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Surveying the Ever-Changing Animation Business

Sarah Baisley surveys a host of animation execs from around the world to get their impressions of the current business cycle and where it is going.

The animation business has been going through ever-faster changing cycles. From the advent of TV animation in the '50s, producers could make a series for a budget funded by sponsors and broadcasters. Then, in essentially the past 15 years, came corporate mergers and downsizing plus deregulation of broadcasters in many parts of the world that increased the demand in some areas, decreased it in others and lowered the fees for all, necessitating producers to find production partners in other countries and to make up budget deficits with ancillary businesses.

Just when producers were adapting to playing in this new ballpark, the rules and opportunities are changing again with the new emphasis on wireless entertainment. Companies like MTV, Disney, Warner Bros./Cartoon Network and Fox are making big changes in their business mix, elevating the importance and reporting of new media, digital execs.

Animation World Magazine first canvassed some vets in animation to find out what they'd most like to hear players answer about concerns, trends and predictions for the industry (special thanks to Dale Taylor, former programming guru of YTV for his contributions). We then surveyed some of the established companies to see what insight their people could offer about the business of animation.

Offering their perspective and observations are:

Bill Bourdon, vp of business development & partner, Zoup-ah!

Ken Faier, el presidente, Nerd Corps Ent.

Sang Gil Lee, evp, KOCCA

Kevin Gamble, *George of the Jungle* producer, Studio B Productions

Christophe Goldberger, head of distribution & marketing, Icon Animation

Bruce Johnson, president/ceo & Mark Young, svp, animation production, PorchLight Ent.

Larry Le Francis, partner in S4 Studios Llc.

Carmen Llanos Acero, coo, Comet Ent. Inc.

Andy Lewis, evp, Warner Bros. Animation

Kenneth Locker, svp, digital media, Cookie Jar Ent.

Robby London, evp, creative affairs, DIC Ent.

Rick Mischel, ceo, Mainframe Ent.

David Mishel, vp, Marathon Media

Marlon Nowe, animation supervisor (*Gopher Broke*), Blur Studio

Dan Philips, vp/head of production at Laika Ent.

Fred Seibert, president, Frederator Studios

Rick Ungar, exec producer, BKN New Media

Richard Winkler, partner, Curious Pictures Ent.

Thanks for those who found the time to participate (regrets for those who did not get the clearance from the legal/business departments) and we're always eager to hear from others about their thoughts and concerns.

AWM: *How serious is the potential market of podcasting and webcasting?*

Bruce Johnson & Mark Young: We believe that it will have an enormous impact worldwide.

Robby London: It's definitely happening. Animation is particularly well suited to it because of the more simplistic nature of the images and stories, the number of shorter format episodes and the fact that animation's primary audience is kids who tend to be the earliest adopters of new technologies and delivery platforms.

Kenneth Locker: Very large — it is cost effective and ubiquitous with very low cost of entry barriers. Success will ultimately depend on the quality of the content and which business models emerge (i.e. subscription, pay per view, ad supported etc).

Ken Faier: As with any new distribution platform, it takes time to build up enough of an audience to cover the production and distribution costs associated with generating new content.

That said, it certainly feels like it's worth investing development resources to content that would be suited to podcasting and mobile. And as the larger players like Fox and CBS jump into the ring, it will create more opportunities for independents.

Rick Ungar: Huge. Kids are more connected to the web than they are to their television sets. Podcasting will play a role, but the real future for delivery of kid's programming is via the web.

Marlon Nowe: Podcasting and webcasting opened up a huge new and easy outlet to distribute all sorts of media. With an ever expanding Internet bandwidth and dropping movie theater ticket sales, I foresee people watching all kinds of media you now find on TV and in movie theaters on their wireless Ipods, laptops and car flip down screens. Movie premieres in the near future will happen in your living room or car and not at the Mann's Chinese Theater.

Fred Seibert: Enormous. Did I say "Enormous."

Homestarrunner.com, Happy Tree Friends, Joe Cartoon, (dare I say Channel Frederator) are only the beginning. Talent, quality, and excitement are now the only barriers to hit making and brand building.

