-term effects*

It is not possible to estimate MEDIA's long-term effects on a quantitative level at this time. However, on a qualitative level, Roland Berger & Partner can state the following.

MEDIA's task can be seen as an initial reshaping of the European audiovisual industry from scratch so as to achieve economies of scale, exploiting the Single Market dimension.

*It will take at least 10 years before quantitative results can be expected.* MEDIA's tools financing, networking, training and research/information support are appropriate to initiate reshaping from scratch. Roland Berger & Partner judge that reshaping started by professionals within MEDIA's framework has been the right approach.

*A qualitative evaluation of MEDIA's potential influence has led Roland Berger & Partner to the conclusion that MEDIA's resources are presently inadequate for overcoming market fragmentation.*

### 2.3. Increase competitiveness (human capital, ROI, market transparency)

Indicators for increasing competitiveness as mentioned in the Council decision can be divided into two groups:

- Factors for the audiovisual industry

Every film or TV production requires several factors like actors, screenwriters, producers, directors, editors, camera and sound operators, gaffers, make up stylists, architects, costume designers, grips, extras etc. and support staff (human capital). Other factors mentioned in the Council decision are capital (increasing ROI) and information (increasing market transparency).

- Competitive structures

The European audiovisual industry is characterized by high fragmentation and "production and distribution structures, which are too narrow and do not yield an adequate return" (Council decision).





*Factors: Human capital*

The MEDIA programme concentrated from the beginning on the improvement of management abilities of professionals and independent producers. Independent producers represent only a small group of professionals within the European audiovisual industry. According to the Council decision, a lack of management abilities is a serious constraint to full exploitation of the Single Market dimension. Roland Berger & Partner agree.

It should be mentioned also that most training schemes in EC Member states concentrate traditionally on directors and actors (creative tasks). Today only app. 250 producer students are to be found in the 26 national film schools (united together with other film schools all over the world in the CILECT) in all EC Member states. Director students are app. 750 in the above mentioned schools.

In the EAVE main training scheme mainly concentrated on producer skills, 40 to 50 professionals are trained in an annual course with three sessions. In addition app. 65 professionals were trained in other EAVE schemes.

Therefore Roland Berger & Partner judge MEDIA's scope for training producers in Europe is very high and a real force to promote entrepreneurial spirit in the audiovisual industry. With the strong links created, thanks to the European producers' network, the additional multiplier effect can be taken into account. Professionals trained by EAVE were the first ones trained on a European level. EAVE gives its participants the opportunity to create contacts, learn a lot about productions and producing methods in other countries and thus to secure good preconditions for further productions. It is too early to evaluate on a quantitative level, how far these trained professionals will become real "European" producers. However, Roland Berger & Partner can state on a qualitative level, that EAVE's approach of promoting human capital, can be judged as good.

Within MBS's training scheme, 1,856 professionals were trained in 1991 and 1992. Without knowing how many professionals in Europe require such training, in our opinion the number of persons trained seems rather high.

*In conclusion, Roland Berger & Partner can state, EAVE's and MBS's scope within the industry was, given the limited budget, very high.*



When referring to increasing human capital's quality in the audiovisual industry, SCRIPT should be mentioned also. In our interviews with industry experts it has been mentioned several times and Roland Berger & Partner agree, that one of the most absent human capital factors, in Europe, are excellent screenwriters. Even if SCRIPT does not train screenwriters, advice given to screenwriters might have a pedagogical effect.

In conclusion, Roland Berger & Partner can say, MEDIA's training focussing on producers and screenwriters (SOURCES) is well-chosen to meet the most needed improvement in human capital for the European audiovisual industry.

*Factors: Capital*

Unfortunately, there are no reliable data concerning returns on investments (ROI) in the audiovisual industry in Europe. Roland Berger & Partner spoke with several industry experts and people who are involved in international film and television production financing. However, even these industry experts were unable to provide us with estimations about ROIs in Europe. They were also unable to provide us estimations for the last three years' development. In the opinion of Roland Berger & Partner it is very difficult to make estimations of ROI. Film business is not handled by public companies which publish company figures. Every film project has completely different ROI. This ROI is usually not foreseeable and cumulates with a very high risk.

Roland Berger & Partner cannot make serious assumptions about the development of ROI all over Europe within 1991 and 1992.

However, Roland Berger & Partner can state, EMG is not enough for increasing access to capital, developing new financial structures and changing investment behaviour all over Europe.

Roland Berger & Partner have the impression, that MEDIA's activities give only minimal attention to this objective of the Council decision. However it will be seen how the 20th project GEFCA (Groupement Européen des Financiers du Cinema et de l'Audiovisuel) will support this objective of the Council decision.

### *Information/market transparency*

Roland Berger & Partner can say the information provided to professionals concerning the audiovisual industry in Europe can only be classified as insufficient - as everybody knows. Many EC countries collect different data. They use other categories to group these data. Data are delivered in some cases with a delay of years and in some cases not delivered at all. Only in a few EC countries do public institutions collect useful data for the audiovisual industry.

MEDIA's goal to reach transparency seems in this context too ambitious. A concentrated approach by all EC Member states is necessary to create more market transparency. It still has to be seen what the "Observatorium" in Strasbourg will contribute to overcome this deficiency.

However, MEDIA's databases, catalogues and studies as well as some "inofficial" archives (e.g. EFDO) are small, but important steps towards providing useful information to professionals. Nevertheless, MEDIA cannot achieve market transparency on its own.

- Competitive structure

Europe's audiovisual industry can be characterised as an industry with small but numerous undertakings. These undertakings are not concentrated in a few places, where professionals meet and can develop film productions together. Professionals are dispersed all over Europe. One should mention CARTOON's studio grouping, which wants to improve structures, in this context.

Roland Berger & Partner cannot evaluate seriously, if in 1991 and 1992 competitive structures have been changed. In the opinion of Roland Berger & Partner, those structural changes need at least 10 years before first results will be observable.

### *Conclusion*

Given MEDIA's limited budget and the main objectives "industry potential" and "balanced variety", Roland Berger & Partner think, MEDIA's focus to improve competitiveness is well-chosen.

Anyway, the European audiovisual industry is far away from competitiveness in global markets. MEDIA's goal seems in the opinion of Roland Berger & Partner in this context very ambitious, given the limits to its potential influence. We propose, to face this problem, that a coordination and a European strategy for all involved Member states on a high political level is necessary. A harmonization of strategies and a concentration of resources on commonly defined and achievable targets is essential. Anyway, Roland Berger & Partner are aware, this can only be discussed on a political level.

#### 2.4. Support countries with small production capacities

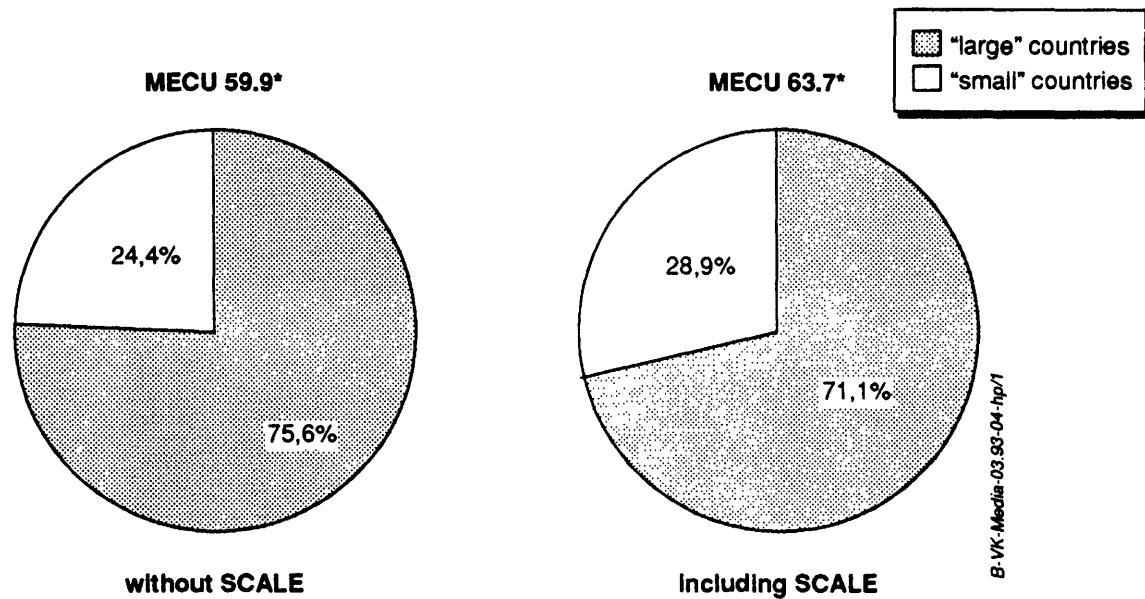
The Council directive of October 3, 1989, the so called "television without frontiers" directive, implies suitable measures to encourage the activity and development of European audiovisual production, particularly in countries with a low production capacity or restricted language area.

The countries with a "small" audiovisual capacity and/or a limited geographical and linguistic area are seven Member states of the European Community: Portugal, Ireland, Greece, Denmark, Belgium, Netherlands and Luxembourg. These countries are called the "small" countries in contrast to the "big" Member states: France, Spain, Italy, United Kingdom and Germany.

It should be mentioned that all initiatives of MEDIA are open for every Member state. Moreover many MEDIA initiatives have the principle of a "positive discrimination" for applicants of the "small" countries included in their selection criteria. An example is BABEL which gives priority to subtitlings and/or dubbings from and to "small" language areas.

The share of support dedicated to the "small" countries amounted in 1991 - 1992 to 24 % of all MEDIA projects' activity budget. If the support of SCALE, a project which is aimed at the specific problems of the "small" countries, is added, the share of budget given to small countries increases to 29 %. Roland Berger and Partner state that these figures are based on calculations and estimations of projects' management. In some cases an exact split up was difficult. An example is LUMIERE where the main beneficiaries are national archives, which pay parts of the granted sum to partners located in other countries.

## MEDIA project's activity budget allocation (countries)



*large countries: France, Germany, United Kingdom, Italy, Spain*

*small countries: Portugal, Belgium, Denmark, Luxembourg, Netherlands, Greece, Ireland*

*source: Roland Berger standardized project management interviews \* not included EFA, SOURCES*

Roland Berger & Partner can state that with this allocation of support MEDIA has reached the aim of favouring the "small" countries very well taken into account the market share of "small" countries in the European audiovisual industry (e.g. 11 % share of European box office results, 15 % share of films produced in Europe in 1992).

In the conducted interviews with professionals from "small" countries Roland Berger & Partner got the impression that the MEDIA programme was evaluated as positive. The professionals felt themselves all-in-all well represented. Thus e.g. in Greece all interviewees stated the impact on the Greek audiovisual sector as significant. According to the estimations of the Greek Film Center and country experts, about 70 % of the "serious" Greek professionals know about MEDIA and app. 100 to 120 participated as beneficiaries. In 1991, participation was still small because professionals were not familiar with the application and funding mechanism. But since initial positive opinions about MEDIA emerged and MEDIA events were carried out in Greece, there has been a



strong interest in taking part in MEDIA activities. One interesting effect was that MEDIA helped Greek participants to show their own productions and become known in Greece.

Furthermore in Greece there is only little public assistance for the audiovisual industry. Hence MEDIA is for many professionally the only possibility for establishing a film project. Coproduction with producers from other countries gives the opportunity to operate on a higher financial level.

As another example can serve Portugal. The film distribution companies (Lusomundo, Castello Lopes, MGM, Columbia Warner), all related to American Majors, control the access to cinemas. Market share of American films in Portugal amounted up to 85 % in 1991. However, with MEDIA's help some independent distributors could be supported. Seven distributors received distribution support from EFDO, one of them (Atalanta Films) 22 times - the most often supported distributor in the EC by EFDO.

Especially praised to were the work of SCRIPT, EFDO, EAVE and EURO AIM. This indicates the specific needs of the professionals in the "small" countries. Due to the production's limited possibilities to recoupe its costs in the home market the interviewees stated that there should be an emphasis on distribution and marketing across the borders of the home market. Also the lack of financial resources for development, the absence of reliable data about the audiovisual sector and the need for specific training programmes e.g. for international coproducing were mentioned in our interviews with professionals from the "small" countries.

For these specific needs of the professionals in the "small" countries, the project SCALE was established. The task force committee of SCALE defined a strategy based on two ideas.

- For the reason that the seven "small" countries, together not amounting to the weight of a single "large" country the SCALE intervention system was designed for penetrating the five major markets, from the point of view of financing, co-production and marketing.
- The second idea was to overcome the two major handicaps, the lack of economies of scale and inability to achieve critical mass in audiovisual production, to develop a sixth large market through a pan-European cooperation.



The first initiative of SCALE, the SCALE PRODUCER SUPPORT SYSTEM (SPSS), was designed based on these ideas. As the first loans were awarded in October 1992 and as of March 1993 no loans were disbursed, evaluation of this activity on a quantitative level would be premature.

With the establishment of the MEDIA-Desks/Antennae professionals get easier in contact with MEDIA projects. According to our interviews, the MEDIA-Desks/Antennae play in the "small" countries an important role in fostering the independent producer sector. As the tasks of the MEDIA-Desks/Antennae in the "small" countries are similar, joint activities should be considered.

All MEDIA projects should try to intensify their marketing of activities to the professionals in the "small" countries. An example is EMG, which requires all applications and dossiers in French. The translation of application forms and information materials to more languages should be considered.

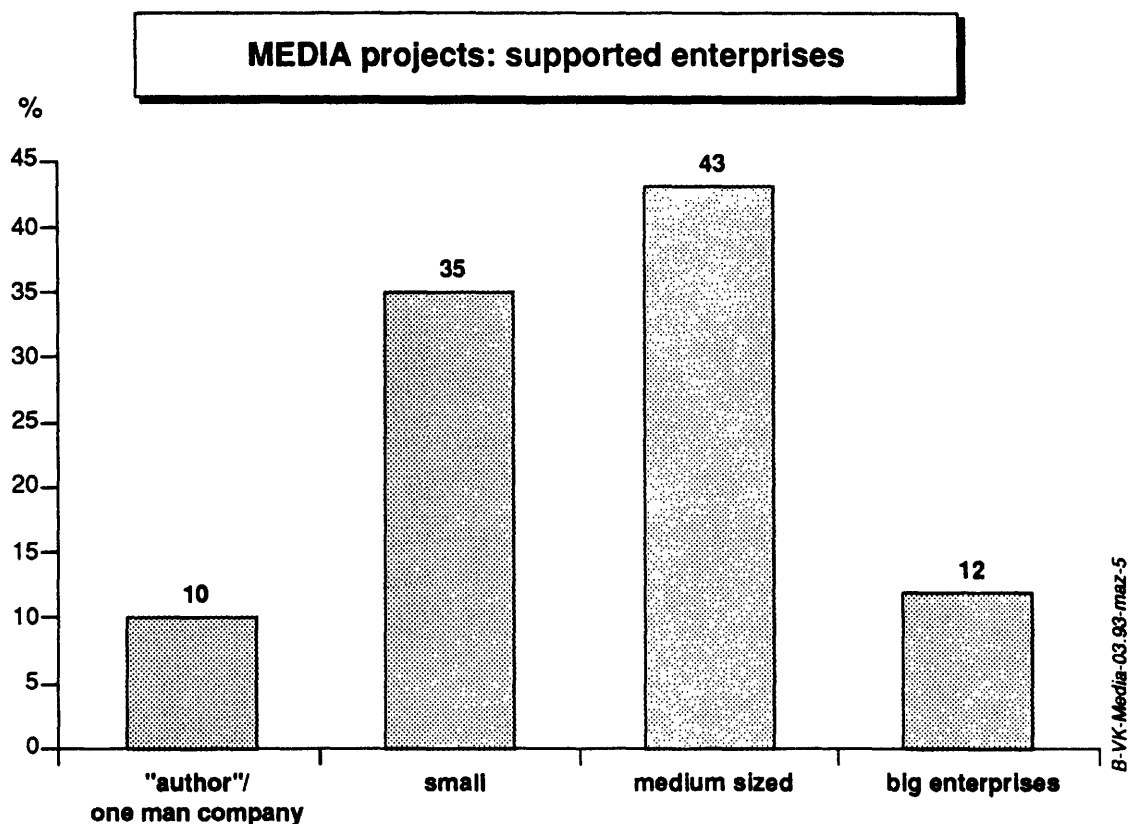
The positive "discrimination" of most MEDIA projects in favour of "small" countries together with SCALE's support activities is obviously a good approach to create a balance between "small" and "large" countries.

Altogether measures taken by MEDIA projects can be regarded as effective to support independent producers in the "small" countries to take advantage of the Single Market dimension.

## 2.5. Support small and medium sized enterprises

The distribution of the MEDIA projects' activity budgets in 1991 and 1992 corresponds to the effort of the MEDIA programme to maintain a balance between market forces in the audiovisual sector.

Roland Berger & Partner must mention that it is difficult to categorize companies by quantitative criteria like sales or employees as this depends on the specific steps of the value-added chain of the audiovisual sector. The categorization was done individually for every project in coordination with each project management, according to their respective target groups.



source: RB&P project management interviews

In the opinion of Roland Berger & Partner the support of MEDIA concerning the market forces can be evaluated as well balanced and correct for the aims of MEDIA. The high share given to small and medium sized companies results from the selection criteria of the MEDIA projects which often give priority to small and medium sized companies. It can be praised that this was possible without any quota system.

In this context, another criterium should be considered than the size of the company, its industrial potential and the quality of its productions. Some professionals criticised the approach of MEDIA projects, e.g. SCALE, for favouring production companies with financial "muscles". Roland Berger & Partner do not agree. The approach to help financially the most capable, dynamic and better equipped companies with substantial curricula and management resources seems to be correct. Regarding MEDIA's limited resources, support of structures which are already in the position to survive in the medium term can be considered as the best way.





2.6. Promote a balance between media (cinema, television, video, new technologies)

Categorization of MEDIA projects by target sector is an instrument to give a rough overview of the MEDIA programme's orientation. The projects can be divided into initiatives with a "specific" approach like EUROPA CINEMAS, GRECO or EVE and projects which serve different markets. Overlaps are possible within this categorization.

**Sectorial split up of project expenditures**

project target sector	film/cinema	television	video	new technologies
"specific"	EFDO 15.2	GRECO 4.7	EVE 1.8	CLUB 11.3
	MEDIA SALLES 1.2	BABEL 2.9		
	EURO CINEMAS 0.2	MAP-TV 1.9		
	EMG 2.4	DOCUM. 2.1		
	EFA 0.4			
<b>Total MECU 44.1</b>	<b>MECU 19.4</b>	<b>MECU 11.6</b>	<b>MECU 1.8</b>	<b>MECU 11.3</b>
"non specific"	MBS, EAVE, SCRIPT, CARTOON, EURO AIM, LUMIERE, SCALE, (SOURCES)*			
<b>Total MECU 41.6</b>	<b>MECU 41.6</b>			

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source: Roland Berger & Partner

\* not included

As the figures show there is an emphasis of MEDIA specific projects' total expenditures on the film/cinema sector. The distribution and exhibition sector plays a crucial role for the recoupment possibility of a production in other markets. Today often co-financing and pre-sales agreements are made in advance. Due to the rise in production and marketing costs recoupment from all three markets (cinema, TV, video) is necessary.

The European video market developed rapidly in the eighties. Overall, in 1986, revenue from video distribution (at MECU 2.012) exceeded for the first time box office returns. In contrast to the television sector which received substantial support by four MEDIA projects, the video market is supported by one specific project, EVE, with a much lower budget.



The importance of the video market does not correspond to its relatively low representation in the MEDIA programme. Roland Berger & Partner suggest increasing the support in this market and intensifying cooperation between the different projects supporting distribution. Attention should be paid to new developments in markets like pay-TV in broadcasting or the sell-through market in video.

However, Roland Berger & Partner can state that MEDIA has reached in its support the goal of a balance between media, because 48 % of total expenditures were spent by projects serving more than one market, many of them the whole audiovisual chain. Only 52 % of total expenditures were allocated by the projects with a specific target sector.

Also it is attempted at synergistic effects are made through joint activities. An example is the support of new technologies by MEDIA. In addition to the focused support of CLUB there are several measures and mechanisms to support this sector within MEDIA. There is COMPUTER CARTOON a joint venture of CLUB and CARTOON which give the link to the animation industry. The MEDIA BUSINESS SCHOOL organizes workshops and training sessions about HDTV and multi media. It is planned that other projects give priority in support to productions shot in HDTV.

## II. MEDIA's tools and principles

To assess MEDIA programme's work, Roland Berger & Partner identified different evaluation categories for project activities.

### Evaluation categories for project activities

#### Activities/results

- financing
- training
- networking
- research/information support

#### Financial situation

- soft loan (including coproductions and guaranties)
- financial assistance
- services

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MEDIA applies different tools to carry out its tasks. These tools can be grouped, on the one hand, as oriented toward activities/results such as financing, training, networking and research/information support. The content of these tools comprise different subjects. The data bases' service provided by MEDIA projects is seen within the field of research/information support.

To assess on the other hand MEDIA's financial situation, Roland Berger & Partner categorized the tools into soft loans (including coproductions and guarantees), financial assistance and services. This grouping was made on the basis of MEDIA's resources allocation.

Grouping MEDIA's tools according to resource allocation is the basis by which MEDIA's principles the 50 % rule, the self-financing and seed capital principle are assessed.

## 1. Tools

In the following part the different tools MEDIA uses according to subject are evaluated.

### 1.1. Financing

Financing is the most used tool of the MEDIA projects in terms of number of activities and total amount spent. Financing includes reimbursable and non-reimbursable funds given to professionals for financing professionals' projects and companies. This does not include financing training events.

