

TROUBLE AT TELEFILM

What's the matter with Telefilm? It's a question to which few satisfactory answers are being given.

The staff began to ask itself the question in the fall of 1986, when tensions and dysfunction at Telefilm Canada reached a high pitch. A group (initiated by André Picard, who was soon joined by Linda Beath, Francine Forest, Martine Darrouzes, Lisa Scardocchio, Dorothy Bennie, Francine Allaire, Neil Court, Gilles Bériault and Judy Watt) took time to write the Ad Hoc Committee Report.

The report outlined the problems at Telefilm and their consequences, as published below. It went on to make recommendations to right them, and fixed the costs – both in time and money – to implement the suggested solutions.

The executive director thanked the employees for their concern. They are still waiting for further news.

Today, despite the disclaimers of the Chairman of the Board, Jean Sirois, the morale at Telefilm Canada is at a critical low, and the agency is still threatened with the staff defection. In the week of Nov. 9, two more key staff resigned: Marie-Andrée Vinet, head of Operations in Montreal, and Luc Germaine, head of Personnel.

Everyone – from Peter Pearson, to Sirois, to employees inside and producers who deal with them – cites the extraordinary concern and talent of most of the people who work at Telefilm. It may be that their goodwill has reached as far as it can go.

Below, **Cinema Canada** reprints the portions of the Ad Hoc Report which deal with the problems of Telefilm and their consequences.

PROBLEM 1: Corporate philosophy

PROBLEM

Managers and evaluators in Business Affairs and Operations are required to make decisions about projects using a variety of criteria: quality, cultural relevance, contribution to the industry as a whole, economic feasibility, legal propriety, recoupment, etc.

On certain "great" and other "dreadful" projects those decisions are made easily. On the many decisions that are not clear-cut, staff do not have a good understanding of the Executive's, Board's or government's aims for the organization and the industry in order to feel confident and capable of making decisions bearing long-range goals in mind.

Further, in meetings with individual producers, broadcasters and distributors, key general issues are continually raised. All staff would better understand the appropriate reply parameters if they both understood "the corporate philosophy" and were able to contribute to it. International offices are particularly concerned with their representation of basic issues.

KEY CONCERNS

Key issues in the "corporation's philosophy" are going to change frequently: the topics listed below are current concerns:

- Telefilm's role: a bank or a cultural organization
- Telefilm's responsibility relative to the industry and the private investment sector: are we the "Good Housekeeping Seal of Approval": should we find and entice new investors, banks
- the parameters of Telefilm's role as the industry leader in both the financial and creative sense (development of new markets, new kinds of deals, on new projects)
- Telefilm's moral and legal ability to negotiate with third-party non-signators

- (i.e., the broadcasters, distributors, investors, talent rather than with or through the producer only)
- Telefilm's future: three, five, more years; moving towards larger government support; trying to phase out gradually; privatization
- expansion or reduction plans; more offices, more staff, more projects, greater diversification
- Telefilm's attitude regarding corporate publicity and public relations, in Canada and abroad
- how tough Telefilm deals should be particularly in the area of producer fees, recoupment
- governmental dependence or independence and how it specifically affects Telefilm functions
- regionalism and how it should affect decision-making.

PROBLEM 2: Decision-making authority

PROBLEM

Ultimate decision-making authority is vested in the hands of too few people, regardless of the level of investment at issue. This has led to classic problems: power-playing (coupled with a fear of delegation of responsibility and authority), professional analysts becoming unable to adequately affect final decisions, and lack of motivation and sense of responsibility among professional and management staff.

CONSEQUENCES

- People doing the majority of the work in evaluation projects should have the responsibility within defined parameters of making the decision. The process, as it exists now, does not serve to motivate the staff. Additionally the quality of the Operations and Business Affairs reports would increase if evaluators were both making smaller decisions and more conscious of how critical their reports in fact are.

- The higher level of authority and responsibility, the more decisions a manager or an executive is required to make. Executive time is not used to focus on the larger dollar or otherwise more important per-project decisions or issues concerning general policies that are generated by the per-project decision-making process.

- Frequently Operations and/or Business Affairs evaluators make positive recommendations to the Executive Committee on a conditional basis (i.e., yes for development funding pending a guarantee that a story editor is hired to work with a writer for a new draft of a screenplay). These conditional recommendations, although often part of a Telefilm-producer deal letter, are not delegated clearly for either follow-up or enforcement. An Operation condition is put through Business Affairs and finally the Decision Committee without either Business Affairs or the Decision Committee referring back to the Operations evaluator, before or after first monies are released.

- The decision-making process requires the same amount of time, the same number of people and the same number of internal Telefilm meetings regardless of the dollar amounts requested, or the complexity of the deals at issue. If decision-making could be delegated for the smaller projects, the entire process could be speeded up greatly. As well on the highest dollar amounts or most complex or problematic deals, Decision meetings could then be extended to include all hands-on evaluators.