Andy Lewis: It's one of many new distribution segments showing promise. I would expect it will continue to have a place in the landscape and grow significantly over time.

Kevin Gamble: While downloading content to mobile devices is still very "fringe technology," we're lucky that the most tech savvy consumers out there are kids. Having grown up using instant messaging more often than the phone, kids don't think twice about watching material on a smaller screen at school, on the bus or while hanging out with friends. For a 50-year-old, sliding a cartoon onto your PSP's memory stick and sharing it wirelessly with a friend seems almost like black magic. For kids it's the order of the day, and it's only going to get bigger.

David Mishel: We don't expect podcasts to be profitable in the near future. However, it is a formidable viral marketing tool to create close ties with our shows' fan base, and to feed this loyal audience with exclusive content and information about our series. We have launched a Totally Spies podcast in France that is already doing amazing download figures.

Bill Bourdon: Zoup-ah!'s characters and stories are primarily geared towards young kids and their caregivers. Given this, we definitely see these two content mediums as potential distribution outlets for our current portfolio of properties in the future, however, podcasting and webcasting are really secondary platforms at this time. Our entertainment properties have so many different and original brand extensions — everything from restaurants, branded retail experiences, publishing, and licensed consumer products. Our strength is in how many different areas we feel there is revenue potential. One of the interesting aspects of Zoup-ah!'s entertainment portfolio, is that each property won't just rely on broadcast or podcasting to drive consumer awareness, and retail sales. In some instances, for example, our characters and stories will be brought to life in non-media environments such as our restaurants, and then extend into broadcast and podcasting. We believe that this kind of reverse engineering will be critical to our broader brand portfolio's success.

Richard Winkler: How seriously can you take a word (podcasting) that didn't EXIST 10 months ago?

But yes, these are all part of the expanding media sphere surrounding us.

Rick Mischel: Tremendous. We're finally starting to see the real beginnings of convergence as a serious marketplace.

Sang Gil Lee: We expect the potential market of podcasting and webcasting will expand. Podcasting is not common in Korea yet though. The thing is if advertisers are willing to pay for them, and we think they will do so. Because it's so popular with the younger generation, and it's interactive, so they will be able to get statistics on users in return for the advertisement.

Llanos Acero: TV "on-demand" and "on-the-go" is what teens are looking for. Their younger siblings are imitating and so the adults. In the next years I think we all be hooked up to receive what we want, when we want, the way we want.

AWM: *Will the multi-platform entertainment model weaken the current power structure among kids' broadcasters?*

Gil Lee: No. I think it will be opposite. Multi-platform entertainment model could be strengthened by them. If multi-platform model is regarded as powerful, then kid broadcasters will expand their business scope to cover it or will be able to merge good multi-platform entertainment models.

Lewis: I think it's created opportunities for some other players besides the major U.S. vertically integrated conglomerates in the kids' space. What the conglomerates have to grapple with is how to grow or hold on to the same piece of the overall pie — the pie isn't necessarily getting bigger, just getting sliced more ways. The need to expand ancillary income opportunities is more important than ever.

London: Well eventually it seems likely that it will (and not just kids' broadcasters but all broadcasters.) However, it could take many years. I remember hearing talk about the "imminent convergence" in the late '80s; about interactive TV, and about the computer being the principle content and entertainment device. While we still seem to be inching there, it still hasn't happened yet. Broadcast (and cablecast) are still the dominant platform for delivering "filmed entertainment" to the home — and it is not going away quietly!

Seibert: Maybe, maybe not. Don't underestimate the incredible power of audience loyalty to the great network brands. On the other hand, producers can now come to networks more as partners than ever before, with built in audiences, information and loyalty of their own.

Ungar: It depends how adept the broadcasters are at (i) using their brand recognition to make the transition to the other platforms and (ii) whether they can learn to market in a different environment. To their credit, the broadcasters (and narrowcasters) are aware that they need to be in the game and are taking steps to do what they have to do. On the other hand, kids and independent producers are going to have a lot more to say about what product reaches kids and what succeeds.

