

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

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- "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- 2) Job descriptions can be vague, difficult to obtain and out-of-date.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*

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.