

***Alliance Atlantis Communications:  
The Emergence of a Canadian  
Contender in the International  
Media Milieu***

**Marsha Ann Tate  
College of Communications  
The Pennsylvania State University  
University Park, Pennsylvania**

# Study Introduction

## Overarching Question

What have been the experiences of Canadian-based media companies in the increasingly globalized media economy and how do their experiences inform the structure and strategies of media enterprises in other mid-sized countries like Canada as this economy continues to develop?

# Theoretical Framework

- **Theoretical Framework Used: *Political Economy***
- **Rationale for Using a Political Economy Framework**
  - **“Calls attention to the fundamental forces and processes at work in the marketplace.”** (Mosco, 1996, p. 25)
  - **Traditional emphasis upon understanding social change and historical transformation.**
  - **Multidisciplinary (i.e., “spans the range of problems that today tend to be situated in the compartments of several academic disciplines”).** (Mosco, 1996, p. 29)

# Theoretical Framework

## Basic Assumptions

- ❖ The globalization process, especially of the communications and economic systems will continue to accelerate over the coming years.
- ❖ National governments can still exert influence upon globalization and allied processes.
  - However, the extent of governmental influence is situational and may vary widely across cases.
- ❖ The United States' economic, political, and cultural influence (both regionally and globally) will steadily diminish over the coming years.
  - The resulting power vacuum will allow “middle power” countries such as Canada to increase their economic and political stature both regionally and internationally.

# Theoretical Framework

## Basic Assumptions

- ❖ The Canadian government has an obligation to protect Canada's cultural, economic, and political interests.
- ❖ Privately owned Canadian media corporations have an economic imperative to take advantage of the demand for audiovisual content in both traditional and new formats not only within the Canadian audiovisual market but the North American and international markets as well.
  - Nonetheless, the corporations also have cultural and other obligations to Canada and its citizenry.

# Theoretical Framework

## *Definitional Dilemma:* Myriad, often conflicting definitions of key concepts

- **Political Economy**

- “The study of the social (and economic) relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources.” (Mosco, 1996, p. 25)

- **Culture (Specifically, Canadian Culture)**

- “A kind of transparent storage system containing information of constantly changing content and meaning—primarily...a shifting record of important symbols.”  
(Gordon Fearn, 1973)

- **Globalization**

- The “increased mobility of goods, services, labor, technology, and capital throughout the world.”  
(Government of Canada, 2006)

# Theoretical Framework

## Additional Challenges Associated with a Political Economy Framework

- Heterodoxy
- Less precision than neoclassical economics and natural sciences
  - Many variables
    - Difficult to isolate individual variables

# Methodology

- **Case Study of Alliance Atlantis and Its Predecessor Companies**
  - Examination of the companies' development within the Canadian, North American, and global media milieus
    - *Time Frame: Early 1970s to January 2007*
- **Historical Research**
  - Selected evidence analyzed:
    - CRTC decisions, hearings, notices, and orders
    - Ontario Film/Media Development Corporation and Telefilm Canada documents
    - Alliance Atlantis Communications' annual and quarterly reports
    - North American media industry trade papers
      - *Cinema Canada, Film & TV World, Playback, Variety, Hollywood Reporter*
    - Newspaper articles
- **Supplemental Research**
  - *Due South* studies
  - Observation/Participation
    - Observer/"background" for Robert Lantos-produced, Alliance Atlantis-distributed feature film *Men with Brooms'*
  - Formal interviews, informal discussions, and/or email correspondence with various individuals associated with Alliance Atlantis Communications and/or the Canadian film and television industries
  - Attended the National Screen Institute (NSI) in Winnipeg, Manitoba and the Atlantic Film Festival in Halifax, Nova Scotia

# Study Parameters

- **Primary focus** => Toronto, Ontario's English language production sector
  - Specific focus** => Alliance Atlantis Communications and its predecessor companies' development within the sector and in the broader North American and international media marketplace
- **Major Limitations of the Study**
  - Information access restrictions
    - **Formal government access restrictions**
    - **Privacy considerations**
  - Many issues were not addressed in the greatest detail possible owing to the scope of the project