Mischel: I don't think so, as the platforms will feed on themselves and make the pie bigger — not just the slices.

Faier: I do think it is weakening the power structure, however, I also feel that it is important for our broadcast partners to have a strong strategy to exploit these new distribution models. Reaching and maintaining an audience takes marketing and promotional muscle (in addition to great shows!), which is what broadcasters are great at. As an independent producer, we support them moving into those areas and partnering with us. However, if these rights are not being exploited, then producers must be able to exploit these opportunities themselves.

Llanos Acero: I think broadcasters will keep the power structure, but there are a lot of risks involved if there is nothing else. I think they are adapting progressively and they will start offering multi-platform programming very soon.

Winkler: One can only hope.

Oops, wait, did I say that?

I mean power structure? Some of my best friends are kids broadcasters.

Bourdon: Non-TV media platforms for the kids market, in particular, are still developing with the revenue model for these various channels not yet defined. Podcasting, and Webcasting, for example, are value-add ways for Zoup-ah! to reach our audiences. We feel this new multi-platform model is great for content developers, enabling broader reach and therefore brand visibility. The more ways content and products can be offered to the public, since you can't depend on advertising alone anymore, the better it will be for the properties. Further, this model offers multiple new ways for retail and brand partners to integrate with entertainment properties. For example, we may have a sponsor for our website or DVD series, but that sponsor may have little or even nothing to do with our TV series. Our partners will have the opportunity to participate in as many platforms as they want, however, depending on FCC regulations.

Johnson & Young: No, but it will strengthen the notion that content is king.

Larry Le Francis: This is inevitable, and those who adapt will flourish, and those who ignore it will fall by the wayside. A wireless revolution has already swept through Europe and Asia. Strangely, America is behind that curve, but not for long, trust me. I think network development executives might really want to start thinking about getting that real estate license once again.

Mishel: It might, depending on how much revenue will be derived from these new platforms. If it turns out that they will mainly serve as a marketing tool to give more promotional exposure to the content and not as a substantial profit source, the power centers should not change that much in the next few years.

Locker: I believe it will begin to shift the center of power to the content creators and IP owners. Broadband and wireless effectively disintermediate the traditional broadcast infrastructure. Big media companies will have to change their strategies significantly. This is already beginning in a big way if you look at News Corp., Viacom and others who are aggressively implementing digital media strategies.

AWM: *Where is technology leading the creative forces now?*

Dan Philips: Technology doesn't actually lead; it removes impediments from natural progress. It seems that we are riding technology in two directions at once.

We are seeing greater and faster and better ways for groups of people to collaborate creatively, and we are seeing more and more capability for independent solo "film" makers to work alone.

Faier: It will always be critical to have great content but the key is to make sure that the content is taking full advantage of new technologies and distribution methods. You can't just repurpose.

Nowe: The way we make CG movies won't change that much in the near future. Going from 2D to 3D was huge and I don't see a similar shift in the near future. Processes within the CG movie production might evolve with more complicated body and facial motion capture.

Le Francis: Technology is creating more advantages. With new mediums such as podcasts and webcasting, creators will no longer be held hostage to the constraints of television networks and sponsors. This will of course be potentially terrifying to the powers that be in today's media.

Llanos Acero: I think technology is driving the creative process more and more everyday but sometimes in order to innovate we are sacrificing the storytelling. Technology should be a tool for the creative process and has to be used wisely.

Ungar: For the most part, technology does not lead the creative forces. We've heard it time and time again — "content is king." That said, technology should have a positive impact on creativity by allowing creators to better realize their vision. When the creator can by-pass the gatekeepers (network programming executives, FCC chairmen, etc.) and go right to the audience, creativity is likely to flourish.

Gamble: "Mini-sodes" are something to think about. While watching a 22-minute show on a cellphone or iPod is a bit much, consider making unique three-minute "minis" which can be beamed, emailed, downloaded or subscribed to. Interest them in a little short they watch while waiting for the bus, and then give them an opportunity to purchase the episode for 99 cents when they get home and can watch it on a bigger display.