Financing covers the following steps of the value added chain:

<b>STEPS</b>	<b>PROJECT ACTIVITIES (EXAMPLES)</b>
Development/ Pre-production:	CARTOON (preproduction aid), SCRIPT, DOCUMENTARY (project development), MAP-TV
Production:	CLUB, EMG
Post-production:	BABEL, (LUMIERE), SCALE
Marketing/ Distribution:	EURO AIM (ad scheme), EFDO, EVE, GRECO, DOCUMENTARY (promotion packaging)
Cinema:	MEDIA SALLES, EUROPA CINEMAS
Supporting companies:	SCALE, CARTOON



MEDIA projects' reimbursable funds can be characterised as follows:

- MEDIA projects award mostly *soft loans*. Soft loans have to be paid back to the respective MEDIA project if the supported budget succeeds. E.g. given CARTOON grants ECU 20,000 preproduction aid; total budget of the initiated production including preproduction budget is MECU 1; producer receives ECU 900,000 from broadcasters; CARTOON receives no reflux. This is due to the fact that soft loans awarded by MEDIA projects and other public funds are usually the "last" creditors. This does not apply for SCRIPT and DOCUMENTARY. SCRIPT grants soft loans up to ECU 37,500 for single project funding to teams or writers for the development of a film or TVproject. As soon as the developed project goes into production, the loan has to be paid back. In this case the loan's objective is fulfilled when production starts. SCRIPT is not the last, but one among other creditors if the supported script goes into production. DOCUMENTARY's reimbursement date for project development is also first day of principal photography. Hence, these loans are called "soft loans" or "conditionally repayable loans".
- CLUB acts partly as a *co-producer*. In these cases, CLUB participates completely in the risks and earnings of the production. Risk is limited to CLUB's money invested. Earnings are not limited. Hence, reflux that can be expected from coproductions is higher than reflux from soft loans.
- MAP-TV grants *strictly repayable loans*. These loans are comparable to bank loans. MAP-TV does not receive guarantees or securities from supported beneficiaries. Therefore risk is higher than from normal bank loans, but lower than soft loan's risks.
- EMG grants *guarantees*. EMG does not pay anything to a beneficiary - a bank, not a producer -, of course. One may say that guarantees cannot expect a reflux from beneficiaries. However, if a bank returns a guarantee to EMG this can be characterised as "repayment" because EMG's guarantee fund is replenished by this repayment. EMG can grant a new guarantee to another bank. Characteristic for EMG's guarantees is a leverage effect of 8.3, see EMG's evaluation income/cost structure.

Roland Berger & Partner state *MEDIA's projects reimbursable fund operation should not be standardized*. All projects analysed use a kind of reimbursable fund operation that corresponds to the respective target.

Roland Berger & Partner explored one very important effect of MEDIA's financing tool, a very strong "label effect". Many professionals stated *MEDIA's support was a key factor in finding other financing sources*. This applies especially for MEDIA's preproduction and development help.

Regarding soft loan's operations, two issues should be described and further analysed.

MEDIA projects' financing tools are designed to foster more market oriented productions and professionals in Europe. One of MEDIA's goals is to increase the European audiovisual industry's competitiveness. Therefore MEDIA aims to change the producers' mind from one of a "subsidy oriented" author/producer to one who looks at the demand side. This change in producer's mind can be achieved by granting soft loans, but only to a limited degree. MEDIA's money will be used for peak financing, as long as loan repayment remains conditional on production success. E.g. given a producer calculates a budget of MECU 1; public support amounts to ECU 200,000 public funds; "breakeven" will be achieved with ECU 800,000 returns from the producers point of view. One might say, producers' interest in achieving returns higher than the private money invested to cover all public funding in the production is limited.

Another issue that should be mentioned is MEDIA's reimbursable funds cannot be compared with bank loans. Beneficiaries seldom pay interest or pay very low interest on MEDIA's soft loans. Success fees, beneficiaries have to pay for successful productions, are also limited (e.g. limited up to 20 % of the amount of CARTOON's preproduction aid; limited up to 10 % for EFDO's distribution help). From a purely commercial point of view one could say that e.g. GRECO's interest free loans have a non reimbursable character amounting to 71 % of loan awarded (GRECO can expect first repayments after 7 years; given an interest rate of 8 %, interest the producer saves within these 7 years amounts to 71 % of the loan awarded).

It should be mentioned that DOCUMENTARY is seen by beneficiaries as "a bank". Based on interviews with beneficiaries and refused applicants it becomes clear that professionals praise the projects acting "like a bank". Obviously they do not feel very comfortable with this kind of project running differently from "usual" public funds. However, if professionals get the feeling projects really control repayments, they feel committed to succeed with their productions and pay the money back. Production quality and market success is supposed to be better, if the producer has to achieve earnings covering the whole production budget (including public aids).

Another reason for MEDIA to upgrade the "soft loan philosophy" to a stronger commercial approach could be that MEDIA can serve as an example for the international finance community. MEDIA's repayment rates could exceed those of national funds. *This would show investors the audiovisual industry in Europe is becoming a reliable industry with a calculable risk and a high earnings potential through high quality productions.*

Roland Berger & Partner do not recommend the above mentioned improvement potentials because the other main objective of the MEDIA programme (balanced variety) has to be taken into account in the design of financing tools. But we feel the above mentioned problems in granting soft loans should be considered. As soon as new activities are launched or already established activities are reviewed, *MEDIA should evaluate very carefully how the respective financing tool influences professionals' behaviour.* One MEDIA project coordinator in Brussels should be responsible for the "financing tool".

Anyway, Roland Berger & Partner judge in 1991-1992, the financing tool was successful in providing seed capital to the European audiovisual industry.

## 1.2. Networking

"Networking" is one of the most used terms within the MEDIA programme.

Networks established with help of MEDIA try to meet the structural problems in the audiovisual industry which result from the splintering of the market and dispersion of national industries. Although Roland Berger & Partner recognise that close collaboration toward creating pan European network is supported by MEDIA project's databases, we grouped those services under the tool research/information support.



Nearly all MEDIA projects make use of the MEDIA tool networking to a different degree and with different means. But the original financing or training schemes have networking effects as well. We are aware of overlaps in our grouping-system of MEDIA's tools.

Three different stages of networking within the MEDIA programme can be identified:

- Restructuring of production and distribution conditions
- Dedicated networking
- Providing contacts

*Restructuring of production and distribution conditions*

By very close collaboration, some networks of professionals have already succeeded in achieving a restructuring of the production and distribution field. They have created broad operational bases covering a large part of the European area. Within these networks professionals already work together to produce or distribute a film. This is the case for CARTOON and its often cited studio grouping activity. Six studio groupings have been established. The studio groupings' turnover increased in 1992 (for details, see CARTOON synoptical table). With this measure CARTOON has created solid production infrastructures by grouping scattered studios.

Another example is EFDO, which requires at least three distributors combining to distribute a film throughout Europe. As the average number of the distributors claiming EFDO's support is currently five, and the number of distributors which are specialized in distribution of European films totals app. 50, every request for EFDO's help represents on average 10 % of the possible target group. The 8 distributors, having been supported more than 10 times since EFDO was created, can already be seen as the nucleus of a potential European Major.



### *Dedicated networking*

By dedicated networking Roland Berger & Partner understand bringing people together to develop a specific single film/TV project or support a specific activity (e.g workshops). This holds for SCRIPT which favours the development of projects and their financial packages. The "financial engineering" provided in the project development activity can be seen as an essential precondition to complete funded projects. CLUB can serve as another example since it requires that applications be proofed by the selection committee find two sponsors among CLUB members. In several cases sponsors even got involved in projects as coproducers. Those collaborations were dedicated to one specific production. The MEDIA BUSINESS SCHOOL is another example: According to project management their dedicated networking activities consist of mixing horizontally and vertically across skills and geographical borders. This applies for example to STUDIO, where most important producers in Europe are brought together.

Concerning the dedicated networking of a specific circle of persons MEDIA BUSINESS SCHOOL named the EFFAM -91 seminars (St. Malo-forum CARTOON) where 41 professionals attended or the THINK TANK which took place in Rome and where 30 professionals attended. Furthermore the networking activity of MAP-TV can be seen as dedicated networking: An associated member may ask his film project is to be sent to other members of MAP-TV that could be interested.

EURO AIM's rendez-vous finance and coproduction is another example. So is the planned documentary forum being established by MAP-TV, EURO AIM and DOCUMENTARY. EVE's activity of financing joint venture creation is also to be mentioned within the parameter of dedicated networking. This applies to EURO AIM's screenings production activity too.

EAVE can be called the integrated dedicated networking MEDIA project. With the help of established contacts participants complete their projects during EAVE sessions. They get the possibility to intensify existing contacts within the European producers' network (EPN) later with other EAVE alumni or former participants of the MEDIA projects.

These examples are only a small sample of those project's activities for dedicated networking. Looking at the long list of measures it can be stated, that this networking tool is applied on many occasions throughout the whole MEDIA programme. It is one of its basic and most successful tools.

#### *Providing contacts*

In professional interviews it was stated that the need for networking is much more essential in the audiovisual industry, because of the lack of transparency within this sector. It is very important to meet with professionals from different genres, steps of the audiovisual value-added chain or different fields of film/TV producing and creative/artistic or technical sectors. The possibility of establishing and intensifying contacts during markets, meetings, workshops etc. provide a basis for information exchange about rapid changes within the above mentioned fields. This leads to increased transparency. MEDIA BUSINESS SCHOOL's conferences, workshops and seminars provide these possibilities to participants and panel members.

A second reason why networking is desperately needed in sense of making contacts is the special character of film and TV-financing. This is done mainly at specific, well-known markets. EURO AIM's activities support this networking aim to a very high degree.

In conclusion Roland Berger & Partner state, that *the networking tool cited in the MEDIA guidelines has been excellently applied*. It has already achieved outstanding results. Professionals surveyed mentioned the creation of a network and coordination within the European film and television industry as *one of the most positive effects of the programme. It was felt, that the MEDIA programme had to overcome the introverted and fragmented market situation in Europe*. It had led to initiation of a magnitude of cross border and cross cultural activities. There is no comparable way known to smoothly change structures within an industry.

Bearing in mind all levels and measures undertaken in the field of networking and the importance of this tool, Roland Berger & Partner recommend, networking activities of every project should be centrally monitored. One of the project coordinators in Brussels should be made responsible for analysis and coordination of networking activities.



### 1.3. Training

One of the most important factors affecting an industry's competitiveness is "human capital". As a matter of controversy, training of skills needed in the audiovisual sector, has been discussed for decades.

In the audiovisual sector, practical experience is given more weight than in other branches. Normally, the career in film making starts at one point in a production hierarchy. People are given the possibility to advance if they proved to be successful on the first level.

This is one reason why one of the most crucial points for film school graduates is, they cannot be guaranteed employment. Of course this problem is familiar to other branches of universities or professional schools as well. In the audiovisual sector, however, the rules of the game are different.

At this time film schools are mostly oriented toward "practical subjects" like technical skills for camera, light, sound and post-production or conceptual skills for screenwriting and acting. Producer classes started only recently.

Influenced by the "auteur cinema", the director was regarded as "king" in the film making process, especially in Continental Europe. The UK, influenced by the American way of film producing, had a different approach and left the power to the legal owner of the film, the producer. The education of producers seems to be a rather complex problem. As mentioned already in the EAVE vertical auditing, the producer should be able to read, see and count. Those three qualities combined in one person and trained to high level of competence seem very difficult to achieve.

As the last 20 years have shown, authors were trained throughout Europe with more focus on creative expression of self-experienced stories than on stories interesting to the general public. At the first glance this is not controversial. However, market orientation was neglected. This is what MEDIA tries to introduce through trainings.



In the last years one can observe a smooth shift from director oriented film making to a producer-led industry. Looking at the number of producer-students in the 26 EC film schools, combined with other film schools all over the world in the CILECT (Centre International de Liaison des Ecoles de Cinéma et de Télévision), only app. 250 producer-students can be found in all EC countries. At the same time the number of directors is three time this number. This can be taken as one indication, that the entire sector still sticks mostly to the "historical" approach of training directors rather than potential producers.

The training schemes within the MEDIA programme must take into consideration these rather unfavourable circumstances for developing human capital.

In general one can distinguish two different approaches of training within the audiovisual sector:

- Full-time courses of three to four years
- Short courses.

The first are designed for students, who want to learn "film making" from the beginning. Of course, there are different classes in these long-term courses, like director classes (fiction and documentary) and screenwriter classes and the recently started producer classes.

The short-term courses are designed for professionals, with experience gained through several film productions, who want to be reskilled in technical or conceptual matters.

Different training systems in the USA and in Europe were often compared and changed according to new knowledge and "scientific" information.

Training schemes in the U.S. deal with a much larger number of persons. One could say it is more education than training. In Europe, film schools are designed with a different approach. Courses are dedicated to a smaller circle of students. At the same time they are provided with greater resources.

First, it can be judged as very good, that MEDIA offers both sorts of training initiatives: a kind of long-term scheme, EAVE with a year-long course with only three sessions but a one year-period to develop the film project. MEDIA BUSINESS SCHOOL offers short-term courses which provide possibilities for being reskilled and informed about the newest developments within the audiovisual sector. This approach combining "mass education" with very specific and concentrated training of future producers can be judged as good.

Second, MEDIA chose a new track to orient entrepreneurial producers to establish the basis for a producer-led industry.

One crucial point for training initiatives is their financing. Roland Berger & Partner acknowledge the work of matching private funds to support MEDIA training schemes. The policy that initial training initiatives should become self-sufficient should be continued.

*With these training measures, MEDIA lays the foundation for European-oriented producers.* This will help in future, to change the rules of the game in film making throughout Europe. Taking into account the estimated multiplier effect, MEDIA's training activities can be judged as a good long-term investment in Europe's future competitiveness within the audiovisual industry.

Roland Berger & Partner recommend close collaboration with national film schools to reinforce the multiplier effect. To guarantee MEDIA's responsiveness to the rapidly evolving needs of the audiovisual sector a training coordinator should be designed in Brussels.

#### 1.4. Research and information support

##### *Research*

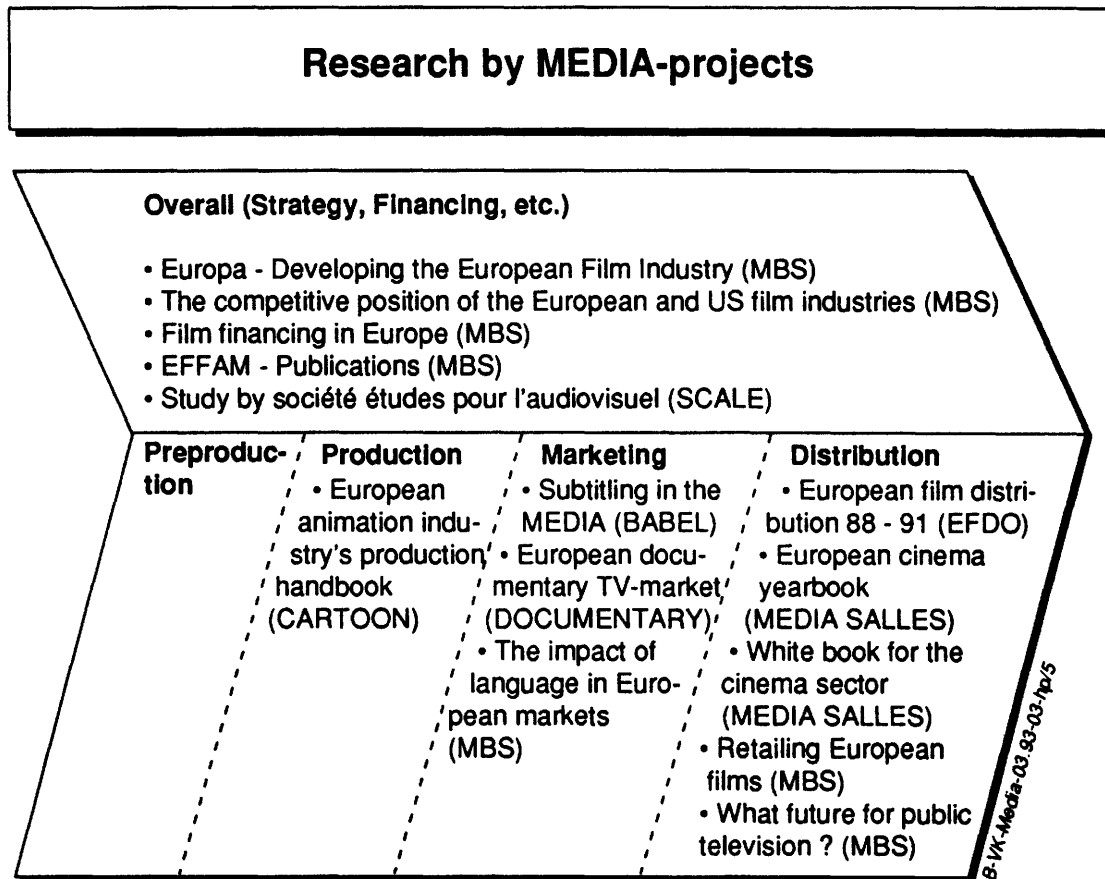
Roland Berger & Partner concentrate their evaluation on market research in the different fields of the audiovisual sector, undertaken and/or supported by initiatives of the MEDIA programme. Direct support of research in technologies is a minor activity of MEDIA. Almost the only example is COMPUTER CARTOON, a joint-venture of CARTOON and MEDIA INVESTMENT CLUB for support of developing a European animation software. 14 consortia, composed of 65 companies from nine EC countries joined the tender offer. Since in 1992 just the selection of the companies for the different tasks has been taken place, the ambitious initiative is currently still on an early stage. Therefore an evaluation would be premature.

*Given MEDIA's limited resources, focussing research on the situation and development of the markets in the audiovisual sector seems to be correct and useful.* Basically two different kinds of research approaches can be distinguished.

- Studies are conducted to prove the feasibility of new activities for support of professionals and to advise on the design of these activities.
- Studies are undertaken aiming to help professionals to stay abreast of the technical management progress in a specific field.

Examples of the first category are the study of possibilities for promoting European film in the United States of America or MBS's European film studio feasibility study. As these examples both show, the studies are not only of value for launching the activities, but also give evidence about market structures. As most activities are already designed, the number of feasibility studies will decrease. Attempts should be made to pass the results of these studies on to professionals.

Examples of the second category are the book "Subtitling in the MEDIA", supported by BABEL, the European Cinema Yearbook conducted by MEDIA SALLES or the report "The competitive position of the European and U.S. film industries" for the MEDIA BUSINESS SCHOOL. Nearly all steps of the value-added chain are covered by research, where an emphasis on the marketing and distribution sector can be observed. The following chart shows some examples.



In general interviewees judged the studies as positive, especially for addressing the lack of data and research in the audiovisual sector. Roland Berger & Partner are unable to judge the quality of the individual studies, but note that there are complaints among professionals that some studies do not meet their needs and are difficult to understand. Following this, one may say, studies should be less complicated and concentrate on issues essential to professionals.



The "translation" and communication of research findings to the professionals is a relevant task for the MBS, and even be forced by better coordination with other MEDIA projects.

Interviews with professionals gave Roland Berger & Partner the impression that MEDIA's research activities enjoyed a relatively low recognition rate in professional circles. It seems important to coordinate the activities of the single projects to improve their transparency and effectiveness. Centralized publishing and distribution of research and information should be considered by MEDIA Brussels and MBS. Publishing and distribution by MBS would make the supply of information to larger interested audiences possible. Also a brochure giving an overview and short description of the research publications should be produced. This could be given to professionals together with the MEDIA Newsletter. In this brochure publications of MEDIA-extern sources could also be included. The findings of the Mediabase Analysis, a pilot research project to evaluate existing studies of the European audiovisual sector, should be taken into account.

A central European institution for collecting and publishing data and figures about the audiovisual sector, the Observatorium in Strasbourg, is planned. *MEDIA should attempt to cooperate closely with this institution.*

#### *Information support*

The information support (here Roland Berger & Partner do not refer to information about MEDIA) has the double objective of encouraging circulation of information concerning audiovisual production in Europe and establishing a more transparent and frequent market for European productions. Tools for information support consist of databases, guides/bibliographies, consultancies and newsletters/magazines.

Databases are installed by EURO AIM, CARTOON, DOCUMENTARY and EVE. SOURCES and CLUB want to compile databases in the near future. The market for independent productions in Europe is characterized by intransparency and information deficits. Therefore it seems principally correct to compile a database for this need. *However, attention should be paid that the databases are effective and efficient. Efficiency means a sound relation between the costs for database and results.* For example Mediabase cost EURO AIM ECU 372,000 in 1991 and 1992. 767 requests were counted. This means an average ECU 485 were spent per request. One reason for these





high expenditures was the small number of consultations. Interviewees rated the effectiveness of the database as low.

In general it is important to design user-oriented databases. Before compiling a database, quantitative and qualitative demand for such a service should be carefully assessed. A database derives its value from the frequency with which it is used. The importance of marketing the database to professionals cannot be underestimated. *Every attempt should be made to reach a critical mass of users and subscribers.*

An example of a guide is the "General archives guide" coordinated by MAP-TV. It will deliver information about private and public archives and collections in Europe. Another project to assist professionals access to existing productions is LUMIERE's initiative "The European Filmography". The filmography is designed as a research resource and will contain records of every film ever produced in the EC countries. In the same way as for databases, the user orientation should be emphasized.

Consultancy is often done by the project managements but seldom designed as a distinct activity. EURO AIM's marketing consultant service is one such example. Independent producers' questions about suitable markets for their productions or distribution mechanisms can be sent in written form to EURO AIM. There they are answered by experts free of charge. This service's individual approach was seen as useful by interviewees. There is a need for personal consultancy especially in the small countries. This could be a relevant task for MEDIA-Desks/Antennae in the future.