# Factors Guiding the Selection of Alliance Atlantis Communications for the Case Study

- **Canadian owned and operated company**
  - Not a U.S. or other foreign subsidiary
- **Company publicly traded**
  - Public status affords greater access to the firm's financial data
- **Company actively involved in the Canadian, North American, and international media markets**
- **Alliance Atlantis and predecessors' history spans 1970s-2000s**
  - Period marked by numerous regulatory, market, and technological changes

# Guiding Questions Addressed in the Study

- 1. What role have the structure and performance of the Canadian, U.S., and international media markets played in Alliance Atlantis Communications and its predecessor companies' development and production activities?**
- 2. What role have domestic and foreign regulatory policies, as well as subsidy programs played in shaping the development of Alliance Atlantis Communications and its predecessor companies?**
- 3. What role has entrepreneurial skills played in shaping the development of Alliance Atlantis Communications and its predecessor companies?**

# Guiding Questions Addressed in the Study

4. **How successful has Alliance Atlantis Communications been in the emerging global media economy?**
5. **What, if any, lessons can be drawn from Alliance Atlantis Communications and its predecessor companies' experiences in the Canadian, U.S., and international media markets?**

# The Canadian Media Landscape

- Canada's geographical proximity to the United States, combined with historical and social commonalities between the two countries provides ideal conditions for *cultural spillover*.
  - Sources of "cultural spillover": Television programming, music, feature films, books, magazines, the Internet
- Canada's geographical proximity to the U.S. also includes a psychological dimension
  - Canadian "low self-esteem"
  - Continual comparisons to the United States

# The Canadian Media Landscape

Geographic Proximity to the United States  
= *"Sleeping with an elephant"*

"Living next to you [the United States] is in some ways like sleeping with an elephant: No matter how friendly and even-tempered is the beast, if I can call it that, one is affected by every twitch and grunt."

Pierre Trudeau

# The Canadian Media Landscape

- **Small domestic market size**
  - Market further segmented into English and French language submarkets
- **Hollywood-centric**
  - Canadian media market inundated with U.S. media products
- **Anglophone Canadian audiences have traditionally preferred U.S.-produced films and television programming over indigenous Canadian productions**
- **Canada's film and television industries have economic and cultural imperatives**
  - Promotion of indigenous "Canadian culture"
  - Recently, economic imperatives have become increasingly important for both the government and Canada's cultural industries.

# The Canadian Television Landscape

- Canada's broadcasting system comprised of public (e.g., the CBC), private, and community elements
- Canadian Radio-television and Telecommunications Commission (CRTC)
  - Statutory authority over Canada's broadcasting and telecommunications systems
- Canadian television production sector heavily subsidized by federal, provincial, and local governments
  - Tax credits
  - Public, public/private, and private funding programs
  - Marketing and other assistance programs

# Canadian Government Regulatory Intervention in Broadcasting

- **Simultaneous Signal Substitution**
  - Occurs when a Canadian broadcaster inserts the signal of a local or regional Canadian television channel on the channel of a more distant station (e.g., a U.S. station).
- **Canadian Content Quotas**
  - **CBC:** 60% of overall schedule must be devoted to “Canadian” programming.
  - **Private stations:** 60% of daily (i.e., 6 a.m.-midnight) and 50% of evening broadcast time (i.e., 6 p.m.-midnight) must be devoted to “Canadian” programming.

# Canadian Government Regulatory Intervention in Broadcasting

- **CRTC's Licensing of Stations**
  - Power to place additional conditions on new licenses or renewed licenses
  - Licenses normally need to be renewed every 7 years
- **Foreign Ownership Limits for Broadcasting Undertakings (Broadcasting Act)**
  - 20% of voting shares (maximum 33.3% in the case of a parent corporation)
  - Forbids acquisition of control by non-Canadians
- **Government Review of Foreign Investments**
  - Direct acquisitions > C\$5 million
  - Indirect acquisitions > C\$50 million
  - Investments falling below above thresholds can still “become subject to review should the Governor-in-Council decide to seek a review of the transaction.”