London: Where is technology leading creative forces? Quite often I worry that the answer is "astray." I always am a little concerned with the mention of "technology" in the same breath as "creative" because the focus on technology — both the production tools themselves and the distribution platforms — sometimes seems to drown out and overwhelm the fact that...it's ONLY about the STORY and the CHARACTERS. I sometimes feel it is a fight to keep the focus of creative people on those things where I feel it belongs — as opposed to spending their days playing with tech toys or worrying about distribution.

Lewis: Actually I think it's just as much the creative forces leading the technology. It all starts with what can be imagined. Having said that, there are two ends to the market - with budget pressures for television series leading producers to find ways to make great looking programs for lower cost, and on the high end the continued need for companies to push the envelope and wow audiences on the larger budget side. Technology helps across this spectrum. I think technology is letting artists work in more mixed media environments, with combinations of techniques and software to create unique visual works — e.g. combinations of CG and 2D, Flash with cutouts, live action with animation, etc. And of course it's also helped even traditional 2D work look its best. I'm also excited about high definition and how great animation can look in hi-def.

Seibert: Technology inspires creative forces rather than leading them anywhere. The no-cost distribution model can embolden filmmakers to try new approaches to their characters and stories. It's a great way to shove the mainstream into the future.

In our studio, we use technology to build our relationships with new talent. We're more interested in talent than anything else, including "properties."

Winkler: Online distribution — the long tail. And collaborative filtering — software that understands consumers and makes recommendations. Don't mean to be obtuse but there are major things going on that would take a lot more space to describe.

Gil Lee: In Korea, it could be IT and mobile technology. Penetration of mobile phone in Korea is very high and the mobile is being upgraded so quickly. Mobile phones are used for broadcasting, which is more popular, for navigation and for games, etc.

Bourdon: We believe that great characters and stories, and the multiple ways they can extend into lasting consumer experiences are still more important than the technology involved in distributing the content. Our entire business model is built around our commitment to innovative content, good characters and storylines, and most importantly to bringing families together in their homes and at the table.

Locker: It is leading us to find ways to be in front of the consumer regardless of which device or delivery method he is using. We have to be able to move from linear television to broadband to wireless, iPod, etc.

Mishel: Hopefully nowhere!!! Technology should serve content, give it better exposure, better marketing, better shelf life, but we don't think it should dictate the creative behind the content.

AWM: *With the growing addiction to shorts, can outlets such as Canada's bitetv.ca or others (atomfilms.com) survive and spread the gospel of short is good?*

Seibert: At Frederator Studios we've been addicted for years, with 139 commercial shorts produced to date that spawned major hits like Genndy Tartakovsky's *Dexter's Laboratory*, Craig McCracken's *The Powerpuff Girls*, and Butch Hartman's *The Fairly OddParents*. But, I'm not so sure that short is necessarily good, or bad. It's great talent who create great characters, great stories, and great films...as it ever was.

Winkler: Absolutely. Online advertising has become a huge business in the last few years and anyone, like Atom, who can aggregate a demographic that advertisers want to reach, has a good business.

Gil Lee: Shorts are interactive, which are regarded as a good point. but, I am not sure if such outlets can survive. It could depend on which structure they would make to gain profit to survive.

Gamble: There have always been short films, there has just never really been a way to make money from them. Now that a revenue model is starting to materialize, I think you'll start to see a resurgence of shorts — the market will probably get oversaturated for a short while, then slide back to normal (much like CG features — at one point, there were something

like 35 in production!). Ultimately it will be the good shorts that find an audience and, with luck, mature into their own brands. Having the technology to make and distribute shorts doesn't mitigate the need for great stories told in an aesthetically appealing manner.

Lewis: Short has always been good, it's just financially challenging to figure out how to finance 39 different but great seven-minute shorts, versus 13 half-hour episodes of a series. But the short is a great genre for portable devices and downloading to the desktop for surfing office workers. I love the JibJab stuff.

Llanos Acero: Sure, and I think they create trends, people that follow them and demand more and more. Some of the shorts end up as a series or even features.