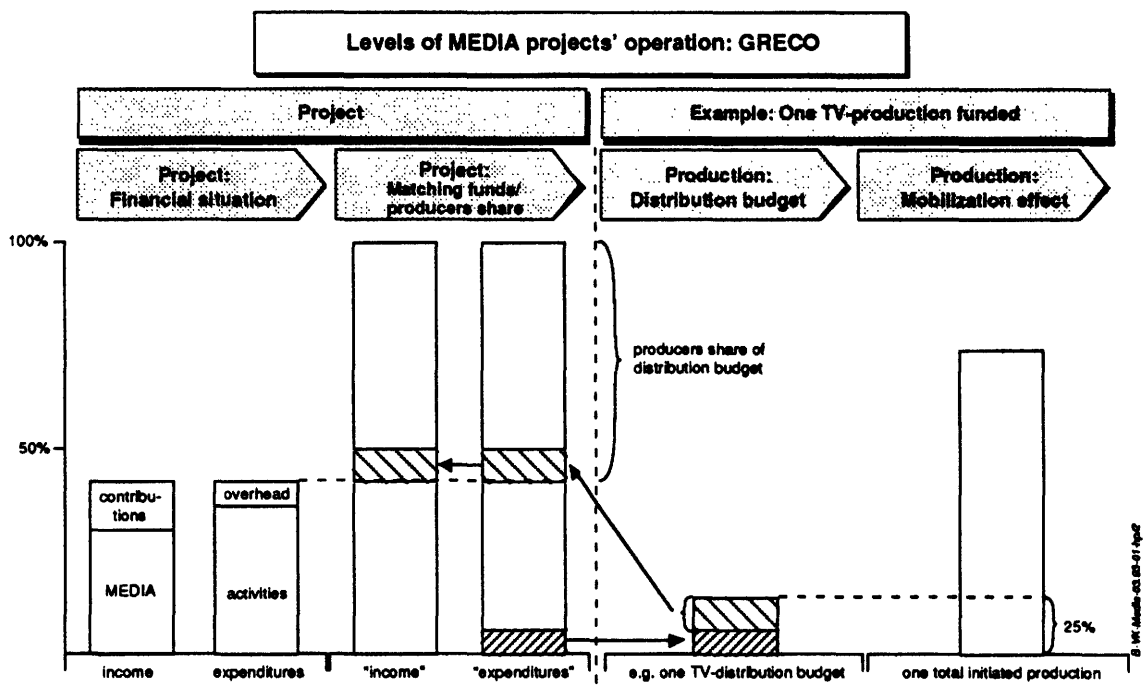
To keep in contact with the professionals and inform them about the latest development projects use newsletters or magazines. Examples are the CARTOON newsletter, the MBS-newsletter, the European Producer Network Info & News and the European Video Review. Project management should assume only the editorial function. A newsletter should be designed for "professional to professional" communication and not as a management mouthpiece.

*In conclusion, Roland Berger & Partner state that research/information support is a well applied tool in the MEDIA programme. However, in the future it needs even better coordination within MEDIA, with national institutions and European ones.*

The variety of services and tools in the research and information support in the MEDIA programme necessitates coordination and documentation of these activities. *Therefore a position responsible for research and information support in the team of MEDIA Brussels should be introduced.*

## 2. Principles

### 2.1. 50 % rule





The second level of MEDIA projects' functioning refers to Art. 6 of the Council decision. Art. 6 must be seen in connection with EC's general rule of only providing 50 % assistance.

In respect to total income and to total activities, all projects fulfilled the requirements of the 50 % rule in 1991 and 1992.

Only in a few cases 50 % of the total overhead has been covered by local authorities (for details: see vertical auditing, respective projects: income/cost structure evaluation).

It is not necessary that projects fulfill the requirements of the 50 % rule concerning single activities separately. However, Roland Berger & Partner assess fulfillment of the 50 % rule for overhead, activities and different tools used by projects (financing, training, networking and research/information support).

#### *Overhead*

Some local authorities do not contribute 50 % of projects' overhead. One could say it is only fair that a Member state who wants a MEDIA project located in its country should contribute 50 %. MEDIA projects give the Member states prestige, the possibility to establish national structures for the audiovisual industry around the respective MEDIA project and tax returns: MEDIA projects employ staff; they generate travel by professionals and MEDIA managers; projects use local services. Therefore MEDIA should continue to claim 50 % of overhead costs from local partners.

#### *Financing*

All projects met the 50 % rule for their financing activities. The audiovisual industry reacted positively towards the 50 % rule concerning MEDIA's "financing tool". Professionals interviewed stated the 50 % rule concerning "financing" is fair and leaves 50 % of the risk to beneficiaries. Industry experts assumed the 50 % rule will educate professionals to become more market oriented. Professionals stated also the 50 % rule commits them to complete their productions.

However, some professionals do not feel satisfied with the 50 % rule. They would prefer a higher support and subsidies instead of soft loans. A few beneficiaries believe that it encourages producers to over-estimate development or production costs. It has been stated several times in interviews that professionals try to reduce their risk or decrease their financing part to even less than 50 % (e.g. a guarantee of EMG covered 70 % of the bank loan - however, the bank insisted on additional guarantees until the producer could provide another guarantee; e.g. several EAVE participants found national institutions to cover their travel expenses or application fees).

*The above mentioned problems are not a problem of the 50 % rule itself, but a controlling problem. The MEDIA programme should continue with the 50 % rule and encourage more rigorous current controlling systems. The establishing of a database in Brussels could be very useful in this respect.*

#### *Networking*

Many project's activities could be called networking activities, see E II, 1.2. Anyway, some specific dedicated networking activities can be separated. Activities like EURO AIM's screenings, CARTOON's forum or EVE's conference met the requirements of the 50 % rule in 1991 and 1992. However, most of them (except some of EURO AIM's market activities) did not charge professionals anything for these services.

#### *Training*

All training activities within the MEDIA programme fulfilled the requirements of the 50 % rule in 1991 and 1992. It should be mentioned, that some other training activities, e.g. EAVE's training, are services delivered from MEDIA projects to the audiovisual industry. Some other training activities were not delivered by MEDIA projects but from private or public institutions. In these cases MEDIA projects, e.g. CARTOON or MBS, co-financed these trainings with a maximum of 50 %.

### *Research/information support*

Concerning MEDIA's projects research/information support activities the 50 % rule in most cases had not been fulfilled. Database services were delivered free of charge. Studies were provided gratis in most cases. EURO AIM's consultancy service is free of charge as well.

Research and information are one of the most important services a public institution can deliver to an industry. *The added value that is given to the industry through information services is several times higher than the cost spent, even if there is no "mobilization effect" visible.*

Although Roland Berger & Partner see reaching the 50 % rule requirements is only possible in a few cases concerning research/information support activities, professionals should participate more in the costs of MEDIA's projects. This will tend to make these activities more self-sufficient and ensure that services will only be delivered to professionals with real use for them. As long as professionals have to pay something - even if it is a small sum - for services, they will only make use of those they feel give them real value for their business.

### *Conclusion*

Several professionals and industry experts stated the 50 % rule commits them to complete their productions or only to make use of the services which are very useful for them. *The 50 % rule is also a good instrument to ensure that MEDIA's projects only provide useful activities to the industry. As long as professionals must pay 50 % of the costs for the respective activity they will only make use of truly valuable activities.*

*The 50 % rule is an excellent instrument to improve projects efficiency, quality, cost-consciousness and ability to become self-reliant.* For that purpose Roland Berger & Partner propose two measures which are not legally required by article 6 of the Council decision but make full use of the above mentioned positive effects of the 50 % rule:

- Extending 50 % rules provisions to overhead is only fair and necessary if projects are to become self-reliant.



- MEDIA projects should make use of the 50 % rule concerning every single activity. An exception should be made for research/information support activities. Roland Berger & Partner propose a 20 % rule for research/information support activities for the above mentioned reasons.

## 2.2. Self-financing

MEDIA's self-financing principle means projects should become self-reliant and should increase their self-financing share from year to year. For that purpose Roland Berger & Partner analysed the projects' "financial situation".

Roland Berger & Partner analysed MEDIA projects' self-financing share in 1991 and 1992 and, as far as possible, estimated projects' self-financing to be expected in the next years (see vertical auditing, respective projects: income/cost structure).

For the purpose to evaluate MEDIA's self-financing principle, the following was carried out:

- a summary about MEDIA projects' self-financing share in 1991 and 1992 and
- an assessment of the self-financing principle in general.

### *MEDIA projects' self-financing share in 1991 and 1992*

At this time, no project succeeded in becoming self-sufficient.

*Based on project managers' optimistic assumptions, only EMG could become self-reliant. Within the next two years, no other project will reach a self-financing share higher than 50 %.*

### *Contributions from others*

Some projects received high contributions in 1991 and 1992, see C II. 2.1. Nevertheless contributions from other public or private organizations was no main source of projects' income. In some cases contributions in 1992 were lower than in 1991, e.g. EAVE.



### *Other receipts*

Other receipts is income from project activities (see C II, 2.1.). To evaluate projects' self-financing ability, several tools are of importance (see C II. 2.2):

Tools applied by all MEDIA projects* in 1991-1992	share of total costs in 1991 and 1992	share of project activities in 1991 and 1992	reflux in relation to tools' expenditures
Soft loans, coproductions, guarantees	56.6 %	72.9 %	4.1 %
Financial assistance	10.4 %	13.4 %	-
Services	10.6 %	13.7 %	7.1 %
(Overhead)	22.4 %	-	-
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	

\*excluding SOURCES

Reflux from beneficiaries amounted to 4.1 % of the loans, guarantees and coproductions awarded in 1991 and 1992. The total reflux from services amounted to 7.1 % in relation to total sum spent for services.

Even if reflux on services was higher than reflux on loans in 1991 and 1992, there is a significant difference between services and soft loans. Reflux on services occurs before or directly after service is delivered by the project to the professional. Reflux on soft loans occurs after one to 12 years from awarding (depending on the project's funding nature). Therefore reflux on services in 1991 and 1992 is representative even for future reflux. Many projects started just one or two years ago. Completing of film or TV



productions takes usually several years from loan award. Therefore MEDIA can expect higher repayments from loans awarded within the next years.

Roland Berger & Partner estimated a self-financing share for every project by assuming projects' cost structure will not change during the next years. Serious assumptions about raising charges and fees are not possible. Hence, it was also assumed services will not contribute a higher reflux in the next years than in 1991 and 1992. (However, Roland Berger & Partner propose several measures to improve projects self-financing ability concerning services, see below)

All projects except CLUB and EMG do not become a coproducer and do not award guarantees. In so far as they do not make use of the financial assistance or service tool, they grant soft loans. Some of them expect very high repayments from professionals up to 35 %. *Roland Berger & Partner state that the expected repayments from beneficiaries are too optimistic in some cases* (for details: see respective projects).

However, Roland Berger & Partner calculated a self-financing share based on the optimistic assumptions of the projects' management (see projects evaluation: income/cost structure). It was impossible to estimate the self-financing share of some projects.

#### *MEDIA's self-financing principle*

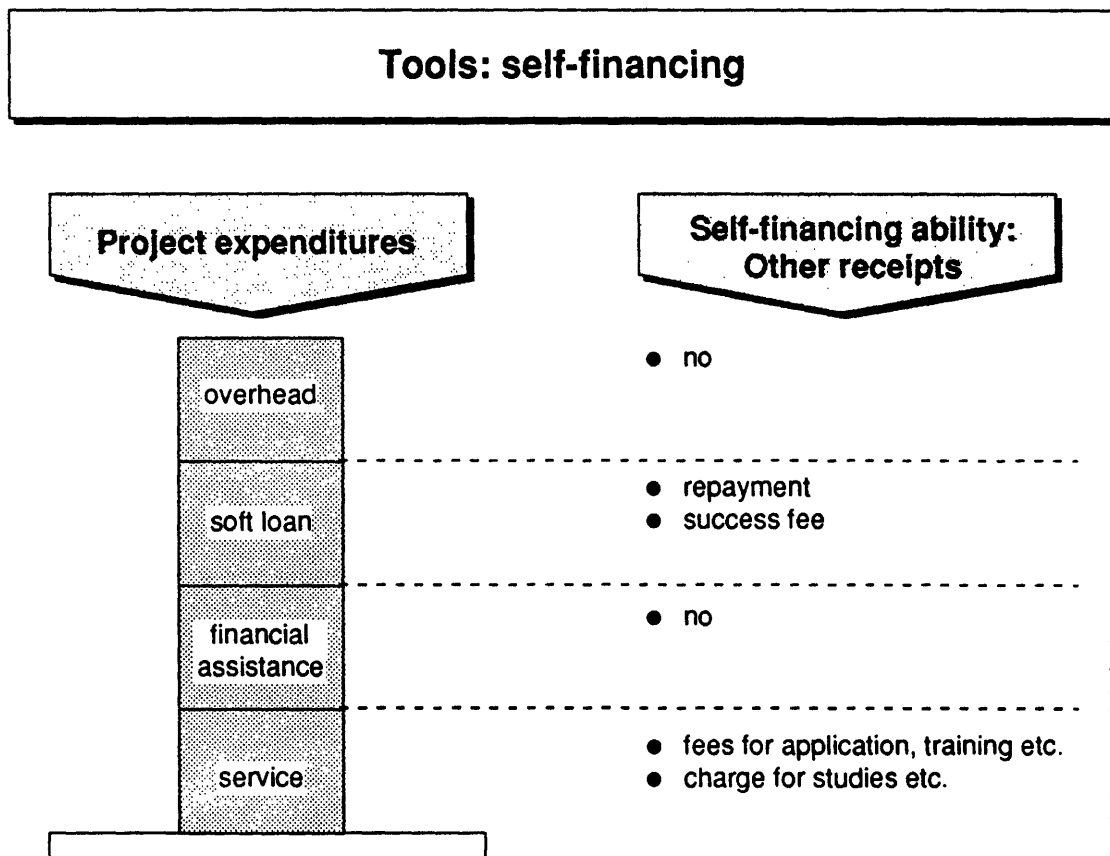
#### *Contributions from other partners*

It will be difficult for most projects to succeed in collecting money to a considerable high degree from partners other than MEDIA. Some projects have negotiations with sponsors or hope to raise contributions from other partners (e.g. EURO AIM, GRECO) At this time it is impossible to make serious assumptions on the contributions from other partners which might probably occur within the next years. It will be very difficult for most projects significantly to increase contributions from other partners and make contributions from other partners a main source of MEDIA projects' financing. The ongoing recession and difficult budgetary situation of some Member states might limit public contributions to MEDIA projects.



*Other receipts*

Hence, an increasing of other receipts could be a main source for self-financing leading to more self-reliant structures. The amount of other receipts projects can expect, depends on the tools the projects are using for their activities:



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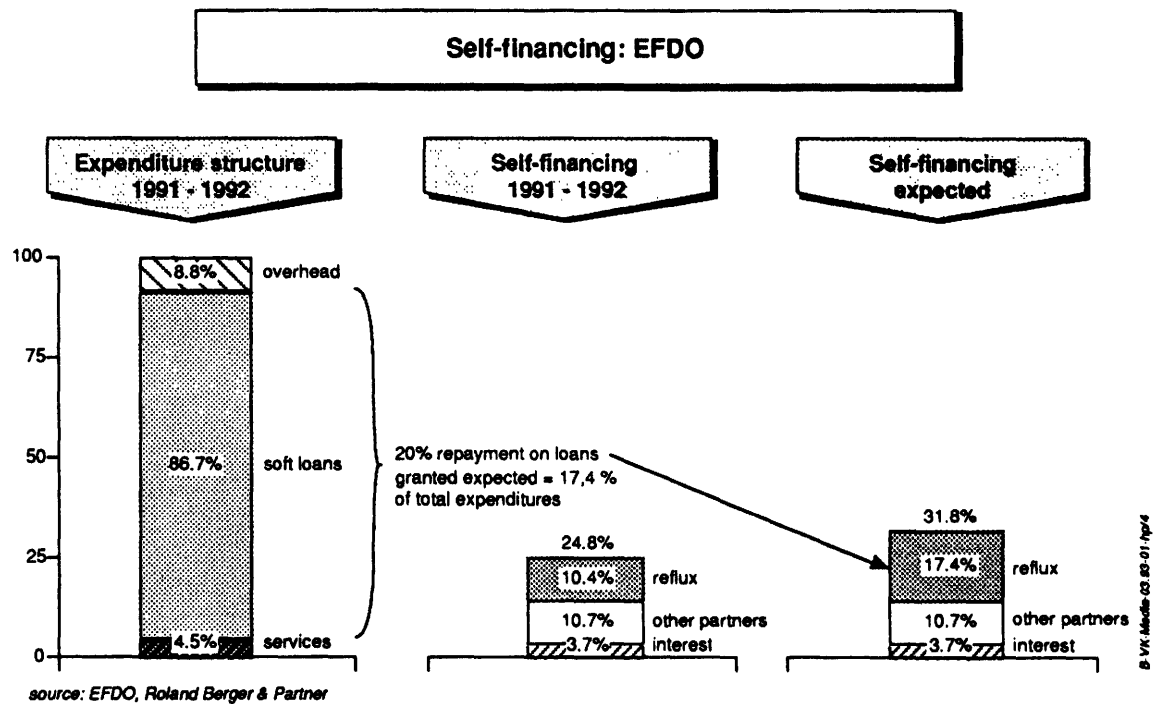
"Financial assistance" can not contribute anything to project's self-financing.

Services can expect a reflux by fees and charges. At this time, most MEDIA projects services are free of charge or are very cheap in relation to the total costs spent for these services. EURO AIM received the highest reflux for services in 1991 and 1992: approximately 25 % of the total costs of EURO AIM's MIPCOM and MIPTV service were charged from participants as an application fee. It can be seen a higher self-financing share for MEDIA's services can be achieved by increasing fees and charges. However, it seems uncertain how many professionals are willing to pay more for these services (e.g. some databases of MEDIA are expensive in relation to the number of

requests; charging ECU 250 would be necessary to reach a self-financing share of 50 % for some databases).

More repayments can be expected from the award of loans. Repayments expected by the project management differ from project to project (from 0 %, LUMIERE, to 100 %, EMG). *But even if these expected repayments occur self-financing throughout repayments will be limited to a certain degree.*

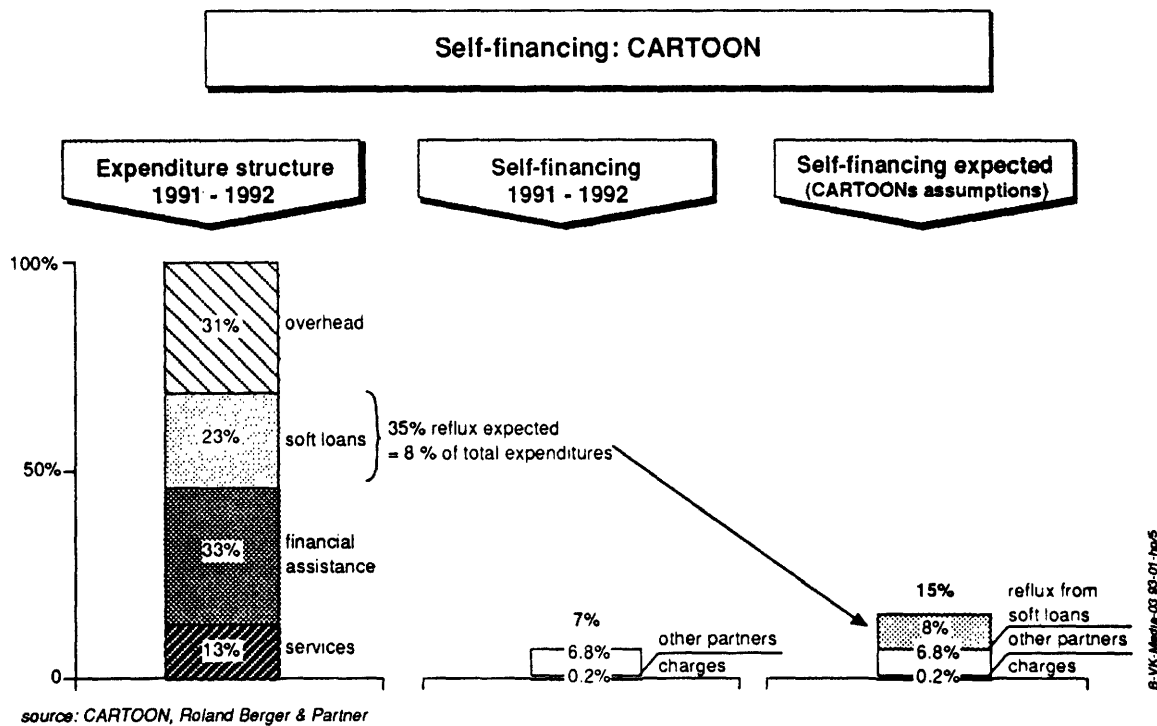
Two examples illustrate the constraints of financing projects by repayments.



EFDO is one of the oldest MEDIA projects. It has received the highest repayment rates from all MEDIA projects. Repayments can be expected earlier than in most other cases, because EFDO awards loans for distribution and deals with completed productions. Analysing of a representative period (application deadlines from november 1, 1988 to april 1, 1991) showed that EFDO can expect 20 % repayments on loans granted.

20 % on loans granted does not mean a self-financing share of 20 %, because only 86.7 % of EFDO's total expenditures are expenditures for loan granting. 20 % on loans granted means 17.4 % in relation to total expenditures. Taking into account other self-financing sources (other partners and interest), EFDO's self-financing share could reach approximately 32 % within the next years. The self-financing share of 32 % would be one of the highest of all MEDIA projects. However, EFDO could not be called totally self-reliant, even in a few years.

MEDIA projects which do not spend most of their expenditures for loan granting but financial assistance and services, will have even greater difficulties increasing their self-financing share. To illustrate these constraints Roland Berger & Partner chosed CARTOON because CARTOON grants soft loans, financial assistance and services.