# Types of Canadian Productions

- **Indigenous Productions**
  - Canadian producers, actors, etc.
  - Smaller budgets
- **Treaty Co-productions**
  - Canadian and foreign partner receive maximum government subsidies
- **Co-ventures**
  - Non-treaty productions (e.g., U.S.-Canadian productions)
  - Eligible for “limited” government subsidies
- **“Runaway Productions”**
  - Two types:
    - Economic runaways
    - Films requiring a specific location that can't be duplicated on a set or elsewhere in the home country

# Alliance Communications' Corporate History

- **Early 1970s:** Robert Lantos and Victor Loewy form **Vivafilm** in Montreal
  - Lantos purchases rights to winning films at the New York Erotic Film Festival
  - Films screened during McGill University's Winter Carnival
  - **Following year:** McGill University declines to sponsor screening of sequel films → Lantos and Loewy opt for commercial release (i.e., birth of Vivafilm)
- **1975:** Lantos partners with Stephen J. Roth to form ***RSL Films (later renamed RSL Entertainment)***
  - RSL initially focuses upon the production of:
    - **Films for theatrical exhibition**
    - **Films for direct-to-video market**
    - **Movies for U.S. premium cable channels**
    - **Television series for U.S. broadcast networks and others**
  - Company specializes in production of low-cost sex-romps, erotic thrillers and mysteries

# Alliance Communications' Corporate History

**1985:** RSL Entertainment merges with Montreal-based International Cinema Corporation (ICC) to create *Alliance Entertainment Corporation*

- ICC specialized in production of English and French language 'hybrid' feature films and television miniseries
  - Company headed by Denis Heroux (Montreal) and John Kemeny (Los Angeles)
- Heroux, Kemeny, Lantos, and Roth are equal partners in the newly formed company

# Atlantis Communications' Corporate History

- **1977:** Atlantis Films formed by Queen's University students Janice L. Platt, Michael MacMillan, and Seaton S. McLean
  - Company started on C\$150
  - Initially makes documentaries
- **1978:** Company sets up operations in Toronto
  - Produces films for industry and government
- **1980:** *The Olden Days Coat*
  - Production marks the company's shift in focus to drama (e.g., adaptations of short stories and other literary works) as well as variety
- **1983:** *Boys and Girls* wins Academy Award for Best Short: Live Action
- **Mid 1980s:** Company expands into the production of television series for Canadian, U.S., and other foreign broadcast and premium cable networks
  - **Examples:** *Ray Bradbury Theatre* (HBO, USA Network), *Airwolf* (CBS, USA Network)

# Atlantis Communications' Corporate History

- **1983: Atlantis Television International Inc. (ATI) founded**
  - International distributor for Atlantis productions
    - Later distributes outside projects as well
- **1986: Cinevillage founded**
  - 4 acre film and video production center in downtown Toronto
    - "Greatest concentration of film-related services in Toronto"
  - Co-owned by Atlantis Films and P.S. Production Services Ltd.
- **1987: ATI becomes *Atlantis Releasing***
  - International distributor for variety of productions (e.g., adult, family, children's; series, miniseries, made-for-tv movies)
    - "sells directly into virtually all world markets"
  - Establishes offices in Toronto, Amsterdam, London, and Sydney

# Atlantis Communications' Corporate History

**“A potent mix of artistic idealism and tough business thinking has made Atlantis Films a leading Canadian producer.”** *Canadian Business*

# Major Factors that Influenced the Developmental Trajectories of Alliance Communications and Atlantis Communications During the 1980s and 1990s

## Canadian Government Regulations and Programs

- Cultural exemptions from CUFTA, NAFTA, and GATT
- Canadian content requirements placed upon Canadian broadcasters and cable networks
- Canadian federal and provincial subsidy programs
- Telefilm Canada and Ontario Film Development Corporation (OFDC) marketing and promotional initiatives
  - *Example: Marketing Assistance Program (MAP)*
- **1995:** Canadian federal regulations changed to allow Canadian media companies to issue up to 1/3 of their voting shares outside Canada
  - Previous limit = 20%
  - New regulations also allow unlimited number of non-voting issues to be issued internationally

# Major Factors that Influenced the Developmental Trajectories of Alliance Communications and Atlantis Communications During the 1980s and 1990s

## U.S. Government Regulations

- **Prime Time Access Rule (PTAR)**
  - **Rule originally implemented in 1971**
  - **Limited network affiliates in the top 50 U.S. markets to three hours of network prime time programming from Monday through Saturday nights.**
    - Increased the demand for syndicated programming
- **Financial Interest and Syndication (“Fin-Syn”) Rules**
  - **Rules originally implemented in 1970**
  - **Prohibited U.S. broadcast networks from:**
    - Holding a financial interest in the television programs they aired beyond first-run exhibition
    - Creating in-house syndication arms, especially in the domestic market