Locker: It is a Darwinian struggle for survival, good content survives and bad content fades away. Short content is well suited for wireless, PC and other connected devices. At the moment there is a feeding frenzy for cross platform content. As these delivery systems mature things may change.

Mishel: At the end of the day, it all comes down to the economic model for these sites. Can they derive enough advertising dollars? If not, will the consumer be ready for a subscription fee model?

Johnson & Young: The broadband outlets for short films will catapult more and more original creative talents to the forefront.

Ungar: I'm not sure I buy the premise that there is a "growing addiction" to shorts. "Addiction" comes in response to something that the addict first enjoys and then, ultimately, needs. It's about really entertaining programming, not the length of the program.

London: While there does seem to be an emerging market for shorts, I don't know how financially viable that market is yet. One of the challenges with producing shorts is you get less economies and efficiencies of scale. In other words, typically it costs more to produce 2x11 minutes than it does to produce 1x22 minutes.

Bourdon: The business and distribution models for shorts that target young kids are still evolving. In our case, one of our debut properties — *Max on Snax* — is a short format series. Depending on the particular property and brand strategy, shorts offer a much more affordable way for rights holders to bring their brands to market. For example, we can produce 20 two-minute episodes of *Max on Snax* for the same amount of money that it will cost us to produce a single episode of our flagship *Gaspergoo* show. Additionally, we are looking at ways to extend our 30-minute properties into short segments to broaden the reach of our brands through emerging media platforms.

Faier: Again, the right content for the right platform. For mobile, web and other portable technology, short is good, convenience is good.

Nowe: Their survival lies in their ability to look ahead and anticipate new trends like podcasting. Staying ahead of the curve is vital for web-based media outlets.

AWM: *Does the success of Hoodwinked mean a new generation of low budget, imported CG features are due?*

Mischel: *Hoodwinked* shows that the family CG feature audience will go see a film with a great story and characters, regardless of what the film costs. That's great for Mainframe, as we believe we can bring stories to the screen on a high-quality level but for much less than the major studios.

Seibert: I sure hope so.

We don't really care if cartoons are low budget, imported, or CG. Just so long as the traditional distribution marketplace tries to understand that budget, country of origin, or production technique are not formulas for success. Or failure. Great characters and great stories are not limited by budget, country of origin, or production technique. The only thing to pay attention to in cartoons is the talent making them.

Llanos Acero: I think this is an example of technology as a tool for storytelling. Spending millions in technology is not always a warranty of success if there isn't a good story behind it.

Nowe: There definitely will be a surge of low budget, imported CG features, but I'm not worried about that too much. Look at high box office grossing live-action movies; they are almost always high quality, expensive productions. Quality always prevails and in a low budget CG film, that's the first thing that goes out of the window.

What is happening though is that studios outside of the U.S., are hiring American directors and producers, hoping that their know-how will produce a better quality film.

Philips: They are not only due, they are already happening, globally. Various sized budgets and various degrees of visual style and complexity. This is only the beginning. CG movies have only begun to diversify into other story subjects and other designed looks.

Johnson & Young: *Hoodwinked* is an example of good, clear writing and filmmaking which will be needed on any film trying to "break through" the clutter.

Le Francis: Quite simply, no. Strong characters and storytelling will ultimately reign. The current infatuation with CGI will only go so far, and I say that from my own perspective as co-owner of a CGI company. Look for a resurgence of 2D animation in the next couple of years. All you have to do is look at this year's Oscar-nominated films. Remember, artists will use any medium to tell a story, regardless of the trend du jour.

London: The typical pattern when something out of the ordinary succeeds is that you then see a bunch of imitators trying to replicate that success and most of them fail. That is one

cycle that has definitely stood the test of time in the entertainment business — and is usually a safe prediction. (Except when it's not!)

