

SPOTLIGHT ON A GLOBAL STAGE

Ireland's entertainment industry is perfectly placed to reap the benefits of the revolutionary fusion of technology and media – but it needs careful management

There's an incredible expansion happening in the international film and television industry and Ireland is perfectly positioned to get caught up right at its centre. Sitting comfortably between the US and UK industries, with an attractive tax credit of 32 per cent, English language fluency and a cultural cachet that feeds the imaginations of media and technology professionals alike, we're facing into a great opportunity – but our next moves are crucial.

All indicators are reflecting rapid international growth – huge networks such as HBO are doubling their original series content budgets to almost \$2 billion, streaming platforms like Netflix have conquered almost every country in the world, and cable providers are battling to outdo each other to provide better broadband delivery, multiple recording options and that key driver of demand: customer choice. It's a perfect storm – the challenge is to keep up.

John Gleeson of Grant Thornton is easily one of the most experienced film finance professionals in the country. He moved to the firm two years ago, having previously spent six years building one of the largest film and TV financing businesses in the country on the back of the former section 481 fundraising scheme.

It's no surprise that his expertise found a



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ready home at Grant Thornton. Globally the firm has positioned itself to dominate what's become known as the TMT sector – technology, media, telecoms – and, with Ireland providing producers with one of the most favourable tax credits in the world for movies and television shows, it makes perfect sense that Grant Thornton Ireland should be ready to lead.

Since he began, the team he set up has grown from three to 12 people, expanding to keep pace with the rapid delivery of international projects here. Ireland has delivered a phenomenal array of titles in recent years including *Star Wars*, *Room*, *Vikings*,

and *Penny Dreadful*. Gleeson and his team have worked on most of them.

Right now Gleeson's vision is on the horizon where he sees a great merger taking place – that of technology and media, for decades two parallel but separate industry tracks. Cable providers such as Sky and on-demand subscription platforms like Amazon Prime are behaving like media companies, he says. They are creating and delivering content at a pace and standard that is dominating the industry and changing the way we consume. It's creating an overwhelming demand for content that even the biggest names in entertainment are struggling to meet.

Driving change

As Gleeson unpicks this scenario he gives such a clear insight into the industry that the smoke and mirrors that normally separate the consumer from the producer are suddenly removed. As he talks, what becomes clear is the power that's driving change – whoever controls the content controls everything else: the way advertising is spent, how platforms develop, the cost of crews, the rate for screenwriters. The entire industry is experiencing a ripple of change that's tearing through old ways of working. And it's very exciting.

Will Ireland participate in this? They al-



ready are. This year's Oscar line-out was a great tribute to the decades of work undertaken by the IDA and the Irish Film Board – Irish films, Irish cast, Irish crew putting Ireland as a location centre stage again.

Brown Bag Films, the Irish animation studio who produce *The Octonauts* and *Doc McStuffins* among others, is another acknowledged leader and no stranger to the Oscars. Over 22 years they've grown to become one of the biggest animation studios in Europe and by the end of this year will employ at least 200 people in Dublin, with another 40 in their offices in Manchester – set up to balance the shortfall in skilled staff in Ireland. Right now, there are more than 20 open vacancies on their website for 3D animators, lighting supervisors, FX artists and more.

Brown Bag work with every major anima-

JOHN GLEESON
Partner and Head of Media
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tion house in the world, including Disney, Nickelodeon, BBC and Amazon. This diversity of publishers is not by chance but engineered to enable them to grow in a stable way. Co-founder Cathal Gaffney prefers a diversity of productions that allow him to share the risk of losing one project over another. Bigger is only possible if it's better, he says.

They're process driven, he explains, and quality productions drive that growth. Once you're focused on making programmes for children rather than broadcasters the work emerges in a way that has a better chance to succeed, he adds. The environment here is good but, for Gaffney, recruitment is the biggest issue.

Helping a company navigate the process of growth required to match Brown Bag's success is something that John Gleeson

and his team set out to excel at. He references other companies that are attempting to scale or indeed feeling obliged to scale to preserve their reputation. Such is the demand for content production that companies here and abroad are being forced to expand to be able to take on the work that is being offered them.

Global players

There are established companies that are being offered 50 productions a year from major global players but they can only take on 15. The only way to take on more is to expand. It's the management of that expansion that is crucial. It comes with risk but also huge opportunities.

There are other obstacles too, he explains. The €70 million cap per production per year is still in effect when "tentpole productions" – the big budget movies that keep a studio in profit – are in excess of €100 million. Also, the section 481 tax credit's so-called "sunset date" is still set for 2020. In international production terms that's just around the corner and creates an unnecessary level of risk for those trying to attract inward investment here.

The knock-on effects of a thriving film industry are countless, *Star Wars* and *Vikings*

are a case in point. Not only are local cast and crew employed but the ancillary spend, the tourism boost and the international profiling of the country are hard to quantify.

It's a great picture of success and one that needs careful management to attain – but also offers opportunity for the Irish industry that it has never experienced before. The future on screen is bright and John Gleeson is poised to help it succeed.