CARTOON's project management expects 35 % repayments from the loans awarded for preproduction aid. This seems very optimistic. Anyway, 35 % of the loans granted represent only 8 % in relation to total expenditures. Fees and charges for CARTOON's services amounted to only 0.2 % in relation to total expenditures in 1991 and 1992. Expected repayments of 35 % on loans granted would mean 8 % in relation to total

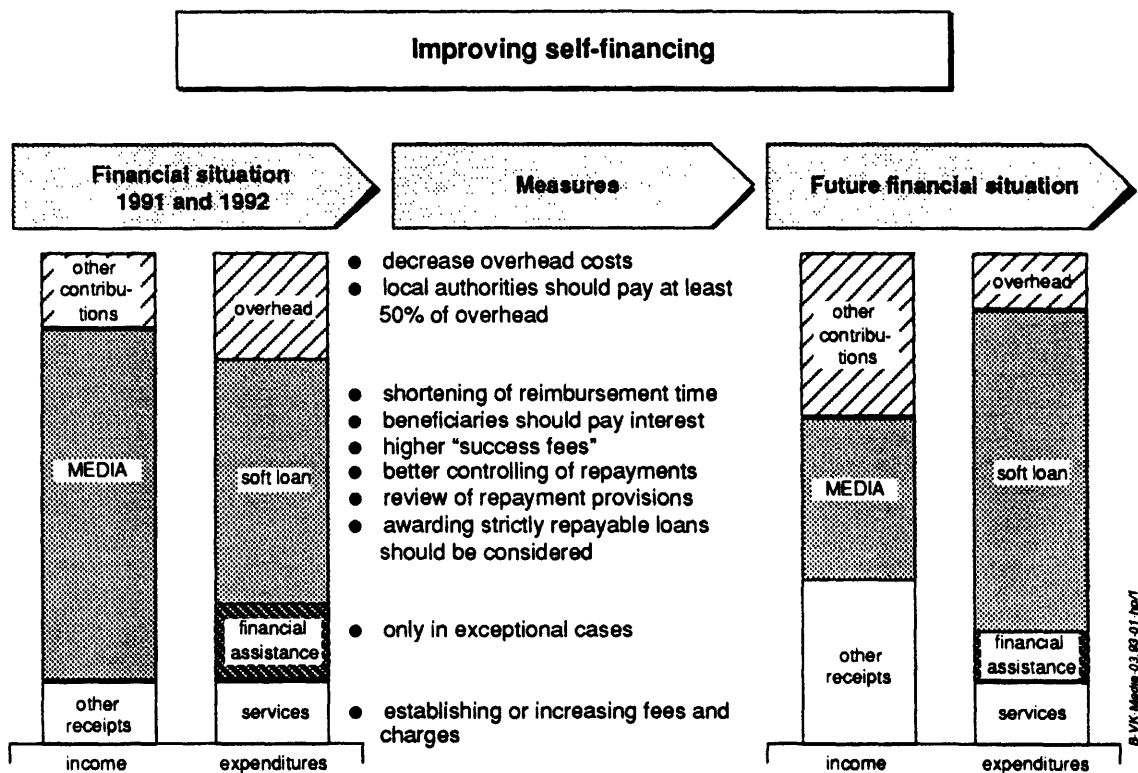
expenditures and would amount together with 6.8 % income from partners other than MEDIA and 0.2 % charges to a self-financing share of app. 15 %. Even if CARTOON succeeds in raising fees and charges for services, a totally self-reliant structure cannot be established: CARTOON's overhead and financial assistance amount to 64 % of total expenditures.

*In conclusion, Roland Berger & Partner judge, that MEDIA projects which use mainly the financial assistance and service tool, will have problems to achieve a significant self-financing share from other receipts. One can say, most project's expenditure structure does not allow self-reliant structures. Enabling self-reliant structures would require a change of almost every project's expenditure structure.*

Roland Berger & Partner note some costs which are related to the project's activities are not included in the foregoing calculation. From a pure commercial point of view the following costs should be taken into account: MEDIA's horizontal costs, partly a decentralized promotion department for all MEDIA projects; administration costs in Brussels which are actually costs for project controlling and additional overhead. From a standpoint of a public institution these costs are not be calculated. However, even from this point of view, compensation for inflation would be needed in order not to reduce projects' impact on the audiovisual industry from year to year. (given 4 % inflation per year, would mean the funds' true value would lose 19 % of its value in 5 years).

### Improvement proposal

In conclusion, Roland Berger & Partner can state substantial efforts are necessary to increase the projects' self-financing share. These measures are no recommendations by Roland Berger & Partner, but improvement potentials:



### Income/cost structure

- Projects should award financial assistance only in a few cases and if this kind of awarding is absolutely necessary.
- Projects should establish or increase fees and charges for services.
- Local authorities should pay at least 50 % of overhead.
- In some cases, overhead costs could decrease with some effort.

### *loans*

- Projects should shorten time to receive repayments (e.g. CARTOON could adopt SCRIPT's repayment rules; repayments could be expected not after six, but after two years).
- Beneficiaries should pay interest based on market rates (or at least based on inflation rate) for loans awarded.
- MEDIA projects should profit stronger from successful productions.
- Some project managers stated their "project should not become a bank". They should turn their point of view from that of professional interest to that of accountability for controlling the reflux of public funds.
- Some projects, e.g. LUMIERE, have unclear repayment provisions which create even theoretical difficulties in obtaining repayments. These projects need a review of their repayment provisions.
- Awarding strictly repayable loans should be considered in some cases (MAP-TV awards strictly repayable loans).

*However, completely self-reliant structures can only be achieved with public funds covering more than 50 % of the projects overhead.*

### 2.3. Seed capital

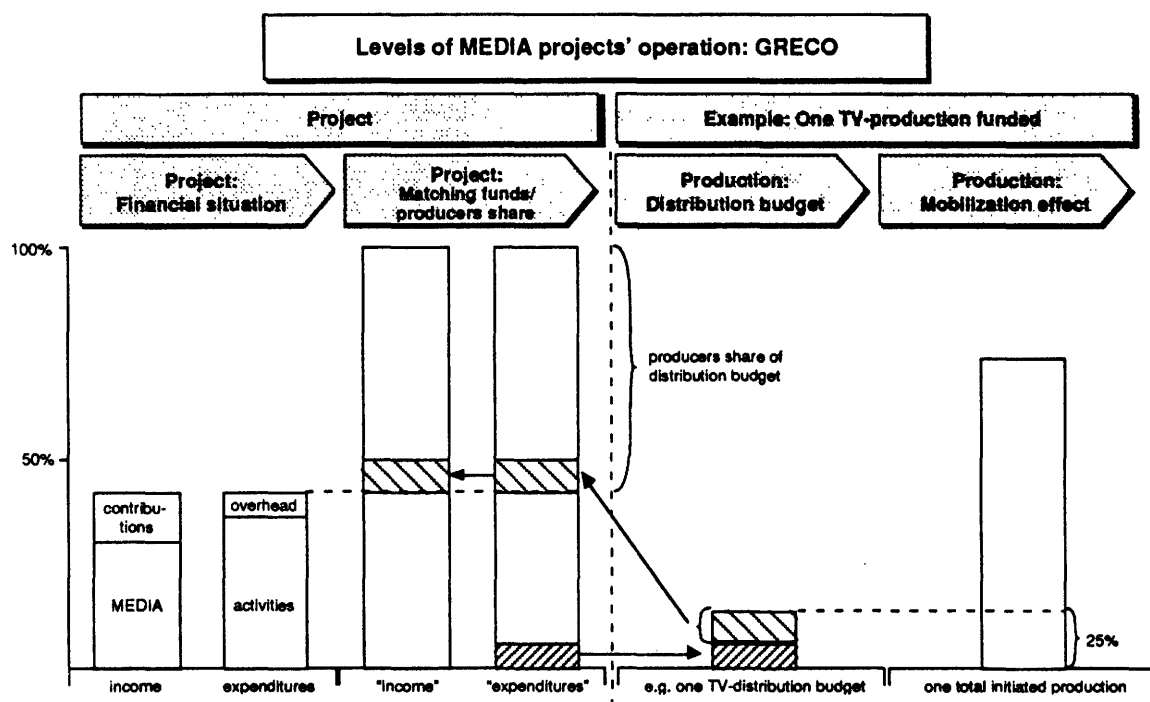
Regarding MEDIA's guidelines the MEDIA programme proposes "seed capital" to launch projects on the market in order to create impulse and mobilization effects.

There is already one example showing how successfully the seed capital principle can be. The "Master of Arts in Image Synthesis and Computer Animation" (MA ISCA) was initiated by the MEDIA INVESTMENT CLUB together with CITE in 1989. This very successful and very well reputed Master Programme became completely self-reliant in 1992. CLUB could stop the support of the master class. Roland Berger & Partner were

surprised such an ambitious and expensive structure became self-sufficient in only three years. *This can be judged as a great success.*

The seed capital principle can be measured on three different levels of MEDIA's functioning.

- financial situation: reimbursements
- matching funds
- production: mobilization effect



On the first level "financial situation" the seed capital principle can be measured by the reimbursement on MEDIA's investment. On the second level "matching funds" contribution of external capital has to be taken into consideration. The mobilization effect level can show tendencies how many productions have been initiated by MEDIA.



*1. level: Financial situation*

MEDIA's projects received 4.1 % reimbursement on softloans, coproductions and guarantees awarded in 1991 and 1992. Reimbursements on services amounted to 7.1 % in relation to total expenditures for services.

Taking into account beneficiaries pay for services before or directly after service delivering reimbursement on services in 1991 and 1992 can be judged as representative even for the next years. Only structural changes in MEDIA's project organization could increase reimbursement on services.

Repayments on softloans, coproductions and guarantees awarded in 1991 and 1992 cannot be evaluated as representative, see 2.2. First tendencies show, e.g. EFDO's repayment rate, MEDIA might probably succeed in receiving higher reimbursements than most national public support funds. By an increasing of reimbursements projects will require smaller amounts of seed capital from MEDIA.

However, Roland Berger & Partner state that MEDIA's aim to establish nearly self-reliant structures in some years, might have been too ambitious.

There are several external factors, which could not be seen when the MEDIA programme was established. The ongoing recession all over Europe concerns the audiovisual industry. A decreasing of advertising in TV programmes forces European broadcasters to shorten costs for purchased productions, commissionel productions and coproductions. On the other hand decreasing of cinema visits in Europa is often mentioned in relation with worse financial situation of households. These "unfriendly" circumstances for independent producers face the European audiovisual sector in a period of industry's self-organization.

Taking into account the above mentioned circumstances and the general constraints to achieve reimbursements from soft loans in the film- and TV-industry, *MEDIA's "seed capital" principal has proved successfully.*



*2. level: Matching funds*

As it has been stated in the remarks concerning the vertical auditing, contributions were only included in projects' financial income, if they were real income on projects' accounts. However, it can be seen, most projects succeeded in matching funds more than contributions included in the financial income. Furthermore, the budgets initiated by MEDIA projects were co-financed by more than 50 % from private investors. The total sum of MEDIA projects investments in the industry amounted to MECU 71.5. Projects attracted private and public investments amounting to MECU 219. That means that only 24 % of the total initiated budgets were covered by MEDIA money.

In this respect, Roland Berger & Partner can say, the MEDIA seed capital principle has succeeded on the matching fund level too.

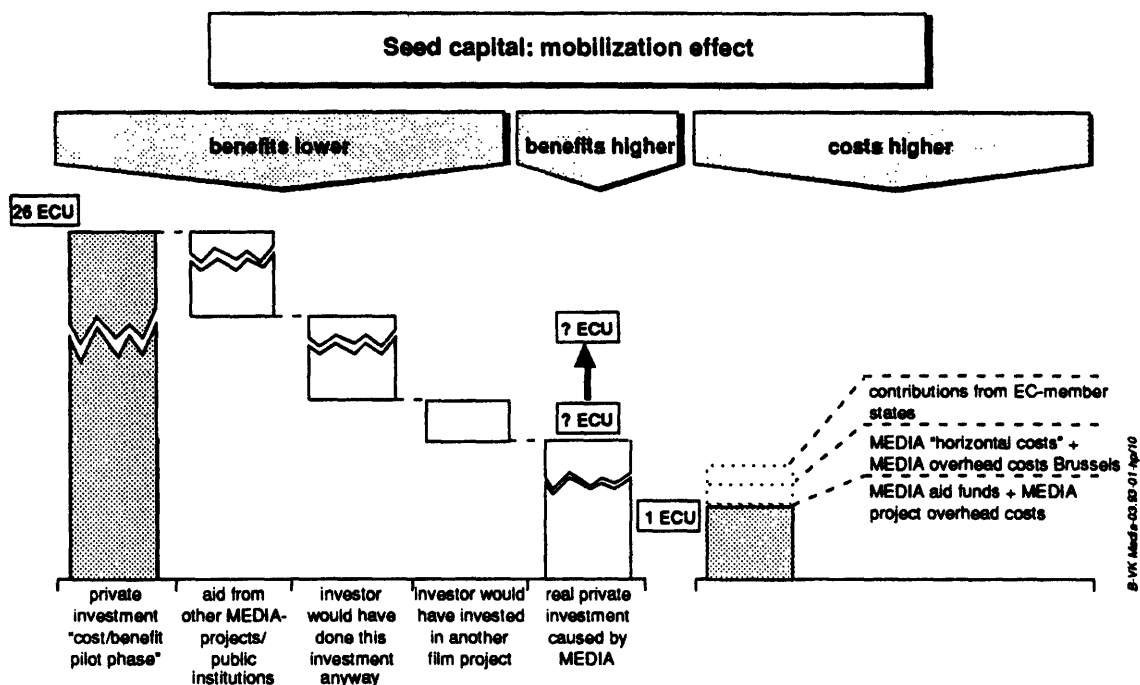
*3. level: Mobilization effect*

MEDIA projects' investment in the audiovisual industry amounted to MECU 71.5. This sum attracted MECU 1,829. "At first sight" that means that ECU 1 attracted ECU 26 from private or public investors.

It should be mentioned mobilization effect figures delivered from MEDIA project's management were very impressive. Roland Berger & Partner did not analyse these figures. We can say figures are not too low.

MEDIA's mobilization effect cannot be measured in this way, without considering additional influences and factors.

Firstly based on the fact that various external positive effects have not been taken into consideration. E.g. the very announcement of the MEDIA programme has had a positive effect generally highlighting the priority which the EC devotes to the audiovisual industry and attracted a lot of investors. Nearly all MEDIA projects' activities can be called in a way networking activities. They formed structures and relations all over Europe enabling professionals to make full use of the Single Market dimension.



Anyway, MEDIA's mobilization effect - as far as it can be measured - was lower.

Not all EC expenditures were included in the mobilization effect calculation. Neither the horizontal costs of the MEDIA programme nor the general administrative costs in Brussels were taken into consideration in EC expenditures. In addition funds were not taken into consideration which were made available for MEDIA projects by EC Member states. Roland Berger & Partner are aware that these calculations are general not undertaken by a public institution. However, to draw a realistic image of MEDIA's mobilization effect these monies need to be considered within MEDIA's investment in the European audiovisual industry.



Furthermore the active budgets contain double entries and amounts which cannot be regarded as an effect of the MEDIA programme. This has resulted in a situation where production budgets contain up to 50 % funding which come from other MEDIA projects and other public institutions. Some of the private investors would have realized these projects without MEDIA's financial assistance as well. Other investors had only the intention of investing in any type of film project. Because investors would have financed other film/TV projects without the presence of MEDIA sponsorship, such cases are a matter of money which otherwise would have flown into the audiovisual industry anyway.

As it has already been stated in the Interim Report unfortunately serious and founded appraisals about these various effects are not possible. However, it can be stated that the mobilization effect is considerably lower.

In the opinion of Roland Berger & Partner *MEDIA projects made a very good use of the limited budget and succeeded in attracting much private and public investments.*

Roland Berger & Partner propose MEDIA's projects and MEDIA Brussels should carefully monitor the development of the audiovisual industry in Europe in the next years. As soon as strenghtening of one of MEDIA's target groups has been achieved MEDIA should consider a measure to increase the mobilization effect and to attract more investments. This measure would make full use of seed capital's leverage effect:

A reviewing of the 50 % rule should be considered for every project from time to time. E.g. cutting the 50 % rule to a 25 % rule would double the investments attracted by MEDIA.

### **III. Proposals for improvement**

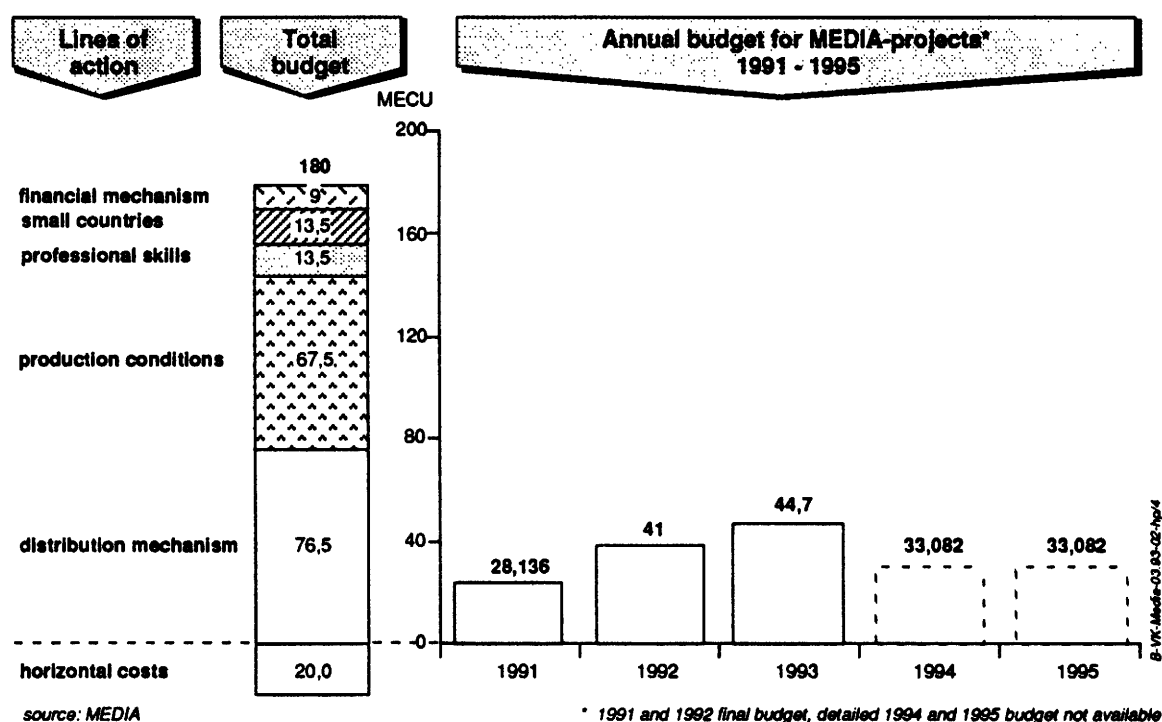
#### **1. Overall proposals for the programme**

After having already included appropriate proposals within vertical and horizontal auditing, Roland Berger & Partner concentrate on three main issues: The programme's and projects' budgetary situation and the organizational structure of MEDIA headquarters in Brussels.

### 1.1. MEDIA programme's budget

In comparison to other areas of support in the audiovisual sector, the budget of MEDIA is very small (see E II, 2. Cost benefit analysis, MEDIA's influencing potential).

It was never a goal of MEDIA to compete with national funds. MEDIA's structures and approach are different and should be seen as an additional measure for promoting the European audiovisual industry as a whole and their interlocking and integration.



MEDIA is faced with a difficult budgetary situation in 1994 and 1995. Roland Berger & Partner are aware that originally the budget should have reached its peak in 1993 and decrease in 1994 and 1995.

In 1993, all projects work with the entire established structure and all their planned activities for the first time. Therefore, the 1994 and 1995 budget should not be lower than the 1993 budget, if projects' full functioning should be guaranteed in 1994 and 1995 also. A substantially higher share of self-financing (sources from external private or public institutions; projects receipts like fees, charges, interest and reflux) will not be possible in 1994 and 1995 (see E. II, 2.2 Self-financing). Hence, *without the continuing support by MEDIA, most MEDIA projects will have to reduce their activities before they will have the chance to demonstrate their ability to achieve a substantial impact on the audiovisual industry.*

Another problem is the limited timeframe of the programme. Roland Berger & Partner's analysis showed that *even after 1995 most MEDIA projects will not be in the position to finance themselves.*

*To achieve structural changes, a cumulative financing over at least 10 years of MEDIA programme's operation would be necessary.* Structures built from scratch need at least this period of time. Only after this period, can MEDIA's impact be measured on a quantitative level. It is not possible to make reliable statements sooner.

Therefore Roland Berger & Partner recommend to consider a prolongation of the MEDIA programme.



## 1.2. MEDIA projects' budget

The various lines of actions have exhausted their budgets to a different degree:

Lines of action	Projects	Total budget 1991-1995 MECU	Budget 1991-1992 (in % of total budget)	Budget 1993-1995 (in % of total budget)	Remaining budget 1994-1995
1.1.	EFDO, MEDIA SALLES, EUROPA CINEMAS	36	54%		
1.2.	EVE	9	66%		
1.3.	BABEL	9	49%		
1.4.	EURO AIM, GRECO	22,5	73%		
2.1.	SCRIPT, DOCUMENTARY, SOURCES	20,7	97%		
2.2.	CARTOON	20,7	60%		
2.3.	CLUB	18	72%		
2.4.	MAP-TV, LUMIERE	8,1	55%		
3	EMG	9	17%		
4	EAVE	2,7	94%		
4	MBS	10,8	52%		
5	SCALE, EFA	13,5	58%		
	<b>TOTAL</b>	<b>180</b>	<b>63%</b>		

source: MEDIA

Without a line of action modification, some projects will have to be discontinued after 1993 unless they receive further financial support from MEDIA. These projects are SCRIPT, DOCUMENTARY, SOURCES and EAVE.

Some other projects would have to reduce their activities in 1994 and 1995 (EURO AIM, GRECO, CLUB and EVE).

Some projects have not yet exhausted their budgets in proportion to their time of operation (BABEL, EMG).

There are different measures possible to deal with this problem:

- to bring some projects to an end,
- to increase contributions from partners other than MEDIA.
- to reallocate resources,
- to increase budget for some lines of action

Because of the frequently mentioned reasons (e.g ongoing recession all over Europe) replacement of MEDIA's contribution by contribution from others seems not realistic.