- Projects are, because of executive level prejudices, apparently pre-approved before both Operations and Business Affairs have an adequate chance to evaluate equitably. In some cases producers are working under the misapprehension, after meetings with executive level staff, that they can expect favourable answers. Besides the obvious, real or perceived, political pressure on evaluators on these particular projects, the side effect of these situations is a resulting confusion over the

real criteria to be used on all evaluations. As a result the evaluation process is not as objective as it could be.

PROBLEM 3: Operations and Business Affairs; working together

PROBLEM:

- Operations and Business Affairs are too insular. Operations limits its assessment to creative elements of a project with minimal regard for the Business deal. Conversely, Business Affairs focuses almost exclusively on the merits of "the deal"
- Project evaluation at Telefilm takes too long because it is linear. Obvious "deal" problems are not addressed until Operations completes its evaluation – often three or more weeks after an application was filed.
- During the evaluation process, producers are called by several analysts and evaluators, each asking for a new piece of paper or further clarification on certain aspects of the application.

CONSEQUENCES:

- The "tension" between the creative assessment (Operations) and deal assessment (Business Affairs) of a project is desirable, as this should lead to Telefilm financing only the most worthy projects. However, potentially worthwhile projects could be rejected by Business Affairs if it does not know all the Operations criteria that lead to Operations accepting the project. Similarly, Operations could end up accepting projects that have glaring "deal" problems.
- With an overly-long evaluation process, some producers regard us as a typical government agency that puts red tape before the needs of the industry.
- Producers become confused and frustrated by the successive demands from a multitude of Telefilm sources. Further, some producers expect that their application will be accepted once the latest demands are met.

Sirois Speaks

PROBLEM 4: To reduce amount of misinformation

PROBLEM:

Information, new policies/procedures and decisions regarding projects are all formulated at an executive level or "on the fly" with no formal method of communicating to staff and private sector. Staff who may have prepared the groundwork are often not informed of the results.

CONSEQUENCES:

- advice and/or decisions given to clients based on misinformation may need to be modified or reversed or concessions granted later in lieu of correcting them
- information is inaccurate and subject to interpretation; staff never sure that the source is correct
- staff lacks awareness of overall structure and goals of TFC

"Staff lacks awareness of overall structure and goals of TFC."

- "hit and miss" distribution leaves some producers better informed than staff; some producers better informed than other producers
- producer errors, intentional or otherwise, go undetected
- frustration creates low morale within TFC; anger and ridicule from outside
- inefficient - time is wasted re-explaining information to new staff
- inconsistencies between offices go undetected
- staff unaware of duties of other positions and therefore unable to direct other staff or producers accurately.

PROBLEM 5: Recruitment and training procedures

PROBLEM:

- 1) New staff are often left to learn their responsibilities on their own.
- 2) Job descriptions can be vague, difficult to obtain and out-of-date.
- 3) Staff training and improvement (on and off the job) could be better used to improve staff qualifications or to improve productivity. The exception is French.

CONSEQUENCES:

- 1) New recruits learn the job in a "hit-and-miss" way. This risks unnecessary mistakes and promotes inefficiency. This leads to confusion, anxiety and demotivation of the new recruit. To the new recruit's co-workers, this promotes frustration.
- 2) Insufficient job descriptions exacerbate

On Nov. 11, 1987, the chairman of the board of Telefilm Canada, Jean Sirois, met with Cinema Canada in order to explain and clarify some of the issues addressed during the Telefilm Canada press conference, given on Oct. 26.

Sirois was the principal spokesman for Telefilm Canada at the press conference in Montreal. As he announced that Telefilm had over-committed monies (\$163 million to date for the fiscal year, from a total operating budget of \$115 million — of which at least \$10 million goes directly to administration), confusion surrounding the public agency grew.

The confusion was increased by the distribution to the press of a document listing the "signed, deal-lettered and approved" projects to Sept. 30. The Telefilm participation in these projects came to \$65 million, leaving the agency with what would appear to be \$100 million in verbal commitments, the status of which — both legal and financial — was unclear.

by Connie Tadros

Cinema Canada: *The figures don't add up. If only \$65,279,221 was signed, deal-lettered and accepted on Sept. 30, how do you get \$163 million committed?*

Jean Sirois: We have a budget of \$115 million appropriation. We have projects, as of Sept. 30, of \$185 million. Of this, we have to ask 41 projects for \$22 million to wait until next year. That brings us to \$163 million. If we have to do all the projects which make up the difference, it will add up to \$48 million. But some of the projects will phase out by themselves.