Gamble: There were no shortage of CG features “in production” during 2005. Some failed, some did ok, some did great. Perhaps we’re seeing a resurgence of animated features. Is a killer 2D feature going to come out and make 75 million at the domestic box office and rekindle 2D? Kids have grown up watching polygons tell stories, from CG on TV & the movies to the characters they control on their PlayStations and Xboxes. Perhaps it’s just that kids have grown to expect more out of programming, and currently that “more” comes from CG? Or is it just that animation as a medium is getting more popular — Cartoon Network’s “Adult Swim” block consistently does fantastic numbers. Could it be that animation is becoming more and more accepted by people of all ages as a storytelling medium, be it CG, 2D, Flash our cutouts? Fingers crossed!

Ungar: In the beginning, it was a bit more about the cost of CG features simply because it took a lot of money to put something on the screen that would really blow away the audience. That was a very long time ago. Now, with the cost of CG way down and going lower, it is going to be about what all movies are about — story and characters. An expensive film that is dull will fail. An exciting, funny film, whatever the cost, is likely to be a success.

Lewis: They are inevitably on the way. And as with everything else in the entertainment business, some will succeed and some will fail (and hopefully the best will rise to the top and make enough money to encourage future production).

Gil Lee: Yes, it could mean that high-cost, high-quality work are not always successful. *Hoodwinked* is a case showing low budget, imported CG feature can be successful as well if they’re creative or interesting.

Winkler: Inevitably.

Mishel: Yes! It’s also very healthy for the industry to see that movies in the \$30-40M range can be successfully produced & released. It lowers the budget barrier, and allows more good creative to be produced by independent players in addition to the majors, thus giving more choice, more CGI movie options to the audience.

Bourbon: Our PR partner, Michael Saltzman, was the publicity person on *Hoodwinked* when it was in production. As production costs and technology brings down the cost of CG features, this is good because it gives others the opportunity to create product that they would have previously been prohibited from doing. We have kicked around the idea of big screen features, however, right now we are focused on product for the small screen.

AWM: *Does your company ever consider blue-sky, standalone or one-off programming concepts that illustrate the values of generosity and altruism that would be exemplary for kids as well as be actually embraced by parents/caregivers/regulators/advertisers and underwriters? Or is that a non-starter given the vertical sell job?*

Lewis: In kids television, I think in general the writers and producers feel a sense of duty to portray positive social values in our programs. Even on action shows, there is a strong ethical underpinning. Our company has taken on pro-social responsibility for its own sake on many occasions. We have included themes against gun violence, smoking and prejudice in our series. We did a theatrical short encouraging voting and citizenship starring Bugs Bunny and Daffy Duck. We produced an instructional short for Cambodia (commissioned by a branch of the U.S. government involved in de-mining activities) to teach kids there how to avoid unexploded land mines.

Bourdon: We are creating positive programming to teach kids and families the importance of good food, good eating habits, and motivating the family meal. We are investigating underwriters and other partnerships to defray costs involved with producing our programs, and support the creation of standalone PSAs based on our mission. Our co-production partner Nelvana has been a tremendous avenue for us to learn the various aspects of alternative financing and funding.

Winkler: In fact we do pro bono stuff all the time. In the last eight months we did a title sequence for a doc about Darfur and a campaign for Amnesty Int’l.

Johnson & Young: PorchLight will consider any idea with merit, as long as it’s entertaining and empowering for kids.

Christophe Goldberger: We would not discard looking at such a project just on this basis. It’s all about storytelling. If the concept and story is good, and the writing done in a way to blend the positive message to an interesting story with strong characters, than the fact that there are positive values associated to it would not be a deterrent. But kids are very smart and will smell a mile off any preaching coming their way.

Llanos Acero: We have a lot of ideas and we have always been committed to illustrate good values to kids one way or another: in our series, films, etc. We also have developed short films about different issues — *Adventure on wheels* and *As Is*, among others.

London: I don’t accept that the two categories are always mutually exclusive. DIC has had great success in identifying and creating properties that are compelling and inspiring enough to succeed across the broad spectrum of revenue-generating outlets, which are financially necessary today — and yet embodies important values and positive content for kids. Two such series, *Where on Earth Is Carmen Sandiego?* and *Madeline* won Emmys for us. We are currently producing a series called, *Horseland*, which has wonderfully positive values and yet we have every expectation to perform in all categories. Having said that, I’m particularly proud of an extremely inspiring special we produced about Martin, in conjunction with the family of Martin Luther King about his life and work, called, *Our Friend Martin*. It didn’t have a lot ancillary financial value, but it is something that deserved to be made and broadcast solely for the spiritual and inspirational value it provided.