*For a possible reallocation of resources and/or a line of action budget increase, Roland Berger & Partner recommend every project's need for money be evaluated in detail.*

At the occasion of MEDIA projects' management workshop in Brussels on March 3-4, 1993, almost every project stated, they need more money. However, in the opinion of Roland Berger & Partner this does not apply for all projects. *The projects' budget allocation should be assessed by the following three criteria:*

- *Critical mass concerning applications*, i.e. the supported productions/persons institutions in relation to applications. By doing this, it should be carefully considered, if projects' application meets at least theoretically projects' selection criteria. One criterium could be the share of applications cut in the eligibility stage.
- *The necessity of all present and planned activities* for the respective MEDIA project's aims. In this context, other MEDIA projects' activities should be strongly taken into account.

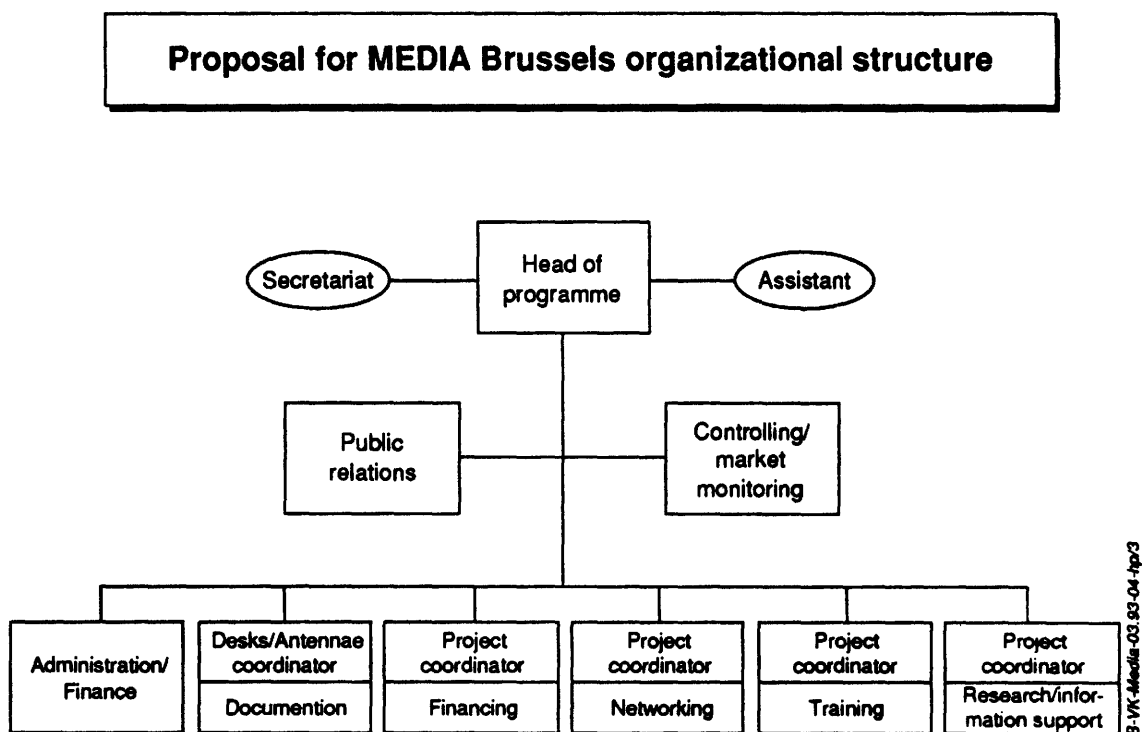
- Critical mass concerning projects' target group. Can MEDIA projects reach their defined aims with the budget provided? One can assume, that all MEDIA projects' aims are well chosen. One important criterium to measure the critical mass in this respect is the project's scope.

In the opinion of Roland Berger & Partner, *seven out of 18 projects* (SOURCES not considered) *need a budget increase in the next years*. Two projects could decrease their budget. Seven projects can continue with their actual budget. For two projects, a budget increase should be considered under certain conditions.

To ensure a reliable planning of project management and professionals, a clear and quick decision about MEDIA's future budget within the next years is necessary.

### 1.3. Proposal for MEDIA Brussels organizational structure

Roland Berger & Partner recommend some changes in MEDIA Brussels organizational structure.



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### *Functions and offices*

Roland Berger & Partner propose the *establishment of a controlling/market monitoring office*. Controller's possible tasks would include providing necessary information for decision-makers (commissioner, director general, MEDIA Committee members, head of coordination unit, head of MEDIA programme). Necessary information would include projects' method of operation, projects' financial situation and projects' results (see D., I. 3. Controlling).

What Roland Berger & Partner assumed to be necessary is a standardized sheet, where all this information can be filled in. This document would be delivered quarterly. Project coordinators should be in charge of collecting this necessary data and delivering it to the controller in time. The controller should be further responsible for introducing a controlling system based on consistent and comparable accountancy rules which show a true and clear financial situation for each respective project. Furthermore he should establish a system for evaluation of projects' results according to different tools used. He should be in charge of *establishing a data base concerning all supported productions/persons/institutions in order to improve transparency* ( see D II, 1. Internal transparency).

The controller should establish a system which enables MEDIA to monitor the market and measure scope and impact of MEDIA projects' activities. A controller is not necessarily a professional of the audiovisual industry but should have business experience regarding controlling tasks. He should work in close cooperation with the head of the MEDIA programme.

Furthermore *a public relation department should be established*. In this case it is highly recommended to occupy this office with somebody who has practical experience in the audiovisual industry. To fulfill this kind of very important position inside experience in film/TV producing and distribution is required. This could further lighten the work load of the MEDIA programme head. The public relation department should concentrate on the information and communication with associations, film institutes and other bodies politically and culturally interested in the MEDIA programme. Presswork should be centralized in order to draw a clear and consistent picture of MEDIA's goals and strategies. Public relations should be carried out in close collaboration with the head of the programme.

*Tasks of project coordinators in Brussel should be redefined.* Project coordinators should have overall responsibility for each of the tools MEDIA projects use. Therefore every project coordinator should become an expert for the respective tool. This will allow standardization as far as possible and support the head of the programme by coordinating new activities designed by MEDIA projects. Project coordinator should have the duty to ensure data necessary for the controller is delivered by MEDIA projects in time (for details see the respective tool, E II, 1. Tools).

### *Management*

Based on the figures collected by the controller programme management could be improved. Roland Berger & Partner are aware MEDIA is not a private company. However, due to the complexity and to the number of different projects and projects' activities a well defined and standardized target oriented management system seems to be appropriate.

Roland Berger & Partner recommend a management by objective system (MBO). This would include at the first step achievable objectives which should be jointly negotiated and defined with every project's management and MEDIA Brussels. Objectives should include results, overhead reduction in some cases, increasing matching funds in some cases, increasing other receipts (fees, charges, interest and reflux) and improvement of organization and selection/control systems.

Project managements' incentive for reaching the defined objectives could be adjustments in future resources allocation based on the results achieved. Roland Berger & Partner are aware, that this measure may be restricted by political considerations.

If these measures were to be implemented the MEDIA programme would be very well prepared for the next years.

## 2. Proposals for the projects

In the following, Roland Berger & Partner give a short overview about the proposals we made for the individual projects. Categorization follows the vertical auditing: organization, activities/results, selection system/control and income/cost structure. Details for these proposals are to be found within the vertical auditing.

### *Organization*

- Strengthening the projects' work by changing the organizational structure and/or composition of bodies.

MEDIA SALLES should consider to establish an advisory council of professionals from different parts of the audiovisual sector to avoid an isolation.

EUROPA CINEMAS should consider increasing and clarifying the sponsor committees duties and powers.

For the increasing tasks of SCALE in the future, it seems important to strengthen the administration, by involving a financial administrative expert or establishing a financial committee. An increase in the team seems unnecessary because activities requiring much administrative work e.g. SPSS, have their own management.

Referring to SOURCES Roland Berger & Partner want to point out, that in future appointments to all available positions should be spread more widely. More decision makers should involve in the organization and management of the SOURCES' project. This change in the appointments to the participants council one can think of integrating an advisory panel into the council to avoid excessive structure complexity.

Together with the administration committee, MAP-TV has five different bodies. In order to keep the organization as "slim" and flexible as possible, the board should review the task in membership of the different committees.

EURO AIM's antennae are no longer necessary. Information work and promotion in country and region should be concentrated completely on the MEDIA-Desks/Antennae.



- Increase of transparency in the selection system

CARTOON needs transparency and care should be taken that some body members do not benefit disproportionately from CARTOON's budget.

In GRECO's expert committee independent producers should be represented to a higher degree.

At LUMIERE, one member of the executive committee is involved as manager of a new LUMIERE activity in addition to the committee work. Although this involvement is important for integrating professional expertise, care should be taken not to blur the functional distribution between management and executive committee.

Body responsible for EAVE's project's operation and supervisory body should be clearly separated. Committees should be reduced from four to two.

#### *Activities/results*

- Cooperation with other projects

SOURCES should closely examine links to EUROPEAN SCRIPT FUND, MEDIA BUSINESS SCHOOL, EAVE, EURO AIM, SCALE, in order to avoid duplicating efforts and cause inefficient functional overlap.

Information exchanges and coordination of activities with every other MEDIA project MEDIA BUSINESS SCHOOL closely collaborate with, is essential for MBS's future work to avoid overlaps, create synergies and obtain better results.

The next workshop planned by EUROPEAN FILM ACADEMY is supposed to cover marketing and finance. Roland Berger & Partner recommend concentrating on the "artistic" side of education to avoid duplicating efforts already undertaken by MEDIA BUSINESS SCHOOL.



Cooperation between MEDIA SALLES and other MEDIA projects, especially EFDO could be increased. Today MEDIA SALLES only distributes a list of EFDO supported films to cinema operators. As interviewees stated cinema owners in Europe exhibit little familiarity with European films. This will be a relevant task for MEDIA SALLES. The relation to EUROPA CINEMAS should be clarified and joint activities considered.

As it is a small project with limited resources, LUMIERE should try to involve other MEDIA projects in its work.

- Concentration of activities

In Roland Berger & Partner's opinion, a proliferation of activities will endanger current initiatives and overstretch SCALE's administration and organization. Given SCALE's limited budget, it is necessary to avoid a diffusion of efforts. A critical mass should be reached and activities should be focused on schemes not provided by other MEDIA projects. SCALE should emphasize on its target group, independent production companies in "small" countries.

EUROPA CINEMAS should focus on its original activities before implementing new ones. An expending activity and increase of self promotion by EUROPA CINEMAS could have a negative effect on its performance.

Regarding the extension of its activities SOURCES should remember its starting point: Alfred Hitchcock's dictum "the script, the script, the script" and focus on training in screen writing skills.

Given its limited resources, LUMIERE should concentrate on financing restauration and the European Filmography.

- Quantitative and qualitative redefinition of activities

EFDO: Taking into account the market force of the American majors throughout Europe and the decreasing market share of the European films, Roland Berger & Partner propose a concentrated distribution aid on truly "promising" films. EFDO could strengthen the industrial potential aspect in four ways:

One way is to reinforce the film preselection, thus eligibility is checked even more intensively by external experts. The second way is, to increase the number of distributors for the film release from three to five. Assuming all this effect, that distributors are interested in the release of a film, they should be convinced about film's business potential. Third, giving more support to films with a higher production budget, e.g. broadening category III. Fourth, Roland Berger & Partner recommend, to raise distributors' share on distribution pre-costs to 60-70 % in order to stimulate the "entrepreneural" spirit of the distributors and to be able to support more films or films with a higher distribution budget.

The obligation asked by EUROPA CINEMAS to display more than 50 % European films is very difficult especially for big, well-equipped cinemas. There are not enough European films which guarantee a sufficient box office return. ECU 10,000 is considered too low in relation to the commitments. Respective to the "SALLES PAVILLON" -activity a quantitative (financial assistance) and qualitative (increased promotional effectiveness) increase in the intensity of support should be considered.

Interviewees criticised at BABEL the limit of the support of ECU 30,000 for dubbing and ECU 7,000 for voice over/subtitling as too low for an international competitive feature film. BABEL should design its activities in correspondance to reach a critical mass for feature films.

CARTOON's management thinks it is not possible to limit the support of studios to three years as previously assumed in the studio grouping scheme. The studio groupings are, according to the CARTOON management, unable to hold on without CARTOON's help. But CARTOON's limited budget should be used for new studio groupings. Supporting studio groupings longer than three years should be proved very carefully, having in mind the "seed capital" principle.

EVE's regroupment scheme activity needs a clear description. Covering travel expenses of video distributors is no necessary activity within the regroupment scheme.

EFA together with MEDIA Brussels, should consider a creative solution to the current "shizophrenic situation" which regard to the financial, administrative, geographical and promotional division between the Academy and the European film awards.



Since no future growth may be expected in the finished film market, DOCUMENTARY should consider reallocating Promotion Packaging for Project Development.

MEDIA SALLES should consider to establish a joint activity with EUROPA CINEMAS to substantiate and show that it is possible to be successful while programming a majority of European films. It seems important to document experiences e.g. promotional activities worthy of imitation and economic development of "SALLES PAVILLON" cinemas. The cinema sector should be provided with this information.

*Income/cost structure*

- Decrease of overhead costs

MAP-TV's move from Bry-sur-Marne to Strasbourg should permit a strong decrease in administrative costs.

CLUB's overhead costs could be reduced.

CARTOON's overhead is in general too high.

EURO AIM's overhead should decrease, i.e. by reducing material costs.

It is crucial that SCRIPT reduces overhead in future.

EAVE's overhead should be reduced.

EVE's management should prove how high overhead costs can be reduced.



- Increase of other contributions/receipts

LUMIERE should try to find public and private sponsors for its work.

In 1991 and 1992 EFA received ECU 355,000 from the MEDIA programme which contributes overhead and EFA's initiated activities, which only started in June 1992. EFA's activity budget was such small (ECU 70,000) that the overhead costs in relation to total costs came to 88 %. Even, if it must acknowledged that during the establishing phase overhead costs are normally higher, the absolute figure of EFA's overhead has to be seen as too high, if one takes into account the number of MEDIA activities. All five executives - three of them part-time responsible for FELIX awards - are payed by MEDIA.

Financial revenues from EMG guarantee fund should not be used to cover overhead expenditures because they are needed to compensate for inflation so that real value of the guarantee fund does not decrease. If the overhead were covered with the 1 % fee in the amount of loans awarded ECU 115,000 can be provided to cover overhead costs (MECU 2.3 guarantee fund x 5 = MECU 11.5 guarantees x 1 %). For this reason, some additional money might be needed to cover overhead costs.

Roland Berger & Partner hope that the management of SOURCES will be successful in matching funds in the volume needed.

Bearing in mind that SCRIPT started with a lot of donors who resigned one after the other within the last years, Roland Berger & Partner state that these financial sources should be revitalised.

If development support is given greater importance, it should be intensified either with a shift of monies from indirect development support or with the possibility of the work being spoon off from SCRIPT's work as an independent agency. Funding from non-MEDIA sources then should be considered.



### *Selection/control*

- Adopting of the selection process

SCRIPT's selection system can be judged as appropriate for selecting scripts, for which it is impossible to construct a totally objective system. However, there is in the opinion of Roland Berger & Partner, one main point of criticism for the system: its rather high costs. An intensified preselection mechanism could help to cut costs.

EMG should not require all dossiers, applications etc. in French.

Clearer criteria for EAVE's selection process are needed. A written test should be established to reduce costs, improve transparency and ensure that applicants with business potential are chosen.

MAP-TV: With a much broader field of potential applicants, (which MAP-TV needs to achieve a kind of critical mass) the current selection system could cost too much time and money. Furthermore, MAP-TV should be aware, that the use of merely subjective criteria, can give raise to stronger criticism.

- Adopting of selection criteria

BABEL should change its selection criteria concerning the favouring of minority languages. The support of minority languages should be done separately, e.g. in the joint initiative of the SCALE/BABEL grant system. It does not seem to be effective to concentrate the whole programme on minority languages.

Clearer criteria for CARTOON's studio grouping selection should be established.

EUROPA CINEMAS' quantitative criteria and additional qualitative assessment make a good instrument for finding the "right" cinemas to support. However, there are no criteria for evaluating the "right" promotional actions. The line between promotional actions, which should be financed by the distributors, and actions, which should be financed by cinemas, and are therefore eligible for EUROPA CINEMAS' support, is unclear and shifting. In addition, the term "promotional actions" should be redefined more precisely.



More transparency for EVE's "regroupment scheme" selection process is needed.

**MEDIA SALLES:** The third selection criterium for the activity "One week of European cinema in 100 towns", the size of the town, is not rooted in the aims of MEDIA SALLES. As an instrument for the demarcation to EUROPA CINEMAS, it is artificial and surveyed professionals doubt its usefulness.

- Adopting of control system

At this time, EVE has no big problems with distributors' commitment to distribute video copies. But, should this problem occur, Roland Berger & Partner propose different payment procedures for EVE to insure that producers are committed to complete their distribution project. We suggest payment procedures as used by GRECO. That means the loan should be disbursed in only one installment once the distributor has shown evidence that he has started video distribution. As long as this requirement is unfulfilled, the money should be paid on a fix-term deposit.

Roland Berger & Partner suggest, BABEL should consider to adopt GRECO's disbursement rules, as well as the instrument of a "legally binding acceptance" by the broadcaster. The GRECO control system relies on the controlling system of the involved broadcasters.

As only qualitative and mostly subjective criteria taken into account for the selection of applicants, SOURCES has to apply a very strict control mechanism to evaluate its results.

Respective the different activities SCALE is giving financial assistance, Roland Berger & Partner suggest an efficient controlling system with detailed reports.



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# **Final Report**

## **Interim Evaluation of the MEDIA Programme**

**Commission of the European Communities**

**F (Annex)**

**Berlin, April 4, 1993**

**ROLAND BERGER & PARTNER GmbH - International Management Consultants**

Berlin - Dresden - Düsseldorf - Frankfurt - Hamburg - Hanover - Munich - Stuttgart  
Barcelona - Budapest - Bucharest - Buenos Aires - Kiev - Lisbon - London - Kiev - Madrid - Milan - Moscow - New York -  
Paris - Prague - Rome - São Paulo - Stockholm - Tokyo - Vienna

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**F. Annex**

**I. Spreadsheet: MEDIA projects - cost/income structure overview**

**II. Overview cooperation between projects**

**III. Cross border releases European films**

**IV. Allocation of MEDIA projects' activity budget**

**V. MEDIA vertical budget**

- Initial 1991/1992
- Final 1991/1992

**VI. List of interviewpartners**

**VII. Project questionnaire (example: CARTOON)**



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**I. Spreadsheet:  
MEDIA projects -  
cost/income structure  
overview**



MEDIA projects - cost/income structure overview

1991-1992												1991-1992											
MAP	CLUB	EMG	CINEMA	LEAVE	CARTOON	EURO	STAFF	MEDIA	EXE	SOURCE	LUMI	SCALE	MBS	BABEL	DOCUM	EPA	ERDO	GRECC	total				

1991-1992												1991-1992											
MAP	CLUB	EMG	CINEMA	LEAVE	CARTOON	EURO	STAFF	MEDIA	EXE	SOURCE	LUMI	SCALE	MBS	BABEL	DOCUM	EPA	ERDO	GRECC	total				
<b>RECEIPTS</b>																							
CONTRIBUTIONS TOTAL		2149	9347	2300	400	2041	8422	6649	10968	1172	4012	1728	903	4292	4764	2744	1994	623	12455	4792,5	81755,5		
Media		1950	8000	800	200	1920	7852	5550	10209	800	3740	880	700	4074	3794	2200	1700	355	10900	4480	70104		
others 1		90	258	0	200	95	95	601	0	135	272	87	203	218	720	436	215	268	575	257	4725		
others 2		64	99	0	0	26	475	498	539	40	0	5	0	0	250	38	79	0	702	53	2868		
others 3		22	0	0	0	0	0	0	213	0	0	756	0	0	0	70	0	0	262	0	1323		
members		23	990	1500	0	0	0	0	0	197	0	0	0	0	0	0	0	0	16	2,5	2728,5		
OTHER RECEIPTS TOTAL		24	397	261	0	125	17	392	567	2	15	31	0	0	55	83	60	4	2049	0	4082		
fees for training		0	0	0	0	0	0	0	0	2	15	23	0	0	0	0	4	0	0	0	169		
charge for studies		0	0	0	0	0	17	0	0	0	0	0	0	0	0	0	0	0	0	0	17		
reflux from project-beneficiaries		16	79	5	0	0	0	0	409	0	0	0	0	0	0	2	60	0	1505	0	2076		
other/interest		0	318	256	0	0	0	0	20	0	0	0	0	0	0	81	0	0	546	0	0		
fees for applications		8	0	0	0	0	0	392	0	0	0	8	0	0	55	0	0	0	0	0	463		
RECEIPTS TOTAL		2173	9744	2561	400	2166	8439	7041	11535	1174	4027	1759	903	4292	4819	2827	2054	627	14504	4792,5	85837,5		
<b>EXPENDITURES</b>																							
OVERHEAD TOTAL		724	1788	165	58	1264	2615	2534	2700	315	950	384	197	498	1430	691	603	507	1336	516,4	19275,4		
PERSONNEL TOTAL		414	918	77	19	909	1344	946	1387	133	281	157	35	160	462	456	340	254	690	134,9	9116,9		
fix employed staff		376	772	37	15	696	1035	792	1091	69	281	133	30	131	401	456	255	238	529	126,5	7463,5		
consultants, freelancers		38	146	40	4	213	309	154	296	64	0	24	5	29	61	0	85	16	161	8,4	1653,4		
MATERIAL TOTAL		310	870	88	39	355	1271	1588	1313	182	669	227	162	338	968	235	263	253	646	381,5	10159,5		
travel expenses		49	251	10	29	84	88	261	388	72	241	114	22	123	277	95	31	7	225	72,5	2439,5		
advertising/promotion		25	291	0	1	100	457	724	166	20	195	29	15	36	47	0	32	52	155	44	2389		
other		236	328	78	9	171	726	603	759	90	233	84	125	179	644	140	200	194	266	265	5330		
ACTIVITIES TOTAL		1208	9500	2259	147	896	5832	4486	9155	841	3402	1376	654	3793	2918	2223	1389	70	13874	4204	68227		
activity 1		4	7455	2259	147	896	1921	84	7097	228	3004	1165	588	2861	1347	1823	981	32	549	4204	36645		
activity 2		1164	845	0	0	0	1961	1873	1970	326	289	87	52	588	1220	360	408	29	142	0	11314		
activity 3		40	1200	0	0	0	741	1488	88	263	109	12	12	344	291	40	0	9	13183	0	17820		
activity 4		0	0	0	0	0	949	1041	0	24	0	87	2	0	60	0	0	0	0	0	2163		
activity 5		0	0	0	0	0	190	0	0	0	0	25	0	0	0	0	0	0	0	0	215		
activity 6		0	0	0	0	0	70	0	0	0	0	0	0	0	0	0	0	0	0	0	70		
activity 7		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
EXPENDITURES TOTAL		1932	11288	2424	205	2160	8447	7020	11855	1156	4352	1760	851	4291	4348	2914	1992	577	15210	4720,4	87502,4		
RECEIPTS/EXPENDITURES		241	-1544	137	195	6	-8	21	-320	18	-325	-1	52	1	471	-87	62	50	-706	72,1	-1664,9		