Cinema Canada: *But I don't understand the difference between the \$65 million and the \$163 million.*

Jean Sirois: I don't know what \$65 million you're talking about.

Cinema Canada: *These were the figures you gave out in the press conference concerning signed commitments.*

Jean Sirois: These figures must be part of a group of figures that include versioning and all that. But take my figures. Of the \$48 million, suppose we do it all. We'll have commitment money due next year of \$48 million. This year, we began the year with \$22 million year-end payables. Next year, we will begin with \$48 less those projects which are phasing out. Less the revenues which might be higher than expected and, maybe, more payables because of other projects which might come and will have to be done.

Cinema Canada: *But what constitutes the difference between the \$65 million which Telefilm says is signed commitments, and the \$163 million which you mention?*

Jean Sirois: When you talk about commitments, you have written commitments, you have deal-letters, you have verbal commitments, moral commitments. It depends on how the commitment is made. That's what we're analyzing now. The \$163 million figure is an evaluation. It could be less.

Cinema Canada: *How much of the \$115,000 is the production investment budget?*

Curiously, Sirois seemed to have no context for his announcement. He seemed unaware of the damning nature of the Ad Hoc Committee report, tabled with the executive of Telefilm last January, and paid scant attention to the recommendations of the Coopers Lybrand report, accepted by Telefilm in March of this year. The latter predicted just such an over-commitment in its conclusions. He had little to say about the role of the board of directors in the current situation, and less about the policies for which the board is responsible.

On the contrary, Sirois reported, as he does below, that the problems of Telefilm stem from its great success, and that the failure to manage its budget effectively would have no damaging effect on the industry.

The transcript which follows renders verbatim the conversation held in his offices on Remembrance Day.

Jean Sirois: Take \$10 million off for administration, and you have the monies available for feature films, broadcasting, versioning, development, etc.

Cinema Canada: *I can understand that, in an agency like Telefilm, the chairman of the board and the executive director might have the authority to commit funds verbally...*

Jean Sirois: The chairman of the board, no. The chairman represents the board and never did in any way, shape or form take part in any discussion to approve a project or not to approve a project. The projects are approved by the staff. I don't even know the names of the projects except as they are reported to me at the meetings.

Cinema Canada: *But who else on the staff would have authority to give a verbal commitment?*

Jean Sirois: I won't specify, but the executive director has all the power, and he is the one who can delegate his power to those he wants.

Cinema Canada: *You are reported to have told the Association des producteurs de films et de la vidéo du Québec that the verbal commitments all came from the Toronto office. True?*

Jean Sirois: I'll say, yes. Not all of them, but a high percentage came from Toronto.

Cinema Canada: *I am told that most of these commitments were made between Sept. 15 and Oct. 1, and were made by Linda Beath.*

Jean Sirois: I can't tell you during what period of time they were made. Linda Beath was in charge, in Toronto, of the broadcast and film funds.

Cinema Canada: *Can you tell me to whom those funds were committed?*

Jean Sirois: When you see a list... I don't know. I'm not sure it serves any purpose to make such a list public until things are all settled. Some of the series, for instance, we might be in for 49 per cent but next week, we might be in for 35 per cent because the packaging is different.

Cinema Canada: *The verbal commit-*

ments are something which is troubling the industry. I am told that you are afraid that if the verbal agreements aren't honoured, Telefilm could get sued by the producers involved.

Jean Sirois: In general, if an organization gives a verbal agreement to somebody, there is the beginning of an agreement. That's what we're sorting out now with Judith and the others: if there was a verbal agreement, what sort of agreement, and they're looking at it. And I can tell you that it's going well. We know what's going on.

Cinema Canada: *Nevertheless, there is a due process at Telefilm which includes the obligation, on the part of a producer, to successfully fill out an application and to receive a letter of acknowledgement that the application is complete and acceptable before any evaluation of the project can begin. In many cases of verbal commitment, this application process was not complete.*

Jean Sirois: But if we've said, we like your project and if you can bring us this letter from this broadcaster, then it's a 'go', and you go and get that letter, then it's a deal.

Cinema Canada: *But if the application process is not complete, what is the merit of the verbal commitment?*

Jean Sirois: Every case is different. As chairman of Telefilm, if the employees made an agreement, then the producer shouldn't be penalized.

Cinema Canada: *On the other hand, if a Telefilm employee committed monies on the basis of inadequate information, an incomplete application, would that employee not be in error?*

Jean Sirois: It would have been preferable, before committing the money, to have a completed file. But this would have been a management decision.

Cinema Canada: *Would this not be cause to fire the employee?*

Jean Sirois: I don't want to get into that. But one thing is for sure — the producer at the other end of the line will receive great attention.