Seibert: We consider all comers. With great characters, great stories, and great talent. Thinking about anything else is ultimately self-defeating.

Mishel: Health & physical activity-centered programming is on top of our development list. It is our responsibility as an industry to acknowledge that our content DOES have an impact on our viewers' behavior and that we should do our best to promote these values in a way that is contemporary and entertaining.

Ungar: The complexity of the sentence structure in this question is such that it would appear that the writer spent way too much time in school and not enough time enjoying television shows! One should never say never, however what the question really speaks to is the obligation of television producers, programmers, etc. Our job is entertaining children. Teachers are charged with the job of educating children. Parents are responsible for instilling values, such as generosity and altruism, in their children so that they will become better citizens. While I think that the role parents and teachers play in children's lives is dramatically more important than what we provide, we nevertheless have our place and we should focus on doing our job.

Why is it that there is some implied obligation to use children's television hours for education? How would we grownups like it if we came home after a hard day of work only to discover that our favorite sit-com had been loaded up with all sorts of lessons about proper diet and exercise? These issues are as important to adults as they are to children. But when we turn on a comedy, we want to laugh — not learn. We want a break from our hard day — not a tutorial. Once kids reach an age where they go to school, they too now have a job. They go to school. And when kids come home, they still have homework to do.

Why is it such a crime that a kid should want to have some laughs via a television program without some hidden, educational purpose? I totally buy into the educational elements of certain pre-school shows. It gives the kids (who do not yet have a job) a head start. But once kids start getting up every morning —whether they want to or not —and head off for a day of education, we need to remember that kids are people too. They have as much right to a little pure entertainment as their parents do.

The truth is that all of these issues have become so entangled with political correctness and government appeasement, that many have lost sight of the point. I recently sat through a seminar where a point of discussion was how to inspire kids to want to eat healthy foods. There was talk of running interstitials during kids programming along with a bunch of other ideas. Does anyone really believe that if a child sees an animated character wolfing down some broccoli and loving it that the kid will then be equally inspired to eat broccoli? I loved *Popeye* — I hated spinach as a kid and I hate it now. And why would we run these educational pieces during children's programming hours?

Does anyone know a kid who plans the menus at home? If you really want kids to eat more broccoli, why not place the interstitial piece in the middle prime time programming where the person(s) responsible for the family menus is watching? I'm pretty sure that getting the message to the right person won't make a broccoli hater any happier about eating it, but at least it's a more logical approach.

I'm all for instilling good values in children and hope I did so in my role as parent. But my job is to entertain and I don't think there is anything wrong with that.

AWN: *With the v-chip behind us on rating violence thresholds, what is your strategy, if any, for the "f-factor" (food/snack) and lifestyle/health issues?*

London: DIC is extremely aware of — and sensitive to — the challenges and concerns regarding kids' health today. And it's not only about diet. We are currently in consultation with experts and are developing initiatives and programming to encourage "healthy lifestyles for kids" which we hope to announce shortly. We are currently producing a three-hour block for CBS Saturday Morning to launch in the fall, and we intend to make the promotion of "healthy lifestyles" for kids play a major role.

Goldberger: Healthy eating has become a real concern for good parents worldwide, so it is important to have positive messages delivered to kids, never forgetting to wrap it up in a fun and dynamic experience so not force the message down their throats. We've done that with Vitaminix, which now has expanded to books, DVDs, mobile content and online games, and has been sold in most territories. In addition, broadcasters have been happy to associate their name with such a positive message, which shows parents that they care about the well being of their kids, a plus in the highly competitive market of kids broadcasting.

Winkler: As someone's mother once said: Eat. You never know when the next meal will be.

Lewis: That is a question best answered by the areas at my company that handle advertising sales and merchandising and licensing. I will say that I think it's an important issue to address.