SOURCES budget 10/92 - 10/93

source: Roland Berger & Partner analysis

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## **II. Overview cooperation between projects**





### **III. Cross border releases European films**



### CROSS BORDER RELEASES EUROPEAN FILMS

		1988	1990	1992	total
Belgium	origin	9	6	7	22
	other EC	8	7	12	27

		1988	1990	1992	total
France	origin	121	123	153	397
	other EC	175	168	177	520

		1988	1990	1992	total
Denmark	origin	16	13	9	38
	other EC	16	4	10	30

		1988	1990	1992	total
Italy	origin	75	64	75	214
	other EC	74	81	50	205

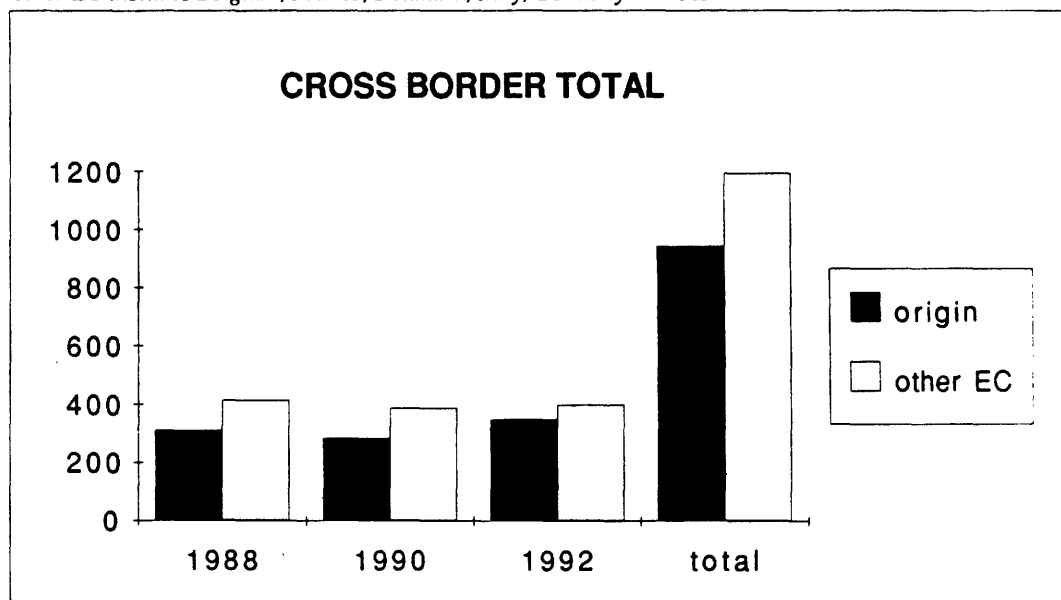
		1988	1990	1992	total
Germany	origin	52	49	63	164
	other EC	40	46	43	129

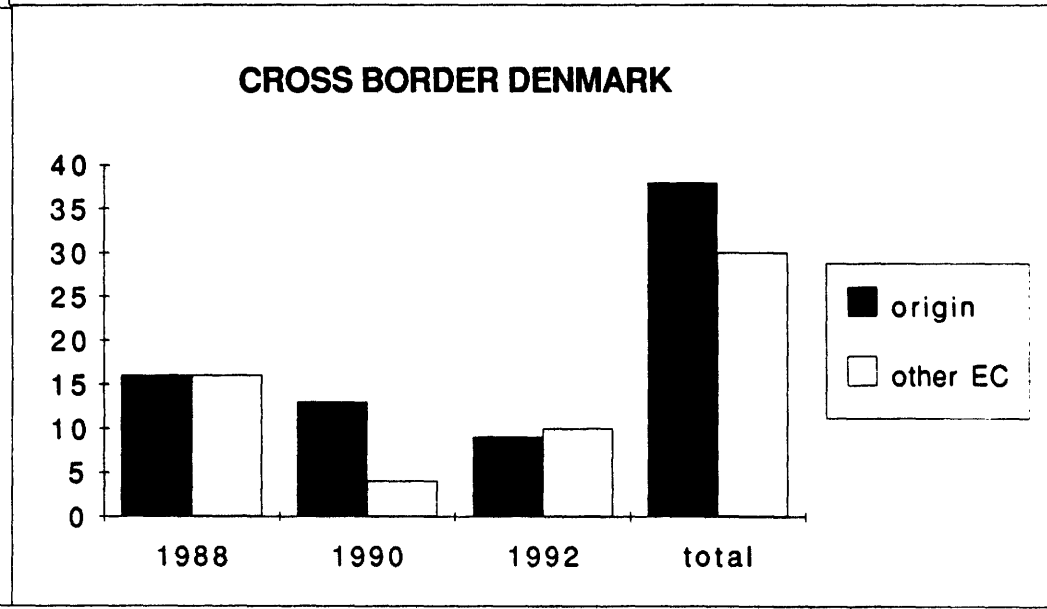
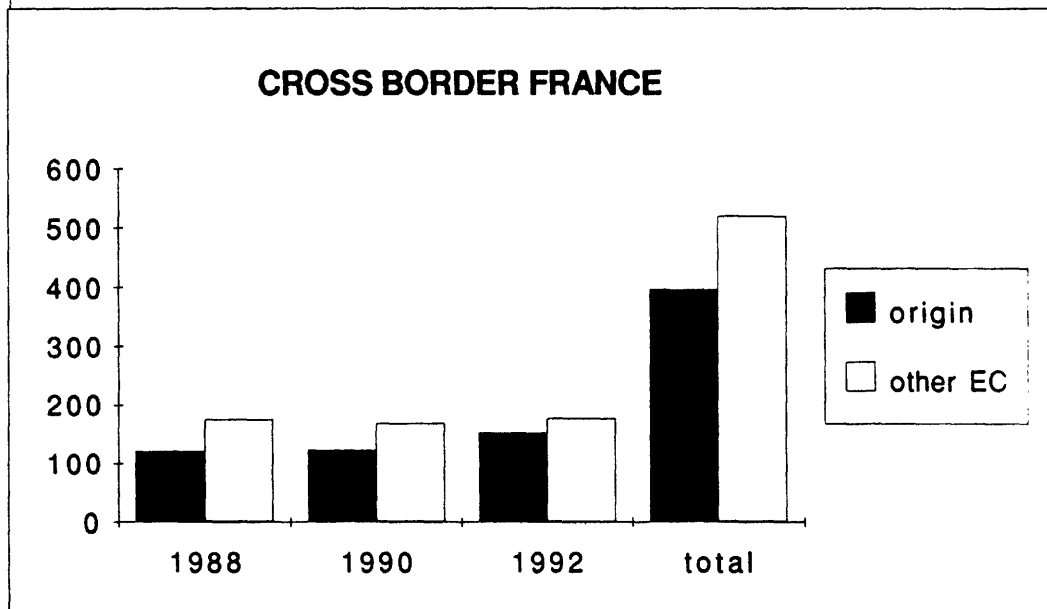
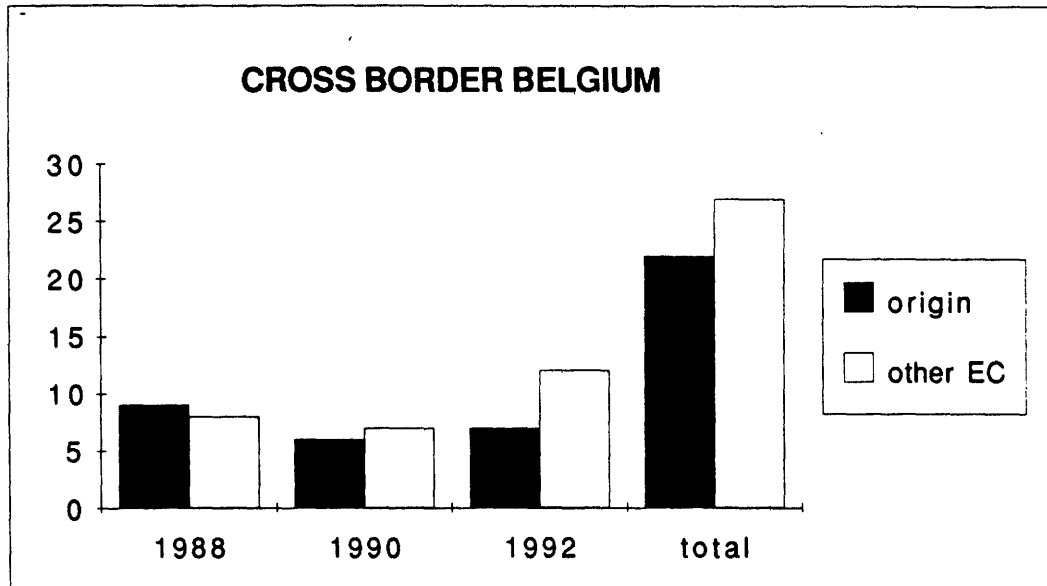
		1988	1990	1992	total
UK	origin	37	30	42	109
	other EC	99	80	105	284

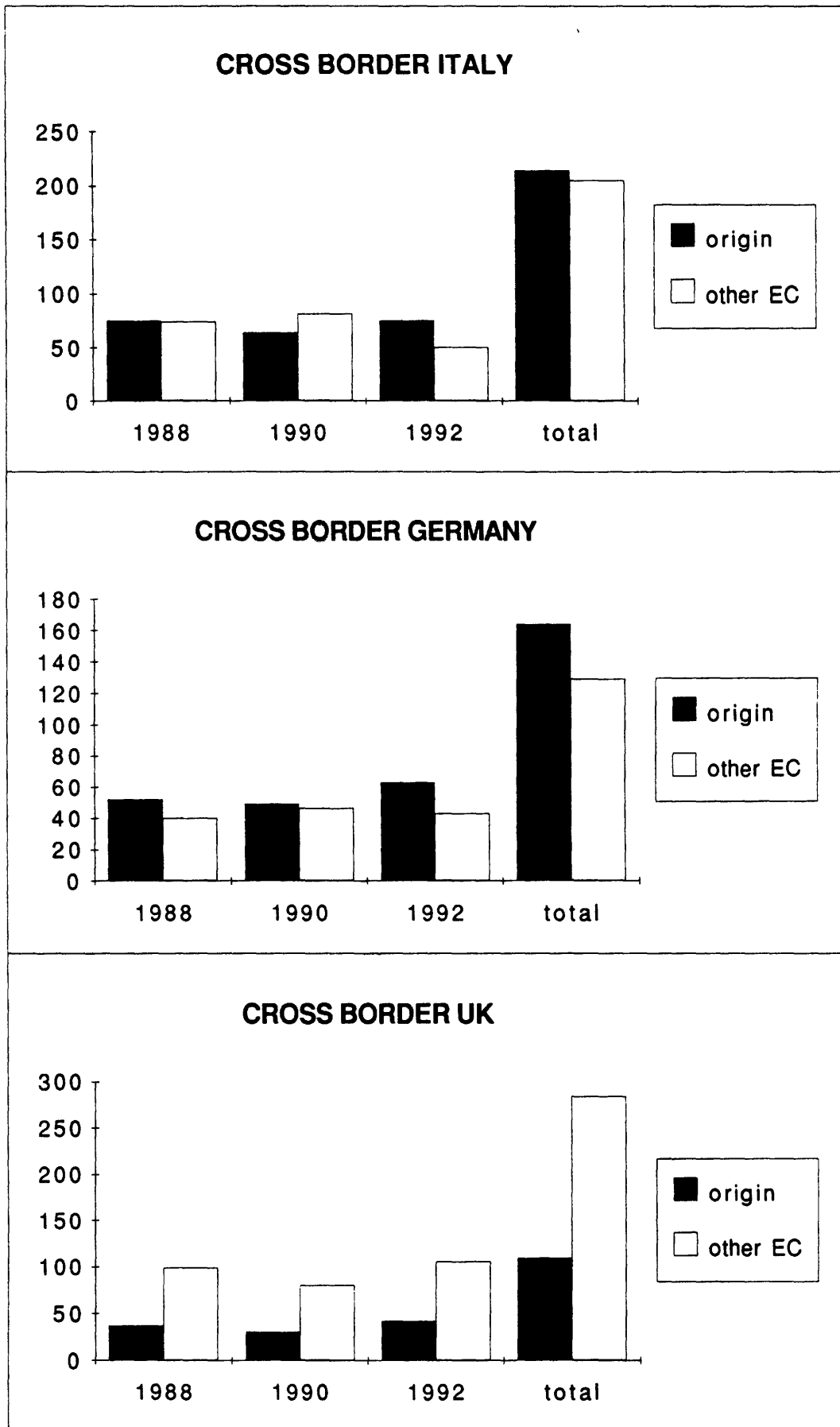
		1988	1990	1992	total
total	origin	310	285	349	944
	other EC	412	386	397	1195

source: *Split screen*, Roland Berger analysis

other EC includes Belgium, France, Denmark, Italy, Germany and UK



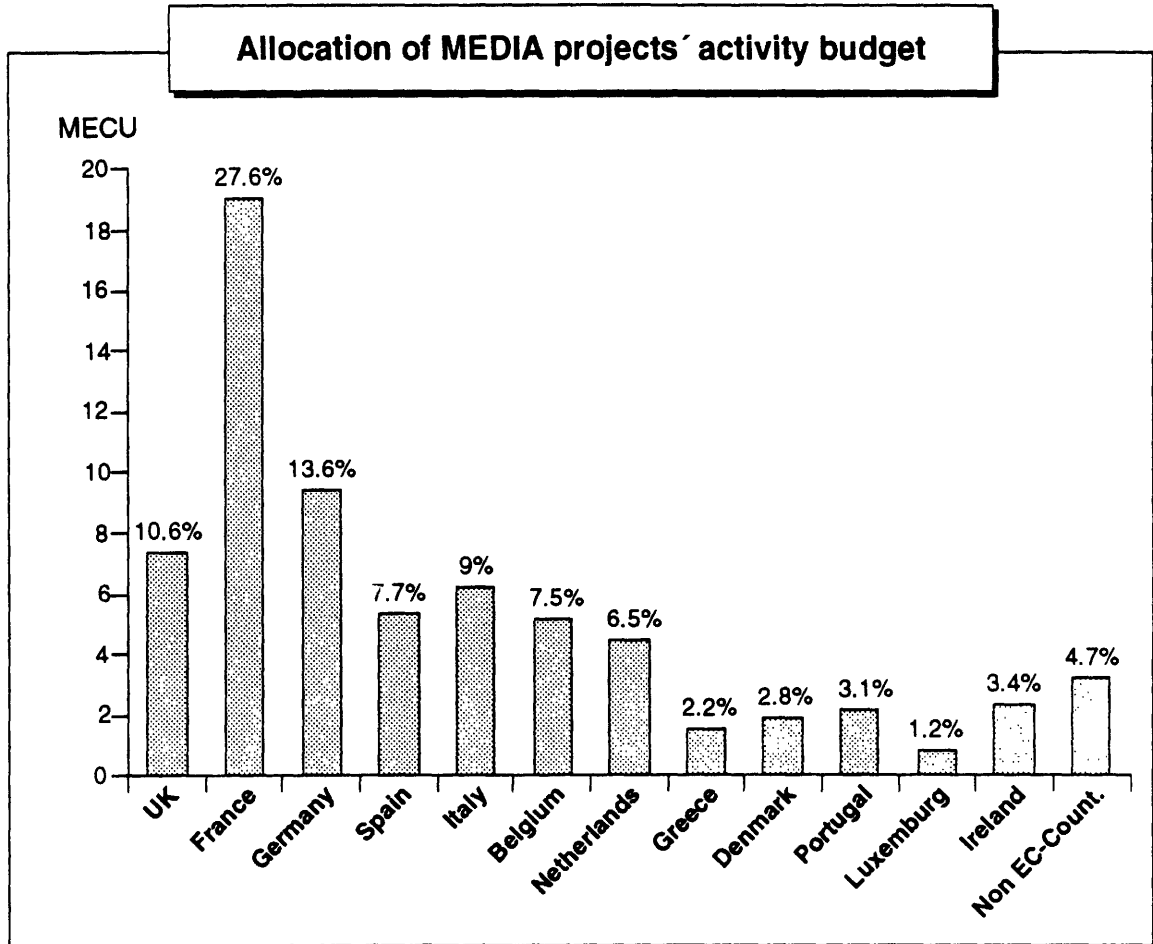






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#### **IV. Allocation of MEDIA projects' activity budget**



source: RB&P project management interviews

B-VK-Media-03-93-maz-1



## **V. MEDIA vertical budget**

- Initial 1991/1992
- Final 1991/1992



MEDIA-VERTICAL 393 - FINAL 91/92 BUDGET PROJECTS											
lines of action	budget 1991-1995		project	start	credit eng.*			budget		available	
	MECU	%			91	92	91-92	93	94	95	
					in MECU	in MECU	in MECU	in MECU	in MECU	in MECU	in MECU
1.1 - Aid to distribute films	36	20,00%	EFDO		5	5,8	10,8	5,8			
- Promotion of movie theatres			MEDIA SALLES		0,8	0,6	1,4	0,6		8,2	8,2
"			EUROPA CINEMA			0,2	0,2	0,8			
1.2 Distribution of video cassettes	9	5,00%	EVE		1,25	2,3	3,55	2,4		1,525	1,525
1.3 Aid to multilingual TV-Prod.	9	5,00%	BABEL		1,25	1,5	2,75	1,7		2,275	2,275
1.4 - Development of markets	22,5	12,50%	EURO-AIM		2,2	3,1	5,3	3,1		3,007	3,007
- Dissemination of the work of independ. prod.			GRECO		1,636	3,15	4,786	3,3			
1. Distribution mechanism total	76,5	42,50%	total		12,136	16,65	28,786	17,7		15,007	15,007
2.1 - Development for preproduction: screenplays	20,7	11,50%	SCRIPT		4,45	5,7	10,15	5,7			
- Aid to creative documentaries			DOCUMENTARY		0,75	0,95	1,7	1,5		0,275	0,275
- Training in script writing			SOURCES		0	0,5	0,5	0,6			
2.2 Restructuring of the animated cartoon industry	20,7	11,50%	CARTOON		3	4,4	7,4	5		4,15	4,15
2.3 Exploiting new technologies	18	10,00%	CLUB		2,5	5,5	8	5		2,5	2,5
2.4 Exploiting European Archives	8,1	4,50%	MAP-TV		0,75	1,2	1,95	1,2		1,825	1,825
"			LUMIERE		0,35	0,35	0,7	0,6			
2. Improving production conditions total	67,5	37,50%	total		11,8	18,6	30,4	19,6		8,75	8,75
3. Stimulating of financial investment	9	5,00%	EMG		0	0,75	0,75	0,8		3,725	3,725
Training for young producers	2,7	1,50%	EAVE		0,55	1	1,55	1		0,075	0,075
Training	10,8	6,00%	MBS		1,55	1,9	3,45	2,2		2,575	2,575
4. Improving management abilities total	13,5	7,50%	total		2,1	2,9	5	3,2		2,65	2,65
5. - Dev. in small prod. capacity countries	13,5	7,50%	SCALE		1,922	1,922	3,844	3		2,95	2,95
- Other activities			EFA		0,178	0,178	0,356	0,4			
<b>TOTAL</b>	<b>180</b>	<b>100,00%</b>		$\Sigma$	<b>28,136</b>	<b>41</b>	<b>69,136</b>	<b>44,7</b>		<b>33,082</b>	<b>33,082</b>

modifications: plus MECU 1,086 (including transferred money from horizontal budget)

detailed 94/95 budget was not available

source: MEDIA, Brussels





MEDIA-VERTICAL 3/93 - INITIAL 91/92 BUDGET		PROJECTS									
lines of action	budget 1991-1995		start	credit eng.*			budget		available		
	MECU	%		91 in MECU	92 in MECU	91-92 in MECU	93 in MECU	94 in MECU	95 in MECU		
1.1 - Aid to distribute films	36	20,00%		5	5,8	10,8	5,8				
- Promotion of movie theatres				0,8	0,6	1,4	0,6	8,2	8,2		
"					0,2	0,2	0,8				
1.2 Distribution of video cassettes	9	5,00%		1	2,2	3,2	2,4	1,7	1,7		
1.3 Aid to multilingual TV-Prod.	9	5,00%		1	1,5	2,5	1,7	2,4	2,4		
1.4 - Development of markets	22,5	12,50%		2,2	3,45	5,65	3,1	2,95	2,95		
- Dissemination of the work of independ. prod.				1,6	2,95	4,55	3,3				
1. Distribution mechanism total	76,5	42,50%		11,6	16,7	28,3	17,7	15,25	15,25		
2.1 - Development for preproduction: screenplays	20,7	11,50%		4,25	5,7	9,95	5,7				
- Aid to creative documentaries				0,75	0,75	1,5	1,5	0,35	0,35		
- Training in script writing				0,25	0,5	0,75	0,6				
2.2 Restructuring of the animated cartoon industry	20,7	11,50%		2,5	4,4	6,9	5	4,4	4,4		
2.3 Exploiting new technologies	18	10,00%		1,5	5,5	7	5	3	3		
2.4 Exploiting European Archives	8,1	4,50%		0,75	1,2	1,95	1,2	1,825	1,825		
"				0,35	0,35	0,7	0,6				
2. Improving production conditions total	67,5	37,50%		10,35	18,4	28,75	19,6	9,575	9,575		
3. Stimulating of financial investment	9	5,00%		1,3	0,85	2,15	0,8	3,025	3,025		
Training for young producers	2,7	1,50%		0,45	0,75	1,2	1	0,25	0,25		
Training	10,8	6,00%		1,55	1,9	3,45	2,2	2,575	2,575		
4. Improving management abilities total	13,5	7,50%		2	2,65	4,65	3,2	2,825	2,825		
5. - Dev. in small prod. capacity countries	13,5	7,50%		1,922	1,922	3,844	3	2,95	2,95		
- Other activities				0,178	0,178	0,356	0,4				
<b>TOTAL</b>	<b>180</b>	<b>100,00%</b>	<b>Σ</b>	<b>27,35</b>	<b>40,7</b>	<b>68,05</b>	<b>44,7</b>	<b>33,625</b>	<b>33,625</b>	<b>33,625</b>	

source: MEDIA, Brussels (does not include transferred money from horizontal budget)

detailed 94/95 budget was not available



## **VI. List of interviewpartners**



## Interviewpartner MEDIA-Evaluation

	name	function/position	date
<b>1. Representative of the MEDIA-organization</b>			
<b>a) MEDIA Brussels (close liaison was maintained)</b>			
	Holde Lhoest	Head of the MEDIA-Programme	
	Gregory Paulger	Head of audiovisual policy coordination	
	Nicolas Meyer	MEDIA, Assistant to the head	
	Alvaro Mason	Coordinator Desk/Antennae	
	Jean Jauniaux	Project coordinator	
	Saturnino Munoz Gomez	Project coordinator	
	Henri Roanne	Project coordinator (till Dec. 31, 1992)	
	Anne Michèle van der Elst	Project coordinator	
<b>b) Project management</b>			
	Lucia Rikaki	Antenna Athens EURO AIM Executive Committee EURO AIM	03.12.92
	Dieter Kosslick	Chairman of Board EFDO	10.12.92
	Evi Demiri	EAVE representative E.R.T. Athens, Public and International Relations	10.12.92