Cinema Canada: *I don't understand your concern about verbal commitments since, in my talks with producers*

bate the consequences in 1) above. The recruit is never really sure of his/her role in the organization and what his/her duties are. Also, insufficient job descriptions risk the overlap of job functions, resulting in potential duplication of effort and possibly, conflict between employees.

Out-of-date job descriptions could threaten the efficiency of the application process. Theoretically, a required function could "fall through the cracks" or be unfairly and arbitrarily unloaded onto an already overworked staff member. Conversely, an ill-defined task could be "absorbed" by an ambitious employee. This too could create ill-will.

3) Telefilm's existing Training and Development Policy (dated Sept. 17/86) is progressive. Telefilm reimburses employees for out-of-pocket expenses on successful completion of night courses and may grant training and development leave at full, partial or no pay. Telefilm's

in-house French training is especially good.

However, staff training and development (except French) is not actively promoted. If staff is not made aware of specific training and development opportunities, Telefilm may have difficulty adapting to a very dynamic client environment (i.e. a very robust and ever-changing production and distribution industry). If Telefilm does not actively promote the growth of staff, the agency will have to recruit all talent for evolving tasks from outside the organization (which is becoming increasingly difficult due to the opportunities offered in the private sector). This, in turn, could lead to resentment from existing staff who believe they have been unfairly passed over for promotion. This could lead to increasing staff turnover (the most ambitious and potentially, the best, believe they must leave Telefilm to advance their careers).

**PROBLEM 6:
to improve decision-making mechanisms and monitoring of projects**

PROBLEMS:

– Telefilms' decisions taken on projects are not analysed and evaluated on a regular and formal basis. The career of a production cannot be monitored by Telefilm's decisionmakers because no review procedures have been developed and implemented. Each department within the Corporation compiles different data on the career of a production. For example: The National Distribution sector will collect the Canadian box office and national sales figures on a given production. Project coordination collect the television ratings. The International sector will compile festival par-

"No one inside the Corporation possesses a global view of the career of a production."

ticipations and awards, exporters' report on sales to foreign territories. Administration compiles producers' reports. The Communications' sector will often collect excerpts of critics' reviews of productions financed with Telefilm's assistance.

– Each sector has its own set of guidelines and requirements as to reporting and recoupment (and very often

**CANADIAN FILM DEVELOPMENT CORPORATION (TELEFILM CANADA)
UNAUDITED FORECAST OF THE CASH SITUATION
FOR THE YEAR ENDING MARCH 31, 1988**

(In millions of \$)	Broadcast Fund			Feature Film Fund				Versioning Regular Administration			Total
	English	French	Total	English	French	Long-term Loans	Total	Fund	Fund	Fund	
PARLIAMENTARY APPROPRIATION	44.0	22.0	66.0	16.7	8.3	3.0	28.0	3.0	7.5	10.5	115.0
COST OF OPERATIONS											
Assistance cost											
Cash spent in 1987/88 for commitments signed as at September 30, 1987	25.1	14.2	39.3	5.7	4.0	0.3	10.0	1.5	3.5	5.8	60.1
Unpaid balance of commitments signed or accepted and other budgeted expenses as at September 30, 1987	19.2	13.8	33.0	7.3	5.5	0.6	13.4	1.4	1.8	5.2	54.8
New projects	8.5	4.4	12.9	4.2	1.3	0.2	5.7	1.1	0.6	–	20.3
Development costs	0.9	0.8	1.7	0.9	0.4	–	1.3	–	0.3	–	3.3
Other new projects applications	23.4	12.8	36.2	11.5	1.9	–	13.4	–	0.7	–	50.3
Other assistance	–	–	–	–	0.5	–	0.5	–	–	–	0.5
	<u>77.1</u>	<u>46.0</u>	<u>123.1</u>	<u>29.6</u>	<u>13.6</u>	<u>1.1</u>	<u>44.3</u>	<u>4.0</u>	<u>6.9</u>	<u>11.0</u>	<u>189.3</u>
Less new projects unable to commit in 1987 / 88	23.4	12.8	36.2	11.5	1.9	–	13.4	–	0.7	–	50.3
	<u>53.7</u>	<u>33.2</u>	<u>86.9</u>	<u>18.1</u>	<u>11.7</u>	<u>1.1</u>	<u>30.9</u>	<u>4.0</u>	<u>6.2</u>	<u>11.0</u>	<u>139.0</u>
Less estimated amounts payable after March 31, 1988	6.6	4.9	11.5	1.7	2.9	–	4.6	0.2	0.1	–	16.4
	<u>47.1</u>	<u>28.3</u>	<u>75.4</u>	<u>16.4</u>	<u>8.8</u>	<u>1.1</u>	<u>26.3</u>	<u>3.8</u>	<u>6.1</u>	<u>11.0</u>	<u>122.6</u>
Revenues											
Actual revenues as at September 30, 1987											10.1
Project revenues for the period from October 1, 1987 to March 31, 1988											6.3
											<u>16.4</u>
Less amount already included in parliamentary vote											(6.5)
											<u>9.9</u>