Johnson & Young: As producers we have a responsibility to viewers and society at large to provide programs and characters that reflect healthy choices. We carefully review every script, usually with the help of a consultant, to ensure that the stories contain responsible content throughout.

Gamble: Instead of a soda, why not enjoy a low-sodium, fat free, Studio B podcast? It'll satisfy 110% of your recommended daily comedy intake!

Seibert: See above. Foods, snacks, lifestyle, health, violence do not matter. Great talent does; great characters and great stories do. Sorry to be so dull and repetitive, and obviously, morals of all kinds matter, but they're in the eyes of the beholders. So we do our best to find talent we're proud to work with, cartoons we're proud of producing, and we fight like hell to get them made.

Le Francis: Look, this is just a matter of common sense, not regulation. Parents are responsible for what their children watch; not a production company or network, not a church, not a government. I am a parent of two great kids and I think they have the proper values to know better about 'lifestyle/health issues' and 'violence thresholds' (which, from another time, includes the great Tex Avery, whose own "violence threshold" was a healthy tonic against the forces of the pompous and the self-absorbed).

Bourdon: We will work with all guidelines set down by any organization. All of our programs are about engaging children and their families around the concepts of food, healthy eating, and family time. To this end, we're following an 'entertainment-first' model to let our fun characters and clever storylines make a real impact. It's important to note, however, that our programs leverage entertainment to model health behavior instead of enforce a particular way to eat or act. This is key to what we are doing and the mandate of our company. Of course, we've formed partnerships with myriad public health and community organizations to make sure our educational content is accurate and relevant.

AWM: *What is a concern or trend you think will influence the animation biz in the future?*

Llanos Acero: First of all we think the animation biz is going to a multi-platform system. The programming offer is growing every day and there are some factors that can make your products stand up from the rest. The viewers want to be involved in the show, interaction is needed. Viewers also want to be able to watch what they want the way they want and you have to offer them not only TV content but something else. Teens want to use all their portables: phones, PSPs, Ipods, Pocket PCs, etc. for all the entertainment. Gaming, TV, Movie Playing and Music, all-in one platform and on-demand.

Right now we are working on a show called, *CoolCity*, for teenagers, where we are planning different interactive options giving the viewers the opportunity of making their own stories in different media.

Faier: I definitely feel that the multiple platforms for reaching audiences are a huge opportunity for the animation industry. The value chain is evolving in such a way that it's starting to make sense for indie producers and creators to reach the end consumer directly, or partner with companies that have the distribution streams, but are starving for quality content. The challenge, of course, is to find a way to produce cheaper without losing quality. Quality doesn't necessarily mean better animation, it means better storytelling.

Gil Lee: It might be diversified platforms or windows. Besides broadcasters and cable broadcasters, mobile, web, other new platforms are emerging.

Gamble: Producers who can hang on to their VOD rights may soon find they are able to generate new revenue streams for their content after the initial broadcast window. In this new world of reduced licensing fees, finding a new source of funds is a huge thing — more money in the budget can equal better material up on the screen. High definition gaming and blockbuster hits have savvied kid viewers; they expect programming that's bigger, better, cooler, slicker and funnier than ever. Having a new source of revenue certainly helps to achieve that.

Winkler: There are about six interrelated social/cultural/business trends developing that will completely change entertainment and advertising. Sooner than most people think.

Producers and animators should be able to benefit from all this pandemonium.

1. Disintermediation and consumer empowerment. Middlemen are being swept aside as consumers get the tools to access what they want to consume. And When. The TiVo factor.
2. On line advertising has become a huge business in the last few years and anyone, like Atom, who can aggregate a demographic that advertisers want to reach, has a very good business. The Google/Yahoo factor.
3. Collaborative filtering; software that understands consumers and makes recommendations. The Amazon/Netflix factor.
4. Social Community and Networking software. The My Space factor.
5. CGC; Customer Generated Content. (I'm running out of factors.)
6. The long tail concept. The idea that heretofore obscure, marginal, fringe content will find its audience, and vice versa, via the miracle of on line distribution. Mass-market Blockbuster Hits are no longer the only game in town.

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