Nicolas Steil	General director EURO AIM	10.12.92
Klaus Keil	National coordinator EAVE	29.12.92
Eric Poiroux	Chairman of Board EUROPA CINEMAS	11.01.93
Georges Prost	Chairman of Board EURO MEDIA GUARANTIES	12.01.93
Sylvie Depondt	Coordinator EMG	12.01.93
Renée Goodard	Secretary general EUROPEAN SCRIPT FUND	12.01.93
Antonio Saura	Coordinator MBS	13.01.93
Karol Kulik	Market Director EURO AIM	14.01.93
Norbert Laporte	Administrative Director EURO AIM	14.01.93
Daniel Zimmermann	Financial Director EURO AIM	14.01.93
Gudie Lawaetz	Secretary general MBS	15.01.93
Thomas Stenderup	Secretary general DOCUMENTARY	15.01.93
Corinne Jenart	Director CARTOON	15.01.93
Marc Vandeweyer	Secretary general CARTOON	15.01.93
Raymond Ravar	Managing director EAVE	15.01.93
Gérard Rivoalan	Office and programme manager EAVE	15.01.93
Julian Hills	Accountancy and financial assistant EAVE	15.01.93
John Dick	Chief executive EVE	18.01.93
David Kavanagh	Chairman of Board EVE	18.01.93



John Cox	Director general SCRIPT (until 3/93)	18.01.93
Bo Christensen	Director general SCRIPT (since 3/93)	18.01.93
Renée Goddard	Secretary general SCRIPT	18.01.83
Patrick Madelin	Secretary general CLUB	19.01.93
J.J. Lemoine	Managing director Administration MAP-TV	20.01.93
A.J. Hindhaugh	Managing director Programmes MAP-TV	20.01.93
Ute Schneider Renate Rose Susanne Knepscher	Secretary general EFDO Deputy secretary EFDO Head of loan department EFDO	25.01.93
Marion Dany	Head of financing and data processing EFDO	25.01.93
C. Fritzen	EURO AIM Antenna, Berlin	27.01.93
Claudia Prinz	EURO AIM Antenna, Berlin	27.01.93
Elisabetta Brunella	Secretary general MEDIA SALLES	02.02.93
David Quilleri	Chairman of Board MEDIA SALLES	02.02.93
Margot Knijn	Manager SOURCES	04.02.93
Dick Willemsen	Secretary general SOURCES	04.02.93
Arturo Castro Neves	Secretary general SCALE	08.02.93
Claus Hardt	Chairman of Board GRECO	09.02.93
Dr. Johannes Kreile	Board member GRECO	09.02.93
Marietta von Uechtritz	Secretary general GRECO (till Dec. 31, 1993)	09.02.93
Frank Naef	Coordinator BABEL	11.02.93



Jean Yvanes	Controller BABEL	11.02.93
Chris Haws	Chairman of Board DOCUMENTARY	15.02.93
Wim Wenders	Chairman of Board EFA	18.02.93
Aina Ballis	Secretary general EFA	18.02.93
Brigitte Kaufmann	Business manager EFA	18.02.93
Marion Döring	Head of PR and Events EFA	18.02.93
José Manuel Costa	Chairman of Board LUMIERE	08.03.93
Vera Herold	Secretary general LUMIERE	08.03.93
Rudolph Straßer	Secretary general GRECO (since 01.03.93)	25.03.93
Eckart Stein	Head of Studies EAVE	31.03.93

**c) MEDIA Committee**

M. Cascino	MEDIA Committee Italy	08.12.92
M.C. Vozzi	MEDIA Committee Italy	08.12.92
Walter Lerouge	MEDIA Committee Belgium	08.12.92
Myriam Lenoble	MEDIA Committee Belgium	09.12.92
Elisabeth Flüry-Hérard	MEDIA Committee France	10.12.92
Maria Vlachou	MEDIA Committee Greece (former member)	10.12.92
Guy Daleiden	MEDIA Committee Luxembourg	10.12.92
M.J. Melville	MEDIA Committee United Kingdom	14.12.92
Antonio-Pedro Vasconcelos	MEDIA Committee Portugal	11.01.93



Dr. Jürg Ter-Nedden	MEDIA Committee Germany	13.01.93
Dr. Max Dehmel	MEDIA Committee Germany	13.01.93
Henrik Bering Liisberg	MEDIA Committee Denmark	13.01.93
Dr. Rosario Albuquerque	MEDIA Committee Spain	14.01.93
Dr. Stella Alonso	MEDIA Committe Spain	14.01.93
Yves Rolland	MEDIA Committee France	18.01.93
Patrick Buckley	MEDIA Committee Ireland until 06.92	18.01.93
Christopher O'Grady	MEDIA Committee Ireland since 06.92	18.01.93
D. Carlos Alberto Martins	MEDIA Committee Spain	21.01.93
Dr. Dimitrios Diakidis	MEDIA Committee Greece (former member)	22.01.93
S. Y. Cassidy	MEDIA Committee Netherlands	04.02.93
T. De Vries	Ministry of Economic Affairs, MEDIA Committee Netherlands	04.02.93

**d) MEDIA Desk/Antenna**

S. Stavrianou	Desk Greece and MEDIA Committee Member since Oct. '92	03.12.92
Maria Cruz Alonso	Desk Spain	12.01.93
Catherine Buresi	Antenna Strasbourg	13.01.93
Thomas Spieker	Antenna Barcelona	13.01.93
Luise Casey	Desk London	14.01.93
Soren Stevns	Desk Denmark	15.01.93
Siobhan O'Donoghue	Desk Ireland	19.01.93



Francoise Maupin	Desk France	21.01.93
Ugo Baistrocchi	Desk Italy	22.01.93
Luisella Migliorati	Antenna Milan	22.01.93
Renske Heddema	Desk Netherlands	25.01.93
Francoise Poos	Desk Luxembourg	27.01.93
Dairena N'I Chinneide	Antenna Galway	28.01.93
Claudia Longerich	Antenna Düsseldorf	05.02.93
Carola Zimmerer	Antenna Munich	09.02.93
Gilbert Dutrieux	Desk Belgium	15.02.93
Siegrid Lotz	Desk Germany	18.02.93

## 2. Professionals

### a) beneficiaries

Eberhard Bomarius	Executive manager Regular Films Germany	08.12.92
Alexander Thies	Executive manager Neue Filmproduktion Germany	08.12.92
Hubert Toint	Producer, member of the Board of Directors of Association Belge des Producteurs Realisateur de Film, Belgium	14.01.93
de la Riva Fernandez	Editmedia TV, Director for international projects, Spain	15.01.93
Jeannet de Jong	Res. for distribution Cor Koppies, Netherlands	22.01.93
Lionel Amant	Assistant U.G.C. Video, France	22.01.93
N. Velle	Producer, Vice President of AFPP, Association of Independent Producers, France	25.01.93





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Brendan McCarthy	Manager Blue light Productions Ltd., Ireland	25.01.93
Anna Carrigan	Scriptwriter/RTE, Ireland	25.01.93
Ed Guiney	Producer Temple Film and Television Productions, Ireland	26.01.93
Marylin Hyndman	Producer Northern Visions Ltd., Northern Ireland	26.01.93
J.F. Laguionie	Head of studio La Fabrique, France	26.01.93
Sara Bor	Head of studio Honeycomb Animation, United Kingdom	26.01.93
Maria Kringel	Producer Cartoon-Films, Germany	26.01.93
Peter Hermann	Producer, EURO AIM Antenna Munich, Germany	26.01.93
Joannes Fantos	Producer Allianz, Germany	27.01.93
Paul Kieffer	Film director Samsa Film, Luxembourg	27.01.93
Marie Mandy	Producer Amazone Films, Belgium	27.01.93
Philip Brooks	Producer Dominant Seven, UK/Netherlands	28.01.93
Fiona Clarke-Hackston	Director British Screen Advisory Council, United Kingdom	28.01.93
Pierre Levie	Producer Sofidoc, Belgium	29.01.93
Heather Pedley	Producer Whizzline Productions, United Kingdom	29.01.93
David Pupkewitz	Manager Prime Time Productions, United Kingdom	02.02.93



Helen Monnet	Manager Academie Danat, France	02.02.93
Michael Hannigan	Manager Executive Center Irish Film Institute, Ireland	02.02.93
Nico Simon	Cinema Utopia, Luxembourg	05.02.93
Peggy Heuze	Manager Cinema Vendome, United Kingdom	05.02.93
Pandelis Mitropoulos	Manager Cinema Studio, Greece	08.02.93
Claude Diouri	Executive manager Cinema Actor Studio, Belgium	09.02.93
Muriel Rose	Producer Institut National de l'Audiovisuel, France	09.02.93
Francoise Levie	Executive Manager Sofidoc Board member of MAP-TV, Belgium	09.02.93
Chantal Bergamo	Producer Antea, Italy	09.02.93
Emma Crichton- Miller	Director of development Independent Image, United Kingdom	09.02.93
Jean Pierre R. Levi	Executive manager F.I.T. Production, France	10.02.93
Claude Lemmel	Opus Species, Executive manager, France	11.02.93
Stéphane Singier	Manager Z.A. Production, France	12.02.93
Lea Piers	Manager Line TV, United Kingdom	12.02.93
Mauro Palma	Executive manager CINEMA Falso Movimento, Italy	12.02.93
Giovanni Reale	Executive manager Cinema Moderno, Italy	12.02.93

M. Trevor	Executive manager Cinema Taibhdhearc na Gaillimhe, Ireland	12.02.93
Vicenzo De Leo	Executive manager Aura-Film, Italy	15.02.93
Graziella Bildesheim	Executive manager Fandango, Italy	15.02.93
Christophe Vidal	Judicial Adviser Sodete-Ufca France	15.02.93
Steve Walsh	Coordinator EVA Group, United Kingdom	15.02.93
Paul Cummins	Manager Telegaël, Ireland	15.02.93
Thomas Hernardi	Manager Hermes Film, Germany	16.02.93
Solange Michoulier	Producer Tetralyre Productions, France	16.02.93
Béatrice Mauduit	Producer Arena Films, France	16.02.93
Jérome Minet	Producer Tanais, France	16.02.93
André Huet	Producer R.T.B.F., Belgium	16.02.93
J. Jacques Andrien	Producer Films de la Drève, Belgium	16.02.93
J. Jacques Alcandre	Teacher Strasbourg University, France	16.02.93
Philippe Avril	Executive manager Compagnie de l'Observatoire Presentative Alsace, France	18.02.93
René Solleveld	Producer René Solleveld Film productions, Netherlands	22.02.93



Paul Vale	Executive manager Berwick Universal Pictures, United Kingdom	22.02.93
Fleming Apentaft	Manager Ram Film + TV, Denmark	22.02.93
J. P. Thiltges	Executive manager Utopia cinemas, Luxembourg	23.02.93
Hendrik Ibsen	Manager Herren- magasinet Film & TV, Denmark	25.02.93
Paulo Tranroso	Manager Costa do Castelo Filmes, Portugal	08.03.93
Tino Navarro	Manager MGN Filmes, Portugal	10.03.93
Clyde Jeanors	Currator of the Archives National Film and TV Archives, United Kingdom	10.03.93
Gven Oven	Director National Film and TV archive, United Kingdom	10.03.93
Mario Ricci	Consultant Sintesis Sri, Italy	15.03.93

**b) refused applicants**

Oscar Vega	Executive President C.T.P.	14.01.93
M.B. Badimon Vives	Vice director Laurenfilm	22.01.93
J. Hay	Chairman Voice of the Listeners and Viewer	28.01.93
Georgina Abrahams	Manager Friday Productions, United Kingdom	01.02.93
P. Hamilton	Deputy manager cinema Glasgow Film Theater, United Kingdom	09.02.93



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Hans Bosscher	Executive Hans Bosscher Produkties Board member MAP-TV, Netherlands	09.02.93
Rachel Perez-Front	Executive manager Cinema Verdi, Spain	10.02.93
Véronique Bagnes	Director Fédération Nationale des Cinemas, France	10.02.93
Paolo Corti	Executive manager Multisala Capitol, Italy	12.02.93
Inge de Disschop	Producer Camera Works nv, Belgium	12.02.93
Richard Kunicki	Producer VAP, Germany	12.02.93
Jacques Dumont	Manager in charge of HDTV Thomson Broadcast (member of the MEDIA INVESTMENT CLUB), France	15.02.93
Sergio Rosi	Director Sandro Rosi, Italy	15.02.93
M. Caveletti	Manager Arawa Sri, Italy	15.02.93
Florence Adam	Assistant producer Arcadia Films, France	16.02.93
Cécile Chevalier	Producer Blue Films, France	16.02.93
Faruk Gunaltay	Programming manager Cinema Odysée, France	16.02.93
Daniel Schmitt	Producer Pittiwaf, France	16.02.93
Yves Schmitt	Independent producer, France	16.02.93
Gianni Hecht Lucari	Manager Junior Film, Italy	16.02.93

Peer Guinnet	Manager Cinema Gladsaxe, Denmark	17.02.93
Andrea Hoffmann	Managing partner Ost-Film, Germany	22.02.93
Paul Yule	Executive manager Universal pictures, United Kingdom	23.02.93
M. Peskine	Chairman Union Syndicale de la Production Audiovisuelle (USPA), France	23.02.93
Gernot Steinweg	Producer Steinweg Production, Germany	24.02.93
Sunniva O'Lynn	Responsible for the archive IMBA Film Institute, Ireland	08.03.93
Pedro Vasconcelos	Manager OPUS Filmes, Portugal	11.03.93

**c. Industry experts/  
association  
members\***

Ian Martin	President of H.I.P.A., 1250, United Kingdom	03.12.92
V. Maros	Documentary producer and journalist, Greece	09.12.92
A. Grivas	Journalist, correspondent of Screen International and producer, Greece	09.12.92
C. Vrettakos	Director G.F.C., Greece	10.12.92
Luciano Gloor	Chief executive officer Metropolis Film Production, Germany	10.12.92
Christina Kallas	Producer Metropolis Film Production, Germany	10.12.92

\* partly having been in contact with MEDIA



Rolf Bähr	Executive manager Filmförderungsanstalt (FFA), Germany	11.12.92
Dieter Geissler	President Cine Vox, Germany	11.12.92
Dr. Martin Blaney	Correspondent Screen International Germany	11.12.92
Georg Alexander	Filmförderung Brandenburg, Germany (to 12/92)	11.12.92
Dr. Wilhelm Neufeldt	Director department Ministry of Culture Brandenburg, Germany	12.12.92
Joachim von Vietinghoff	Producer von Vietinghoff Filmproduction GmbH, Germany	12.12.92
M. Jacobs	Professor Dutch Film & Television Ac., Netherlands	12.12.92
V. Georgakakou	Director G.F.C., Greece	19.12.92
Mr. Koundouros	Film director, independent producer, Greece	30.12.92
Pascal Rogard	Managing director of "Chambre syndicale des producteurs et exportateurs de films français" and "Association des auteurs, réalisateurs, producteurs" (A.R.P.), France	11.01.93
Tharsicius Vanhuyse	Executive manager PDG & Partners President Tracer International President Flemish producers' association, Belgium	14.01.93
W. Treunen	President Flemish script- writers' association, Belgium	14.01.93
Wolf Stevenson	Director British Film Institute, United Kingdom	18.01.93



Colin Vaines	Manager Enigma productions, United Kingdom	22.01.93
Georg Luyken	TV financier, distributor Germany	27.01
Antonio Gimenez Rico	Ex-President of the Spanish Academy of Science and Audiovisual Arts, Spain	27.01.93
Victoria Alberca	Manager of the Federation Association of Audiovisual producers, Spain	27.01.93
Norman Abbott	Director General British Video Association United Kingdom	01.02.93
Antonio Recorder	Director ADIVAN (Spanish Video Distributor Association), Spain	02.02.93
Ann Beynon	Manager S4C, Welsh United Kingdom	10.02.93
Hans G. Julan	Executive manager Sator Film, Germany	10.02.93
Bernd Burgemeister	Executive manager TV 60 Filmproduction, Germany	10.02.93
Gilbert Gregoire	President F.I.A.D., France	13.02.93
Frances Calvert	Manager Talking Pictures, Australia	14.02.93
Ken Wlaschin	Director The American Film Institute, USA	14.02.93
Hans-Christoph Schöndienst	Deputy director general of Studio Hamburg, Germany	15.02.93
Dieter Matzke	Board member German association of documentary producer, Germany	16.02.93
Eberhard Hauff	Head of Filmbüro Munich, Germany	16.02





Jani Thiltges	Executive manager Samsa Film, Luxembourg	17.02.93
Andrea Marcotuli	Director ANICA, Italy	17.02.93
Pada Saviane	Director Programme Sri, Italy	17.02.93
Soune Wade	Secretary general ACT, Italy	17.02.93
Dimitri Balachoff	A professional's representative at Fédération Européenne des Industries Techniques de l'Image et du Son (FEITIS), Belgium	17.02.93
Yvon Thiec	Director general EUROCINEMA, Belgium	17.02.93
Philip Gröning	Manager Rechtsrheinische Verleih Cooperative, Germany	18.02.93
Marc-Oliver Sommer	Assistent to Senior Vice President BMG- International, Germany	20.02.93
Sören Christensen	Manager Madsen Film- production, Denmark	22.02.93
Ger Beukenkamp	Scriptwriter, Beukenkamp, Netherlands	24.02.93
Hendric Ibsen	Manager Herrenmagayasinnet Film and TV, Denmark	25.02.93
Volker Schlöndorff	Secretary general Studio Babelsberg, Germany	25.02.93
Catherine Lottier	BIPE Conseil, France	01.03.93
Michel Gyory	CERIA, Belgium	02.03.93
Nick Roddick	Split Screen, United Kingdom	02.03.93
John Chittock	Screen Digest, United Kingdom	03.03.93



Professor Schrape	Prognos, Switzerland	03.03.93
Catherine Caro	CIT Research, United Kingdom	05.03.93
M. J. Correa	FERA, Belgium	05.03.93
Andrea Marcotulli	ANICA, Italy	05.03.93
Guy Claude	President Cinemathedue De Toulouse, France	08.03.93
Herman Spinhof	Europäisches Medien- institut, Germany	09.03.93
Knut Fougner	Information Officer Norwegian Film Institute, Norway	14.03.93
William A. Anderson	The American Film Marketing Association, Germany	25.03.93
Rebecca Lieb	Correspondent VARIETY, Germany	28.03.93
J. Doré	Information department CNC, France	31.03.93
Bertrand Moullier	Deputy chief executive, PACT, United Kingdom	31.03.93

**Number of interview partners**

**250**



**VII. Project questionnaire  
(example: CARTOON)**



**QUESTIONNAIRE**  
**for the Interim Evaluation**

of the  
**MEDIA '91 - '95 PROGRAMME**

**Cartoon**

**Berlin, December 1992**



## **INDEX**

### **A. PROJECT ORGANIZATION**

- I. Structures and tasks**
- II. Coordination and cooperation**
- III. Promotion and public relations**

### **B. PROCESS ORGANIZATION**

- I. Applications**
- II. Selection**
- III. Contract and Control**

### **C. RECEIPTS / EXPENDITURES / RESULTS**

- I. Receipts**
- II. Expenditures**
- III. Results**
- IV. Small and medium sized  
companies & supported countries**

### **D. EVALUATION BY PROFESSIONALS AND PROJECT MANAGEMENT**

### **E. ORIGINAL QUOTATIONS**

## Interviews

	Code	Number of Persons to be interviewed	How
<b>Representative of the MEDIA Project-management</b>	A	2-n	(in a group)