The above accounting, expressed in millions of dollars, was prepared by Thorne Ernst Whinney and presented to the Standing Committee on Communications and Culture. Several other explanatory sheets accompanied it. As explained, the overcommitment of \$48 million is calculated as follows:

Potential overspent at end of year	\$12.3
Amounts payable after March 31, 1988	16.4
Estimated payables at March 31, 1988*	18.7
	\$47.4

*N.B. The "estimated payables" figures of \$18.7, added to \$9.6 "unable to postpone" gives the projected figure of \$28.3 which covers the verbal commitments undertaken by Telefilm Canada.

TOTAL COST OF OPERATIONS BEFORE CONTINGENCY AND VERBAL COMMITMENTS	112.7
CONTINGENCY	5.0
VERBAL COMMITMENTS UNABLE TO POSTPONE	9.6
TOTAL COST OF OPERATIONS	127.3
POTENTIAL OVERSPENT ON THE PARLIAMENTS APPROPRIATION AT END OF YEAR	12.3

one set will contradict the other). But this recoupment information is limited to each sector, and not channeled towards one centralized point that would ultimately be responsible for the administration of contracts and recoupment of monies.

- A data base regarding rights ownership is not properly implemented and updated.

CONSEQUENCES:

- No one inside the Corporation possesses a global view of the career of a production, from its making to its marketing and distribution, from its financial to its cultural results. The absence of measurement tools results in the lack of objectivity and analysis which in turn can result in recurring mistakes and bad decisions.

- Work and information inside the different sectors are fragmented and disembodied. Lack of feedback and sense of continuity demotivates staff.

- Telefilm staff and clientele worry money is thrown out of windows because there is no standard recoupment policy and no adequate infrastructure in place to monitor the career of a production and to compile the territories sold and the revenues generated. Thus Telefilm does not recover its investments as fully as it should.

**PROBLEM 7:
Communications systems:**

Communications between all divisions are too difficult by phone, in person and in writing. The phone system is not designed to allow easy access and staff are not trained to use it well. Meetings are called too often, with too many people attending, and are too long. Pounds of paper are being circulated daily causing the value of content to become diluted.

The 'too much, too many' scenario for Communications has caused critical concerns to be badly conveyed. In order to be able to delegate comfortably to non-executive staff (particularly the decision-making responsibilities relative to small-dollar applications), executives have to be confident about the staff's ability to make decisions well. It is just as important that the executives are aware of the decisions quickly and clearly, once they are made.

**PROBLEM 8:
To improve working conditions**

PROBLEM:

There is a lack of understanding by support services (resources, accounting, administration) of the actual day-to-day work performed by Operations and Business Affairs.

over the last two weeks, they do not know if they are in or out - whether their discussions at Telefilm constitute a verbal commitment or not.

Jean Sirois: I'm surprised because everyone has been talked to over the last two weeks. All the producers have explained their stories and by Nov. 13 we should have a list. The producers know what is going forward.

Cinema Canada: *Are you telling me that it is the producers who will tell Telefilm whether they had a verbal commitment or not? Or does Telefilm actually have a list of projects to which you feel firmly committed?*

Jean Sirois: When you say, "firmly committed", there's a big nuance. Each case is different.

Cinema Canada: *In your press conference, you said there was \$163 million committed. That sounded very firm.*

Jean Sirois: I told you, potentially committed. I also said in the conference that I hope this figure will diminish so as to not prejudice next year's budget. But I fully realize that the industry is so strong that we might go for \$48 million next year even if I say the amount should go down. The industry is pushing, and if two or three projects are phasing out, two or three more are coming in. Also, you have to keep in mind the Canadian broadcaster.

Cinema Canada: *Judith McCann said before the Standing Committee that Telefilm was not over-committed. In public, you say it is, by \$48 million. Whom shall we believe?*

Jean Sirois: Maybe it's a question of interpretation. I don't remember what she said or whatever happened at the Standing Committee. But it's a question of interpretation, what is over-committed and what is not over-committed. But, and this is very important, Telefilm cannot pay more than its budget. Last year, we could have said, "We are over-committed by \$22 million," but we had to give back \$17 million because of the laws.

Cinema Canada: *There are rumours circulating in the industry - and they have been confirmed to me by staff members at Telefilm - that the over-commitment is not of the magnitude you announced.*

Jean Sirois: That's exactly what I'm saying to you. The potential is \$48 million but it might go down. I always go with the maximum.

