

USER FRIENDLY



Tech plays leading role in return to TV and film production

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Hanish Patel (Hanish):

The world looks a lot different today than it did before COVID-19. Day-to-day life has been disrupted for consumers and businesses alike. With more free time, we're consuming more TV, movies, games, music, et cetera, than ever. But the production of content itself has been impacted. So, how will content producers resume physical production safely and efficiently? Luckily, here at User Friendly we're able to leverage remote recording technology to resume our own production and bring you a special episode dedicated to answering just that.

Today I'm joined by Susan Goldsmith and Danny Ledger, both leaders in Deloitte Consulting's entertainment practice, here to talk about their considerations for studios to restart production. Susan, Danny, great to have you on set. Welcome to the show.

Susan Goldsmith (Susan):

Thank you so much, Hanish. We're so happy to be here.

Hanish:

So, Susan, let's get started with the current situation. We've all heard about several

productions that have been paused due to the pandemic, but how extensive is it?

Susan:

So, great question to kick off, Hanish. It's no surprise when you pick up a newspaper that the production industry, the entertainment industry in general, but production in particular, has really been hit hard. Live production has been stalled since April. All of the major studios have experienced some halt in production on their big budget films.

Susan:

What we're seeing is that the studios that have the widest slates have been able to reshuffle the slate and go through a modified release schedule. Many have gone direct to consumer, but it really pales in comparison to the delays that we've seen on the live production side. Further, what we're seeing is that there's literally millions of dollars that are being lost in production costs. The short answer to your question is that the industry has been hit hard and production is feeling the pain.

Hanish:

Susan, I want to ask you, when are we likely to see all these productions start and will it be any time soon?

Susan:

Another great question, Hanish. So, there's an optimistic view, and then there's a longer term answer to your question. So, what we're seeing in our discussion with the various production heads across the studios ... For those of you who don't know, the biggest hubs of production sit in Los Angeles, Atlanta, and Vancouver, and we're seeing an optimistic view that production might start as early as late July or into August. There's been contingent restart dates in all three of those locations, but I think all of the studio heads are watching the health guidelines, the trajectory of COVID, but we are seeing, certainly, some provisional dates into the late summer. One of the other things that has to be accounted for in this time, and just to put a little bit of a nuance on this, Hanish, it's not only the studios that have to weigh in on reopening dates and how optimistic we can be.

Susan:

As many of you listening to this podcast might know, there are unions and guilds that are very heavily involved in the production industry. So, just as an example, there's the IATSE union, which stands for the International Alliance of Theatrical Stage Employees. There are guilds like the PGA, or Producers Guild of America, and these organizations were put in place specifically to protect the health and wellbeing of

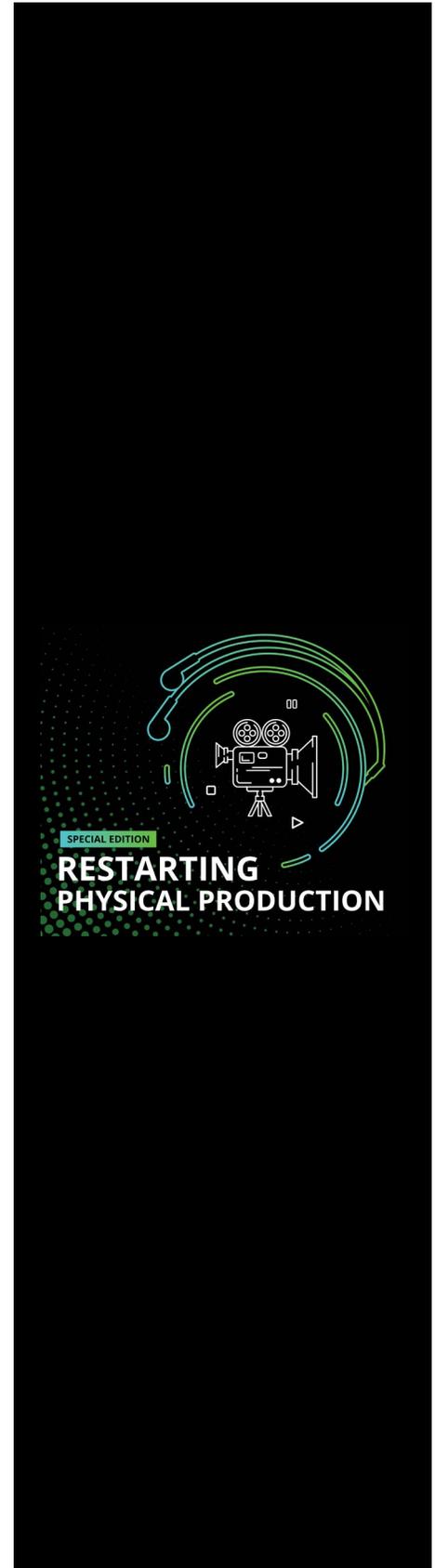
everybody who works in the entertainment and, specifically, the production industry. The leaders of those guilds and labor unions have gotten together in an industry-wide safety committee taskforce. There were about 50 people across the studios and production companies who were involved. They set up a set of guidelines that the studios are using. I can tell you that before any firm reopening happens, that committee, that taskforce, is going to need to feel satisfied that the studios can open safely.