### Professionals:

Questions for professionals are marked with a



Beneficiaries:	B	3	4 personal 3 by the phone
Non Beneficiaries:			
refused	C	2	
not interested/ no need	D	2	



Project name: \_\_\_\_\_

Code	Names	Function / Position
A <sub>1</sub>	1. _____ _____	_____
A <sub>2</sub>	2. _____ _____	_____
B <sub>1</sub>	3. _____ _____	_____
B <sub>2</sub>	4. _____ _____	_____
B <sub>3</sub>	5. _____ _____	_____
C <sub>1</sub>	6. _____ _____	_____
C <sub>2</sub>	7. _____ _____	_____
D <sub>1</sub>	8. _____ _____	_____
D <sub>2</sub>	9. _____ _____	_____

Dates:

A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>	D <sub>1</sub>	D <sub>2</sub>











7. Main changes in the ...

a.) ... organizational structure of the project since the starting point

Change	Reason

b.) ... occupation of the board of directors

Change	Reason

c.) ... occupation of the executive board

Change	Reason

source:

## 8. Project activities and responsibility

Activity	Responsibility
1. ....	.....
2. ....	.....
3. ....	.....
4. ....	.....
5. ....	.....

source: interviews

## 9. Time spending

a. What time share does the managing team spend on the following activities

Activity	Time share in %	should be in- or decreased	Short comment
Administration			
Contact to and controll of current projcets			
Marketing			
Design of new activities			
other			
	100%		

b. How many percent is the average of total working days that the management spends for travelling?

source: interviews



## II. Coordination and Cooperation

### 1. Coordination between project and MEDIA Brussels

#### a) Reporting system project to MEDIA Brussels

Report	Content	Report period

Source:

#### b) What kind of feed back do you get on your report from Brussels?

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#### c) Directives and information from MEDIA, Brussels

Directive/ Information	how often p. a.	content/purpose	who
written:			
verbal:			

Source:

3. Please mark the MEDIA-projects with which cooperation is existing

Please state the kind of cooperation

- ① information exchange
- ② coordination of activities
- ③ shared activities and costs

Project	1. MAP-TV	2. CLUB	3. EURO MEDIA Garanties	4. CINEMAS	5. EAVE	6. Cartoon	7. EURO AIM	8. SCRIPT	9. MEDIA SALLES	10. EVE
Kind of cooperation										

Project	11. SOURCES	12. Lumière	13. SCALE	14. MBS	15. BABEL	16. Documentary	17. European Film Academy	18. EFDO	19. GRECO
Kind of cooperation									

(Source: interview project management)







5. With which other MEDIA-Projects do you see overlappings in the activities?

Please mark these MEDIA-projects

Project	1. MAP-TV	2. CLUB	3. EURO MEDIA Garanties	4. CINEMAS	5. EAVE	6. Cartoon	7. EURO AIM	8. SCRIPT	9. MEDIA SALLES	10. EVE
A										
B <sub>1</sub>										
B <sub>2</sub>										
B <sub>3</sub>										

Project	11. SOURCES	12. Lumière	13. SCALE	14. MBS	15. BABEL	16. Documentary	17. European Film Academy	18. EFDO	19. GRECO
A									
B <sub>1</sub>									
B <sub>2</sub>									
B <sub>3</sub>									

(Source: interview)



6. Please state the overlappings and describe the problem and a probable interface


	Project-Name	Coordination Instruments	Explanation and examples
A			
B <sub>1</sub>			
B <sub>2</sub>			
B <sub>3</sub>			

Source:





2. How was the first contact between project organization and applicants established?

	A		A				Evaluation of effectiveness					
	Estimated share in %	1991	1992	Intentions		A	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>	
				Forcing	Declining							
 Professionals												
Project promotion												
MEDIA-Desks												
Associations												
Activities MEDIA-Brussels												
Press												

(Source: interview)

## B. Process Organization

### I. Applications

1. Applications forms are available in how many languages

No:

Language:

1	2	3	4	5	.....
.....	.....	.....	.....	.....	.....

(Source: .....)



2. Completing of application forms (please fill in with an )

	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>
easy							
fair							
very complicated							

(Source: .....)

**Please bring an example of a full filled application form**

3. How many application dates do you have per year?

No:

**Activity 1:** Month: 

J	F	M	A	M	J	J	A	S	O	N	D

No:

**Activity 2:** Month: 

J	F	M	A	M	J	J	A	S	O	N	D

No:

**Activity 3:** Month: 

J	F	M	A	M	J	J	A	S	O	N	D

No:

**Activity 4:** Month: 

J	F	M	A	M	J	J	A	S	O	N	D

No:

**Activity 5:** Month: 

J	F	M	A	M	J	J	A	S	O	N	D

(Source: .....)





4. Are the application dates handled in a rigid or flexible way?

	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>
rigid							
flexible							

Short comment

- A<sub>1</sub> .....
- A<sub>2</sub> .....
- B<sub>1</sub> .....
- B<sub>2</sub> .....
- B<sub>3</sub> .....
- C<sub>1</sub> .....
- C<sub>2</sub> .....

(Source: .....)

5. How many applications did you receive in:

Activity	1991	1992
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Source: .....)





2.a How much time does the average selection process take until the contract is made

	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>
>1 month							
1-3 months							
3-6 months							

Source:

2.b Do you have different criteria for different size of the countries or projects?

yes

no

Comment:

.....

.....

.....

.....

.....

.....

.....

.....

3. What kind of and which criteria are used for the assessment/  
final selection?

Category	Criteria	
1.	1. _____ 2. _____ 3. _____ 4. _____ . _____ . _____ . _____ n _____	
2.	1. _____ 2. _____ 3. _____ 4. _____ . _____ . _____ . _____ n _____	
3.	1. _____ 2. _____ 3. _____ 4. _____ . _____ . _____ . _____ n _____	
	Σ:	

Sources:

4. Did the criteria change during the existence of the project?

no

yes

why?

.....  
.....  
.....

Source:

5. Are the formal criteria the only basis of choosing people/projects or are there other ones e. g.

personal presentation of projects

quotas per country/region or firms

general political reasons

other

If yes in one of the cases please give a short description of the criteria.

.....  
.....  
.....

Source:

6. Refused applicants

a) How do you treat unsuccessful applicants?

.....

.....

.....

Source:



b) Is it a fair treatment?

	A <sub>1</sub>	A <sub>2</sub>	C <sub>1</sub>	C <sub>2</sub>
yes				
no				

Source:

c) Is there any kind of

- possibility to apply several times with the same project?
- appeal procedure?

Short comment

.....

.....

Source:

7. Has anybody who is related with the project been supported?

Who? .....

When? .....

With how much? .....

Was the project successful? .....

Source:

8. What kind of and which criteria is used for choosing the appropriate amount for each loan?

Category	Criteria
1.	1. _____ 2. _____ 3. _____ 4. _____ . _____ . _____ . _____ n _____
2.	1. _____ 2. _____ 3. _____ 4. _____ . _____ . _____ . _____ n _____
3.	1. _____ 2. _____ 3. _____ 4. _____ . _____ . _____ . _____ n _____
	Σ: _____

Source:





9. a) How do you see the principle of "only" financing 50% of the total costs?

A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	D <sub>1</sub>	D <sub>2</sub>

0 = poor      1 = fair      2 = good      3 = excellent

b) Short explanation

A<sub>1</sub> .....

.....

A<sub>2</sub> .....

.....

B<sub>1</sub> .....

.....

B<sub>2</sub> .....

.....

B<sub>3</sub> .....

.....

D<sub>1</sub> .....

.....

D<sub>2</sub> .....

.....

Source:

10. a) Do you grant only soft loans or subsidies as well?

soft loans only       subsidies as well

b) Which are the circumstances/criteria of these decisions?

.....  
.....  
.....  
.....

*Source:*

11. a. The payments are made in how many instalments?

- 1
- 2
- 3

b. Under which conditions/at which point of time

1. ....  
2. ....  
3. ....

*Source:*

12. How would you have

- financed this part of your project
- tried to get another kind of training
- tried to get this specific information
- .....

if the money/service would not have been delivered by the MEDIA programme?

B<sub>1</sub> .....

.....  
.....  
.....

B<sub>2</sub> .....

.....  
.....  
.....

B<sub>3</sub> .....

.....  
.....  
.....



2. Do you have a control mechanism?

yes

no

Which criteria?

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_
- 6. \_\_\_\_\_

Why not?

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Who is in charge?

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

What does it cost p. a.?

How good is the mechanism?

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Proposal

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**Financing activities only**  
(question 3-5)

3. a. When is the repayment deadline for the loans?

.....

.....

.....


b. What is the reason for this point of time?

.....

.....

.....

c. Repayment deadline is

 <b>Professionals</b>	project managers		professionals				
	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>
fair							
flexible							



**Financing activities only**  
(question 3-5)

4. How is the beneficiaire committed to complete this project?

- a.  not committed
- b.  by the means of the control mechanism
- c.  other .....

5. Does it happen that

- |                          |                          |  |
|--------------------------|--------------------------|--|
| yes                      | no                       |  |
| <input type="checkbox"/> | <input type="checkbox"/> | the beneficiaire is charged with a penalty                               |
| <input type="checkbox"/> | <input type="checkbox"/> | the soft loan is switched into a loan that has to be repaid by all means |

Yes: Which are the criteria for these measures?

.....

.....

.....

.....

No: Should such a mechanism be introduced?

.....

.....

.....

.....

### C. Receipts / expenditures / results

#### I. Receipts

1. When does your financial <sup>year</sup> start?

2. Annual receipts/earnings

	thousand ECU	
	1991	1992
a) contributions $\Sigma$		
● MEDIA		
● others:		
● ...		
● ...		
● members		
b) other receipts $\Sigma$		
● fees for training/other furtherance		
● charge for studies, brochures etc.		
● reflux from project-beneficiaries		
● fees for application		
$\Sigma$ a) + b)		

(Source: .....)



## II. Costs

### Annual costs

	thousand ECU	
	1991	1992
<b>a) <math>\Sigma</math> overhead</b>		
$\Sigma$ personnell costs		
● fix employed staff		
● consultants, freelancers		
$\Sigma$ material costs		
● travel expenses		
● advertising/promotion		
● other		
<b>b) <math>\Sigma</math> activities</b>		
● 1		
● 2		
● 3		
● 4		
● 5		
<b>c) <math>\Sigma</math> a) + b)</b>		

(Source: .....)

### III Results

1. Results financing
  - a. Repayment of loans

	1991	1992
How many loans have been granted to applicants?	<input type="text"/>	<input type="text"/>
	(thousand ECU)	(thousand ECU)
	<input type="text"/>	<input type="text"/>
	(Number)	(Number)

How many of the 1992-loans have been paid back until today?

<input type="text"/>
(thousand ECU)

How much **further** repayments do you expect from the 1992-loans?

*Please estimate!*

<input type="text"/>
(thousand ECU)

short comment why:

.....

.....

.....

.....

.....

.....

**Synoptical table  
European Film Distribution Office (EFDO)**

**Results**

**1) Financing activities: distribution support**

applications/support (volume)			
	Applications (No.)	Support (No.)	Support/Appl. (%)
films	158	87	55%
distributors	716	441	61%
<b>Total</b>	-	-	-

**performance of 1990\* supported films**

• Films that have been supported	32
• Distributors that have been supported	134
• Number of supported 1990-films with cinema release to date	32
• Total production budget of supported films (thousand ECU)	39.108
• Total box office sales of 1990-films*** (thousand ECU) in the EFDO supported territories	12.970
• Total visitors these films** (thousands) in the EFDO supported territories	3.256

\* start release after receiving EFDO support: 45% within three months; 38% within four to six months; 16% within 7 to 12 months

\*\* Including those that did not request the payment of support because of a successful cinema release

\*\*\* to be monitored for a period of five years

c. Please allocate the different training activities to the several steps of the value added chain of the audiovisual industry

steps of the value added chain	1991	1992
● preproduction		
▶ number of persons trained		
▶ % of expenditures for training		
● production		
▶ number of persons trained		
▶ % of expenditures for training		
● post-production		
▶ number of persons trained		
▶ % of expenditures for training		
● distribution		
▶ number of persons trained		
▶ % of expenditures for training		
● related institutions (cinemas etc.)		
▶ number of persons trained		
▶ % of expenditures for training		
● can not be allocated to one of the above groupings ("overall approach")		
▶ number of persons trained		
▶ % of expenditures for training		
● $\Sigma$		
▶ number of persons trained		
▶ % of expenditures for training		

(Source: .....)

### 3.a Results networking

activity	1991				1992			
	persons <sup>1</sup> attendance	purchased productions <sup>2</sup>		RB&P <sup>3</sup>	persons <sup>1</sup> attendance	purchased productions <sup>2</sup>		RB&P <sup>3</sup>
		number of films	in thsd. ECU films			number of films	in thsd. ECU films	
▲								
▲								
▲								
▲								
▲								
▲								
Σ								

- 1) number of companies that attended at the events with help of the project
- 2) total budget of films/TV-productions that have been purchased with help of the project
- 3) RB&P estimate about "purchased productions"

### 3. Results networking

Do you do any kind of specific or dedicated networking ?

*(We understand by dedicated networking bringing people together with the intention to develop a specific single project or support a specific activity (e.g. workshops))*

- bringing people together to develop a **specific project**
- bringing people together in specific circles (e.g. workshops) to intensify their contacts
- we do not do dedicated networking

Please describe your dedicated networking activities:

.....

.....

.....

.....

.....

.....

.....

.....

.....

**Dedicated networking: specific project**

	1991	1992
Number of projects supported		
Expenditures for this activity in thousand Ecu		

**Comment: results**

.....

.....

.....

.....

**Dedicated networking: a specific circle of persons**

	1991	1992
Number of circles		
Number of professionals attending at these circles		
Expenditures in thousand Ecu		

**Comment: on which steps of the value added chain do the circles focus ? results ?**

.....

.....

.....

.....





c. Databases for the audiovisual industry (with Euro Area)

Topic: .....

Since: .....

	1991	1992
▶ Number of requests from professionals		
▶ Expenditures (thousand Ecu)		

Comment results: .....

.....  
 .....  
 .....  
 .....

Do you charge any fees from professionals for the use of the databases ?

no

yes: ..... Ecu

Comment: .....

.....  
 .....  
 .....

**IV. Small and medium sized companies, supported countries**  
**1. Small countries**

Which countries have benefited from the budget for activities in 1991 and 1992?

Country	% of budget for activities 91 - 92	Comment
UK		
France		
Germany		
Spain		
Italy		
Belgium		
Netherlands		
Greece		
Denmark		
Portugal		
Luxemburg		
Irland		
Non-EC-countries		
Σ		

(Source: .....)

## 2. Small and medium sized companies

How many of small and medium sized undertakings have been supported from the "expenditures for activities"?

<b>"Auteur" (french)</b> producer is scriptwriter at the same time	
<b>Small undertakings</b> (fixed employed) staff less than 5	
<b>Medium sized undertakings</b> (fixed employed) staff 5 to 30	
<b>Big undertakings</b> (fixed employed) staff more than 30	
$\Sigma$	100%

Results: Cartoon

Activity 1: financing of pre-production

a. **How** did you calculate the number of “amount generated” (e.g. 23538662 Ecu – Pilot phase 89 - 90; page 16 of the English report) ?

.....

.....

.....

.....

.....

.....

b. Scope

	1991			1992		
	First release in cinema	First release on TV	Pro-gramm hours	First release in cinema	First release on TV	Pro-gramm hours
▶ Number of supported projects						
▶ Total amount of Cartoon aid (thousand Ecu)						
▶ Total pre-production budget						
▶ <b>Total</b> production budget						

(source: .....)



**c. Performance**

We refer to the films that have been supported in 1989 and 1990 to evaluate Cartoon's performance:

▶ Films that have been supported	
▶ Number of projects abandoned until today	
▶ Number of projects that started with production until today	
▶ Number of projects that completed production until today	
▶ Reimbursement until today (thousand Ecu)	
▶ Expected reimbursement (thousand Ecu)	

**Comment about the expected reimbursements:**

.....

.....

.....

.....

.....

.....

.....

Results: Cartoon  
Activity 2: Financing of studio grouping

	Creating date ... / ... / ...	Supported since ... / ... / ...	Cartoon expenditures (thousand Ecu)		Total group-turnover (thousand Ecu)		Total number of staff		Program hours completed		Cartoon evaluation*/ comment
			1991	1992	1991	1992	1991	1992	1991	1992	
EVA											
Triangle											
E Toons											
European Animation Circle											
Paloma											
Hermes											

\* 0 poor 1 fair 2 good 3 excellent

Results: Cartoon

Activity 3: Training

	1991	1992
▶ Supported trainings		
▶ Total persons trained		
▶ Total training days		

Main topics of the training	% of expenditures for training	
	1991	1992
▶		
▶		
▶		
▶		
▶		
▶		
▶ $\Sigma$	100%	100%

Results: Cartoon

Activity 4: Promotion of European co-production (Cartoon Forum)

- a. Concerning to your statistics (english version page 19) 54 projects have been completed with a potential of 180 programme hours and a budget potential of 128,8 M Ecu. Please explain this because average costs for a animation film minute are lower (128,8 ./ 180 hrs. ./ 60 min. = 11925 Ecu) ?  
What do you mean with "budget generated" ?

.....

.....

.....

.....

.....

.....

.....

- b. Are you sure that Cartoon Forum caused a production potential of 180 hours (concerning to your own figures only 377 hours of animation film had been produced in the EC in 1990 (page 32 of the English report)) ?

.....

.....

.....

.....

.....

.....

.....



Results: Cartoon

Activity 6: Cartoon d'Or

How many people attended at the events in

Firenze 1992 .....

Annecy 1991 ..... ?

Describe the European awareness and reputation of the Cartoon d'Or:

European professionals: .....

.....

.....

.....

.....

.....

.....

.....

European public: .....

.....

.....

.....

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.....

.....

## D. Media Evaluation by professional experts / project managers

### I. Evaluation of the project-activities: awareness of the project-activities in the audiovisual industry



	project managers			professionals						
	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>	D <sub>1</sub>	D <sub>2</sub>	
▲ activity 1										
▲ activity 2										
▲ activity 3										
▲ activity 4										
▲ activity 5										
▲ activity 6										

0 poor 1 fair 2 good 3 excellent

## Do the activities meet the needs of the audiovisual industry?



	project managers		professionals						
	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>	D <sub>1</sub>	D <sub>2</sub>
▶ activity 1									
▶ activity 2									
▶ activity 3									
▶ activity 4									
▶ activity 5									
▶ activity 6									

0 poor 1 fair 2 good 3 excellent

# Quality of activities



	project managers			professionals					
	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>	D <sub>1</sub>	D <sub>2</sub>
▶ activity 1									
▶ activity 2									
▶ activity 3									
▶ activity 4									
▶ activity 5									
▶ activity 6									

0 poor 1 fair 2 good 3 excellent



How do you see the future of the whole project and how should it be?

Opinion of the project management: .....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Opinion of 1-2 professionals: .....

.....

.....

.....

.....

.....

.....

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.....

.....

.....



## II. Evaluation of every project by project managers and professionals

Awareness  yes

Project	project managers		professionals						
	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>	D <sub>1</sub>	D <sub>2</sub>
1. MAP-TV									
2. CLUB									
3. EURO MEDIA Garanties									
4. CINEMAS									
5. EAVE									
6. Cartoon									
7. EURO AIM									
8. SCRIPT									
9. MEDIA SALLES									
10. EVE									
11. SOURCES									
12. Lumière Project Association									
13. SCALE									
14. MBS									
15. BABEL									
16. Documentary									
17. European Film Academy									
18. EFDO									
19. GRECO									
MEDIA									
Σ:									

Source: interviews



**Do the single projects as well as the whole MEDIA-programme meet the needs of the audiovisual industry? (Are these the "right" projects?)**

0 poor 1 fair 2 good 3 excellent

Project	project managers		professionals						
	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>	D <sub>1</sub>	D <sub>2</sub>
1. MAP-TV									
2. CLUB									
3. EURO MEDIA Garanties									
4. CINEMAS									
5. EAVE									
6. Cartoon									
7. EURO AIM									
8. SCRIPT									
9. MEDIA SALLES									
10. EVE									
11. SOURCES									
12. Lumière Project Association									
13. SCALE									
14. MBS									
15. BABEL									
16. Documentary									
17. European Film Academy									
18. EFDO									
19. GRECO									
MEDIA									
Σ:									

Source: interviews



How do you evaluate the **quality** of the projects?  
(are the projects organised in the right way?)

0 poor 1 fair 2 good 3 excellent

Project	project managers		professionals						
	A <sub>1</sub>	A <sub>2</sub>	B <sub>1</sub>	B <sub>2</sub>	B <sub>3</sub>	C <sub>1</sub>	C <sub>2</sub>	D <sub>1</sub>	D <sub>2</sub>
1. MAP-TV									
2. CLUB									
3. EURO MEDIA Garanties									
4. CINEMAS									
5. EAVE									
6. Cartoon									
7. EURO AIM									
8. SCRIPT									
9. MEDIA SALLES									
10. EVE									
11. SOURCES									
12. Lumière Project Association									
13. SCALE									
14. MBS									
15. BABEL									
16. Documentary									
17. European Film Academy									
18. EFDO									
19. GRECO									
MEDIA									
Σ:									

Source:



## E. Original Quotations

A<sub>1</sub> \_\_\_\_\_

A<sub>2</sub> \_\_\_\_\_

B<sub>1</sub> .....

B<sub>2</sub> \_\_\_\_\_

B<sub>3</sub> \_\_\_\_\_

C<sub>1</sub> .....

C<sub>2</sub> \_\_\_\_\_

D<sub>1</sub> .....

D<sub>2</sub> .....

## **NOTICE**

**The statements of Roland Berger & Partner are based on  
the submitted data and information,  
which are expected to be valid.  
However, Roland Berger & Partner can not be held liable  
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