Cinema Canada: *But why did you call a press conference to announce a figure which is not as firm, today, as it seems when you made the announcement?*

Jean Sirois: We called the press conference because we wanted you people, the press, to know what was going on. Maybe in a week, at the end of November, I can answer more precisely.

Perhaps we'll end with \$30 million over. Or perhaps I'll say we'll end with \$50 million over because we have to take into consideration the broadcaster, Canadian content, and the demand.

Cinema Canada: *I'm told that the apparatus to monitor Telefilm commitments was in place but not being used, that there was difficulty getting reports from Toronto. Did you know about that?*

Jean Sirois: All the proper mechanisms might not have been there. Since then, Thorne Ernst Whinney have been working to install things so we'll have all the information. We know what went wrong.

Cinema Canada: *What went wrong?*

Jean Sirois: We didn't have the proper mechanisms.

Cinema Canada: *The board members receive a financial accounting at each meeting. When did you first become aware of the pending difficulty?*

Jean Sirois: Around the middle of September. Judith McCann came to us and said, "Let's look at things frankly to see where we are." In July and August, I was still hearing that we might lapse money.

Cinema Canada: *How did Thorne Ernst monitor verbal commitments? How did they go beyond the \$65 million figure?*

Jean Sirois: I still don't know what \$65 million you're talking about.

Cinema Canada: *I'm talking about the figures you gave us at the press conference.*

Jean Sirois: That Telefilm gave you. I think you should address your question to Judith who can tell you everything.

Cinema Canada: *You said at the press conference that there was no morale problem among the staff at Telefilm. Do you still believe that?*

Jean Sirois: Well, I knew that people were a little down. I think that in the last month, people have been getting there. They have worked very hard. Now I think the morale... give me another month and it'll be very good.

Cinema Canada: *I understand the morale is worse now than it was.*

Jean Sirois: Oh yes? Well, I don't know. I'm not there every day.

Cinema Canada: *You also said that no productions would be jeopardized by the Telefilm over-commitment, that no companies would be at risk. This doesn't seem to be the situation.*

Jean Sirois: I haven't heard from anyone who has called me to say, "Hey I'm going to go bankrupt tomorrow if I don't have help." Nobody called me.

Cinema Canada: *They have certainly called staff members.*

Jean Sirois: Well, nobody said anything about it to me.

Cinema Canada: *Does this mean there's still a communication problem between the staff and the board?*

Jean Sirois: If anyone had called the staff, they would have called me. A lot of people call me on different subjects. But nobody has called me to say it's a do-or-die situation. No. I'm sure the staff would have said something to the board.

Cinema Canada: *Do you have any evaluation of the damage done to the industry to date?*

Jean Sirois: Don't call that damage! The industry never had so much money to do films or series. That's not damage. The industry has never had it so good. There's a lot of money and a lot of series.

Cinema Canada: *In the Coopers Lybrand report, in March, it said, "Financial management does not appear to have been a high priority... In this case, the organization could easily find itself over-committed, something which its current management and control mechanisms would have difficulty detecting..." Why did the board not react to this conclusion?*

Jean Sirois: We took the Coopers Lybrand report and gave it to the executive director and asked him to look at it, to see that the right things would be implemented, and we were waiting for a report from him. There were two meetings about the Coopers report during the month of June. But things were going so fast, he probably got caught before he could implement the right controls.

Cinema Canada: *Which brings us to the last and most important aspect. What kind of control can the board exercise over the executive, since you say "I don't know if nobody tells me, and nobody's told me so I don't know"?*

Jean Sirois: The executive director is the one who sees that the day-to-day work, the policies are implemented, and the board never interferes with the administration of the executive director.

Cinema Canada: *Until you fire him.*

Jean Sirois: Until the board decides to ask questions.

Cinema Canada: *That seems rather radical as a way to monitor the executive.*

Jean Sirois: The board meets every 10 weeks. We met in June and we met in August. The board is mostly involved in the policies.

Cinema Canada: *So how does the board monitor the administration to see if a good job is being done or not?*

Jean Sirois: The board asks questions and sees that its policies are implemented and all those things.

Regional and int'l offices, which are primarily made up of Operations and Business Affairs staff, are inadequately serviced. E.g. inefficient phone systems, shabbiness of offices, no fax machines in regions and overseas.

The flow of information to and from regional and int'l offices is not adequate. Further, there is no clear understanding of their mandate (i.e. the nature and extent of their authority to make decisions or intervene in the decision-making process.)

CONSEQUENCES:

1. Accounting services may not always understand all the underlying reasons when Operations or Business Affairs ask that a **rush** be put on a cheque requisition. On the other hand, Operations or Business Affairs may not understand all that a **rush** on a cheque requisition implies for accounting services. As a result, erroneous or misleading information may be given to producers or distributors who may sometimes deal directly with staff other than Operations or Business Affairs. Frustration grows on all sides.