Hanish:

Susan, I really appreciate you covering on the whole kind of element around the guilds, because those who are not intimately familiar with the whole kind of content production space won't realize the importance, and the role, that they play in that. So, appreciate you also covering that off, and it gives me a lot of food for thought back to my question as to when we will see these productions start soon. One of the things I've been certainly reading about, and I'm sure we all have, is definitely around safety, but there's a whole load of other key challenges the content creators are facing, and will be facing, as they're thinking about restarting production. I'd love for you to touch upon a number of those if you could.

Susan:

Yeah, absolutely. So, you touched on one of the biggest ones, which is the most obvious, which is the safety guidelines that will be put in place to protect all of the hands that touch the various pieces of the production supply chain. You're right, Hanish, that it's a very nuanced set of considerations. Some are economic. As an example, all large productions have to carry fairly sizable production insurance contracts. As far as we understand, the COVID exposure is unlikely to be covered under normal insurance guidelines. So, the studios are going to have to take out secondary, probably self-insurance, as a way to manage those risks. So, there's a different, very unique, and sizable risk mitigation that will need to be put in place around insurance.



Susan:

Secondly, if you can imagine all of the studios have pent-up demand and have many productions that are more than likely going to look to start at once. If you think about where live production takes place, and the sound stages, all of the various employees who come together, there's going to be a pent-up demand, and the scheduling and just sheer administration of restarting to make sure that demand, that there's literally enabling space, and props, and people, all of those are going to need to come in as considerations.

Susan:

We've been talking about the restart of production from a technological perspective, from a liability, from a financial perspective, but at the end of the day, this is a . . . restarting production is largely a talent issue because it's not only guaranteeing the health and safety of employees as a way to not spread the disease and such, but employees are going to return to work with a very, very different set of expectations. And I think if the studios don't address this as a talent issue, there's going to be massive morale issues that are going to need to be dealt with, and given the war for talent, if a studio isn't perceived as taking care of their talent, their people, those people will go someplace else. And that will create even more pressure in the system.

Hanish:

I mean, it's no small undertaking. Feels like just as hard as making a movie as it is to manage around all of this restarting of production. So, to that point and, Susan, you kind of teed up Danny wonderfully there. So, Danny, I do want to pivot to you and really understand with the backdrop that Susan has provided, what's Deloitte's perspective on managing these challenges to safely resume production?

Danny Ledger (Danny):

Hey, Hanish, thanks for having me on the call. So, we see this as a really multidimensional problem. As Susan mentioned, there's many different aspects to this other than just health and safety guidelines and how do you apply those to a

set or a stage. What we're really seeing is that a lot of our studio clients out there in the market are actually building these get-back-to-work communities that are really focused on how do we get cameras rolling again. They're taking a very phased approach,

Danny:

... which we agree with. And really, there's kind of four core elements to that phased approach. The first is outlining the recovery plan itself and strategically looking at all the different aspects that will be changing in the physical production environment, including potentially reshuffling the slate and considering different locations to shoot in, for example. Second is going through and defining those procedures and protocols that will be implemented and then really testing and certifying them before production starts. Last, we're recommending a concept that we call command center or mission control, where a studio sets up their production operations to enable the active monitoring and stabilization of productions and certifying and testing those processes, again, on a regular basis.

Danny:

There's a concept that's been issued in the guidelines that Susan mentioned called a health or safety compliance officer. And we see it as one of the critical keys to success to have that compliance or safety officer really armed with real-time information and data so they can actively monitor and manage the set or shoot, and to be able to take the preventative actions, such as potentially deep cleaning a set, for example, if there is an outbreak or exposure, but also being able to predict. So, if they can use data and information, for example, to look at where there could be potential hotspots, like Atlanta, for example. Maybe there's a scenario where there's a peak in COVID cases, so therefore there would be some decisions that need to be made at the studio level to potentially delay shoots or to look at alternative locations. So those are just a few of the key examples, Hanish, of where we're seeing trends around managing the different aspects of resuming production.