2. Often weeks elapse before any follow-up or results are seen when requests for goods and services (supplies, furniture, equipment, temporary help, staffing, etc.) or informations are made.

Employees, who do not always have at their disposal all the tools needed to do their work (e.g. telephones, telex, photocopiers, fax, typewriters, word processors), become de-motivated.

The discomfort (headaches, fatigue, etc.) caused by the lighting, heating, ventilation (or lack of it) also affects performance. The well-being of the staff is jeopardized.

Morale, motivation and performance suffer. Productivity and efficiency decrease.

"Int'l offices do not have a global view of the organization. They do not feel a part of it. They often feel like a postoffice, a relay post, or a travel agency."

3. On one hand regional and int'l offices often assume administrative services know what they need. On the other hand regional and int'l offices don't necessarily know what is available in the way of services, goods, benefits, etc. either because they don't ask (or don't know who to ask) or because they haven't been told.

4. Dialogue can break down between Operations, Business Affairs and Head Office, resulting in a distortion in the implementation of corporate policy and the possibility of a decision being made which may be at variance with corporate planning and policy.

5. Int'l offices do not have a global view

of the organization. They do not feel a part of it. They often feel like a postoffice, a relay post, or a travel agency.

6. They are not always informed of the productions financed with Telefilm's assistance. They do not receive videocassettes, info material and career notes; they can't properly inform their clientele.

Int'l offices do not understand and are not informed of the needs of Operations, Business Affairs, and Corporate Affairs; they can't research, compile and channel information needed.

Lack of understanding of the day-to-day work of the int'l offices prevents the Canadian offices from promoting the services and facilities of the int'l offices to the private-sector clientele. Int'l offices do not feel stimulated by the Organization, motivated to initiate projects, to make decisions or proposals.

**PRIORITY NUMBER 9:
Increasing support of our projects**

PROBLEM:

Projects accepted at the Decision Committee level are not adequately announced to the staff and the private sector. The films and television programs should be a forceful incentive to employees and news should be circulated about their status. A greater effort should be made, generally, to allow Telefilm to support 'our' projects.

A) CONSEQUENCES:

1. The domestic film and television industry and the national and international media are often unfamiliar with the projects Telefilm supports.

2. Considerable time is spent by staff responding to irrelevant requests because the media and industry do not seem to clearly understand Telefilm's function(s).

3. The private sector and general public remain, for the most part, unaware of Telefilm's existence. Consequently, potential sources of private investment that could be attracted by Telefilm's reputation remain untapped.

4. Staff, unaware of many projects in which Telefilm participates, are unable to respond in a knowledgeable manner to requests from the private sector. Staff feel inadequate, frustrated, and believe the private sector finds them to be excessively bureaucratic.

5. If evaluators are unfamiliar with a filmmaker's previous work, they lack an important assessment tool when evaluating the creative components of a project.

6. When information on a project is circulated internally, it is usually of a negative nature (i.e. particular errors or problems that need to be addressed). News of progress is generally not reported. Staff operate under a "no news is good news" cloud.

7. When progress on projects is neither shared nor reported, staff are unable to measure the importance their personal efforts have been to the final product. Staff morale is effected. The sense of pride staff could feel from their respective contributions is devalued.

8. Lack of information on projects deprives staff of a valuable learning tool. Staff could learn a variety of lessons from the resulting successes or failures of projects and – ideally – problems and mistakes would not be repeated.

"Favoured producers receive false promises and get angry at lower staff when money does not arrive automatically, in buckets."

**PRIORITY NUMBER 10:
Political pressure and favouritism**

PROBLEM:

Evaluation procedures in both Operations and Business Affairs can be subject to real or perceived internal or external "political pressures"

The problem can start before projects enter the evaluation process with the projects which come "in the back door" or which are given "top priority" status at an Executive level. Executives, in turn, are often pressured by cultural agencies, powerful broadcasters, regional concerns, etc. to permit into the evaluation process or to grant favourable decisions on projects which are sub-standard.

These pressures are as small as the suspicion by junior staff that a friend of an executive or a well-established client should receive a more generous evaluation. Junior staff are not encouraged to make tough decisions since they have often been overruled in the past.

Junior staff are not made aware of pressures exerted on their superiors both externally and internally which precipitate the favoured treatment, or if staff are aware, then they do not know how to apply objective criteria in evaluating the next similar case. For example, a different set of criteria has evolved for evaluating CBC projects (i.e. no recoupment potential) or for regional projects (no recoupment potential and the budget won't add up).

CONSEQUENCES:

– Mistakes are made when procedures and established checks and balances ignored. Lower staff, often the ones who must sort out the ensuing mess, are resentful and often uncooperative.
– Analysts feel their evaluation is meaningless since deal already struck. Also

favoured projects are invariably deficient making evaluation difficult.