Hanish:

I mean, certainly anyone in the business knows that the sooner they can wrap up a scene or wrap up a set, it helps economically in a massive way. Some of the things that have been highlighted there, no doubt, are going to hurt in terms of time it takes to get a set ready, get approved, certified, as you talked about. I imagine there has to be some element of technology that could be quite interesting and useful when it comes to managing a production restart. And wonder if you've got any perspectives on if there's a solution out there from a technology perspective that could really help the studios in a COVID-19 environment.

Danny:

Yeah. There's definitely been a lot of, I'll call it, noise in the system with a lot of different solutions being proposed to different studios. The one that probably comes up most frequently is the concept of tracking and tracing. And it's kind of, there's an app for that, is how I like to describe it. There are tons of apps on the market, but really having just an app that does tracking and tracing is really just a fraction of the solve here.

Danny:

What we've done at Deloitte actually is build a solution that we've taken a page out of the playbook of healthcare and life sciences. It's called MyPath to Work. And what it is, fundamentally, is a solution that was deployed originally for individual patient care in clinical trials that does more than just tracking and tracing. It has all the different steps that are needed to help an individual manage their healthcare if exposed. It has all the data and analytics to help studios and the compliance officer I mentioned earlier manage day-to-day production operations. Plus it has the ability to do things that are pretty technology advanced in terms of using data safeguards and security protocols to manage and secure healthcare, private PII information and data in secure ways.

Danny:

And so to me, that's really what needs to be deployed. It's a comprehensive solution that manages the entire journey of coming on set, working on set, and then what happens when there's exposure and being able to have that information and data available to action and decision real time.

Hanish:

Let's dig into MyPath to Work a little bit more if we could. How specifically could this be used by a content producer then?

Danny:

Yeah. It's actually a really great solution that helps address the guidelines that Susan mentioned earlier directly. It actually has a lot of the different capabilities to solve for some of those recommendations. So the first one is, let's just say, for example, I'm a camera operator and part of the guidelines require me to take a self-assessment survey to answer a series of questions, in terms of my temperature, if I've traveled or been exposed to anyone that has COVID in the last few days. So, there's a self-assessment survey that happens through the app, and that's the first checkpoint along the journey. Once I pass that self-assessment, I'm actually given what's called a work pass. And so that work pass is the authorization for me to come in to work that day, to go on set, or to go to the lot. And I actually show that pass to the security gate or the guard on lot, or I could integrate the app with the security badging system and just scan my QR code as I would show up to the lot.

Danny:

Then let's say, for example, I've passed the self-assessment survey and all of a sudden I start feeling unwell. Well, likely there'll be a healthcare professional on the lot to take care of individuals who feel unhealthy. Say they do a temperature check, then maybe they do one of the rapid COVID tests. In that case, if I do turn out positive, I can actually identify myself as testing positive in the app. And that triggers a whole series of workflow that allows me to notify the compliance officer on set, it allows me to notify my

HR or my benefits manager to let them know that I've self-identified and tested positive, plus it can also notify a healthcare professional and start the actual recovery path to help me, as an individual, start to go down the path of recovery and educate me on what steps I need to take and how I should protect myself and my family and friends around me.

Danny:

And all that information that's captured along each of those steps in the journey is data that's recorded and provided back to a studio or to a compliance officer on set in terms of real-time data analytics. So to me, that's really what the industry needs. In order to get actors kissing on screen again, you're going to have to have these end-to-end capabilities that allow you to manage every different aspect of the journey, plus enable the tracking and tracing that we hear so much about in an industry. So, for example, we've heard about some ...

Danny:

... different films and TV episodes starting to look at multiple day parts. So maybe there's a day crew and a night crew. Well, if people start to get exposed, I need to be able to manage that shift schedule and then have alternatives standing by so I can pull them into an actual production. So, all those aspects are provided in terms of data and analytics that really drive this business level insight that a lot of the tracking and tracing apps, as I mentioned earlier, don't provide. And so that's how we see ourselves kind of enabling the productions to restart following the guidelines in a safe and secure way.

Hanish:

So I want to springboard what you said at the end, just safe and secure. Obviously safety is no doubt paramount to everybody, so what should companies look for in a technology solution that allows them to resume physical production, but also give peace of mind to their talent and the crew who are, again, going to be concerned about their safety?