– Staff question value of any rules, i.e. why set standards that only the unfavoured have to follow – a "why bother" attitude develops.

– Lower staff members get caught between their superiors pushing a project and the rest of the TFC machinery insisting upon documentation.

– Urgency is removed from producers to provide information; treat staff like bothersome bureaucrats when they request essential missing information.

– Staff usually not informed of prearranged terms – causes confusion, also not able to detect producer deceptions.

– Already heavy work schedules often disrupted for "top priority" projects. Staff resentful that their priorities are reassigned without consultation. Producers obeying the rules get penalized; projects get delayed by being "bumped" and sometimes then themselves require top priority treatment to rectify.

"A different set of criteria has evolved for evaluating CBC projects (i.e. no recoupment potential) or for regional projects (no recoupment potential and the budget won't add up)."

– Confusion caused by queue-jumping can sometimes inadvertently delay a top-priority project.

– Favoured producers receive false promises and get angry at lower staff when money does not arrive automatically, in buckets.

– Staff not informed of reasons why special deals are struck – lose faith in their superiors. Difficult to justify to less favoured clients.

**PRIORITY NUMBER 11:
Elimination of non-related tasks**

PROBLEM:

The executive level staff of Operations and Business Affairs are constantly called upon to become involved in time-consuming non-evaluation oriented duties. For example: recruiting is done for vacant positions by executive staff rather than long lists being reduced to the top candidates for the three to five interviews that executives can easily manage.

CONSEQUENCES:

The executives of Operations and Business Affairs are first responsible for the depth of analysis required in per-project decision-making, they do not have the time required to do the job well. •

Season's
Greetings



Our Credits Speak For Themselves...

- ▶ The Fly
 - ▶ Anne of Green Gables
 - ▶ Anne – The Sequel
 - ▶ Hearts of Fire
 - ▶ The Believers
 - ▶ V.H. Adderly
 - ▶ A Child's Christmas
in Wales
 - ▶ Night Heat
 - ▶ Diamonds
 - ▶ Friday's Curse
 - ▶ Glory Enough for All
 - ▶ Baycove
 - ▶ Drop Out Mother
 - ▶ Hot Paint
 - ▶ Almost Grown
 - ▶ Ray Bradbury Theatre
 - ▶ Martha, Ruth & Edie
 - ▶ T & T Show
 - ▶ Alfred Hitchcock
 - ▶ Captain Power
 - ▶ Sadie & Son
- ... and more

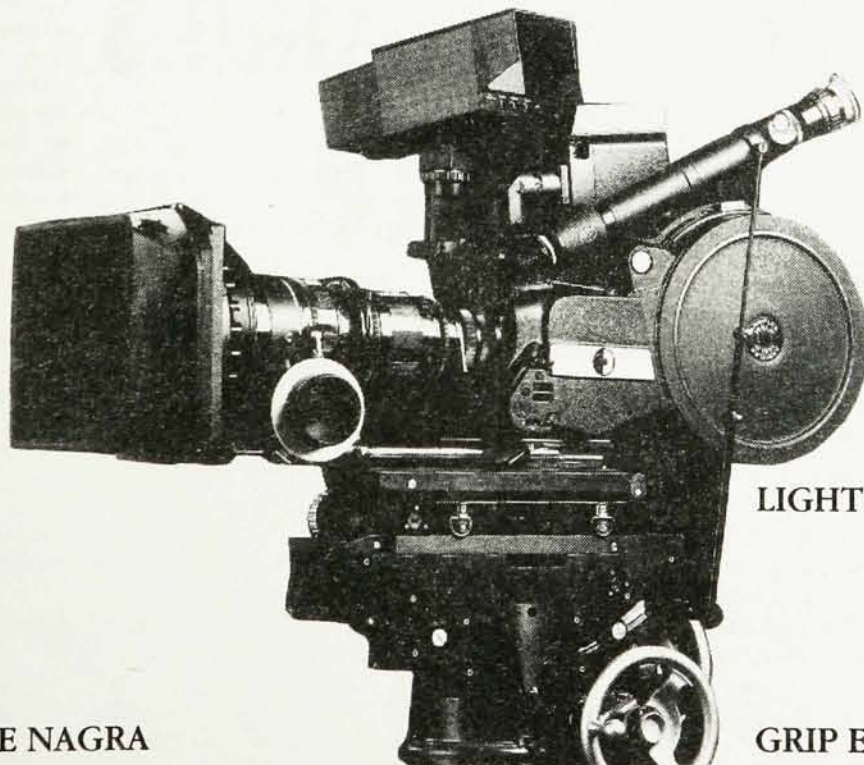
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