Danny:

Yeah, let's start with tracking and tracing. The first thing that I want everyone to keep in mind is that privacy is obviously top of mind in that it's important that any tracking and tracing technology be based on consent. So allowing the individual to grant permission or to give their consent to allow tracking and tracing in the first place. The second thing that's interesting about productions is that we know that typically cell phones or mobile phones aren't allowed on set, or there's some hesitation from cast and crew to want to have apps downloaded on their personal devices. So, there's got to be other ways and alternatives to look at effective tracking and tracing. So, for example, we've looked at things like wearables or RFIDs or other devices that could allow the tracking and tracing. But again, based on consent, but then integrate back into a technology solution like MyPath, so all the data is still tracked and recorded and reported on. The other important aspect of this is all the data security safeguards and certifications. So, any solution that the studio would look at must meet the baseline or the minimum standards around HIPAA, GDPR, and California CCPA. Having the data layer and protection to protect that sensitive individualized healthcare information is paramount. And I would argue that no studio or no production company wants to be in the business of managing that data. So finding a trusted partner that has those certifications and capabilities, that can really be the partner in your corner as you go through this challenging time, is going to be paramount.

Danny:

And lastly, I think there's a question around the solution itself and scalability of that solution because I believe, my opinion is that COVID is not going to go away anytime soon. And even if it did, this should become the next normal. So being able to have these capabilities to run productions effectively, safely, and efficiently is going to be paramount going forward. And I think having a solution that's scalable, safety in terms of data security and privacy, and being able to really help enable productions no matter where they take place globally as well. I think those are all some of the key considerations.

Hanish:

Based on, as you said, it's not going to go away anytime soon. So I want to pivot a little here and, Susan, I'd be interested in your take on, for any production house or studio planning their restart, what are the next steps for them, given the backdrop that Danny's just outlined and what you said earlier around the guilds and everything being put into place.

Susan:

I mentioned this before, Hanish, in some of my introductory comments, and Danny touched on this as well. There's a short- and a long-term view around moving forward from this point. From a short-term perspective, all of the studios have to put in place things that are going to not only satisfy the guilds, but from an employee perspective, they need to put in place safe procedures. And that is first and foremost. But I think that truly from a long-term perspective, and Danny just said this, this isn't a problem that's going away. And we're seeing that COVID is acting as an accelerant direction that the studio's moving in anyway. Moving to more virtualized production experiences, getting very creative around production.

Susan:

And certainly, where live production is concerned, which is why I think a solution like MyPath is so compelling, is it's a hardened solution that changes the fabric of how the production team is managed from a health and safety perspective. And it isn't a blip on the screen. All of the studios are going to need to put in place procedures that can live on. And for that reason, I think a long-term view is really needed.

Hanish:

So, Susan, Danny, we've talked a bit about here in terms of just some of the adjustments, I'll call it, or considerations that established production houses and studios will need to take place, but let's pivot a moment for potentially someone who's thinking about setting up a studio, setting up a production house, a small independent, where do they stand on this?

Susan:

Yeah, I'll kick it off, Danny, and then you can respond. Hanish, it's very interesting when you take a step back and you look at the production ecosystem. You've got very established players, the established studios in the locations that I've talked about, Vancouver, Atlanta, Los Angeles, but what we're seeing is newer entrants into the ecosystem, smaller, more independent production houses that are not as entrenched in ways of doing business. And I think that this period of time is going to create an interesting opportunity for some of those new entrants to starting a studio from whole cloth and baking in not only the different emphasis on health and safety and those guidelines, and better use of technology to do those things, but also a level of agility working with producers. And even around something as simple as scheduling and, again, leveraging technology to be more agile, address the pent-up demand. And there again, they're not as entrenched in old ways of doing production that we've seen. Danny, I'm sure you would like to comment on this.

Danny:

Yeah, I agree. And I think those new entrants who can think about and deploy capabilities that minimize the risk of production delays, and have both the technology capabilities, as well as the physical space, construction, design, and layout, that minimize exposure and potential risk of contracting COVID are going to be very interesting and likely high-demand areas where new productions would look to film first, because they're going to help minimize those risks. Because, at the end of the day, the biggest risk here is not just the individual risk, of course, but it's also the risk to delays in the production schedule and what that means from a financial impact perspective. And I think, Susan, to your point, there's some interesting things happening in the industry that could be disruptive and could also help accelerate how these new productions are managed and delivered over time.

Hanish:

I mean, no doubt. I mean, this is, for me, such a fascinating topic. I could probably keep you on this episode forever, but I know I've got to close out. I mean, there's certainly no doubt that these are unique times for all of us that are involved in and around content production, which naturally calls upon innovative but proven solutions to restart safely. And when I think about everything the both of you have said, that even though the pandemic has caused movie theaters to shut down, studios are certainly finding new avenues for distributing, releasing titles on video on demand platforms. And as studios begin to prepare to get back, it will certainly be important to safeguard the talent and the crew, and manage the risks and the liabilities. And from what I've heard today, the good thing is that with the guidelines and the technology to enable safe practices, there certainly is a path forward to restarting production. And with that, I want to thank you, Susan Goldsmith and Danny Ledger, for joining me today to cover this fascinating topic, and timely topic, I would say. And until next time, happy listening.

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