# Major Factors that Influenced the Developmental Trajectories of Alliance Communications and Atlantis Communications During the 1980s and 1990s

## Technological and Market Factors

- Growth and segmentation of cable networks in North America
  - **“Smaller piece of the financial pie” situation**
    - Necessitated the pooling of financial resources among networks, studios, and others to produce programming for the numerous outlets.
- Expansion of the global audiovisual marketplace
  - **Rapid diffusion of VHS and later DVD technologies**
- Lower overall production costs in Canada vs. the United States
- Ability to produce films and TV shows comparable to U.S. productions
- Popularity of “event” programming (i.e., miniseries and made-for-television movies) on U.S. networks

# Major Factors that Influenced the Developmental Trajectories of Alliance Communications and Atlantis Communications During the 1980s and 1990s

## Being a Canadian-based Company

- Canada serves as a “cultural half-way point” between the U.S. and Europe
- Canada also has cultural ties to Australia
- Canada is connected to two major film and TV markets—the U.S. and Europe
  - “well positioned as a middle-man”  
*Metropolitan Toronto Business Journal*

# Alliance Communications and Atlantis Communications' Activities During the 1990s

## Both Firms:

- Actively involved in production, distribution and other activities
  - **Vertically integrated enterprises**
- Assume majority/minority interests in Canadian cable networks
  - ***Alliance* = 55% ownership of Showcase**
  - ***Atlantis* = Controlling interest in the Life Network; 28% ownership of YTV**
- Expand their business relationships with U.S. and other foreign media companies
  - **As of November 1995, New York-based Interpublic Group of Companies owns 19.99% of Atlantis Films**
  - **1987: Alliance merges with Canadian-owned, Los Angeles-based Robert Cooper Productions**

# Alliance Communications and Atlantis Communications' Activities During the 1990s

**“These Canadian producers are the entrepreneurs of the '90s because they are brilliant at seeing where things are going. They are even better at this than the Americans.”**

**David Plant, Assistant Film Liaison for the City of Toronto, May 1991**

# Television Enters the “New Millennium”

- *The Digital Revolution*
  - International growth of Internet-based services
  - Impending North American changeover to digital television broadcasting
- **Deregulation and trade liberalization**
  - **1991-1995:** Relaxation and later elimination of the Financial Interest and Syndication Rules (Fin-Syn) in the United States
- **Global media consolidation**
  - Multiple mergers and acquisitions within domestic markets and across borders
  - Vertical and horizontal integration

# Television Enters the “New Millennium”

## Major Transitions in the North American Television Market:

- **Broadcast and cable networks emphasize low cost, high margin programming**
  - **U.S. broadcast networks drastically reduce or stop airing movies-of-the-week, miniseries, and other “event” programming**
- **Growing popularity of “factual”/reality programming with viewing audiences**
- **Change of ownership and “rebranding” of numerous cable networks**
  - **Rebranding efforts affect the types of programming aired**
  - **Attempt to make networks profitable**
    - **Narrowcasting = Smaller “niche” audiences**

# 1998: Merger of Alliance Communications and Atlantis Communications

## Atlantis Communications

- Production expertise in:
  - **Children's programming**
  - **Science fiction-themed programming**
- Television distribution expertise (Atlantis Releasing)
- Ownership interests in Canadian cable networks (e.g., Life Network, HGTV Canada) as well as other Canadian media companies (e.g., Great North Communications, Salter Street Films, Soundmix)
- 50% ownership in Cinevillage complex

## Alliance Communications

- Production expertise in:
  - **Drama programming**
  - **Movies-of-the-week, miniseries**
- Selected programming aired on U.S. "Big 4" network primetime schedule (e.g., *Due South*, various miniseries, MOWs)
- Film, television, and video distribution expertise
- Ownership interests in Canadian cable networks (e.g., Showcase)

# Alliance Atlantis Communications Operating Groups, 2000

- **Television Group**
- **Motion Picture Group**
- **Broadcasting Group**

# Alliance Atlantis Communications Operating Groups, 2000

## Television Group

- “Among the largest television producers worldwide”
- “Creates, acquires, and distributes a balanced mix of drama and children’s programming”
  - Drama focus= “high impact television movies and miniseries”
  - AAC Kids (children’s programming)
- Licenses ancillary rights for the global market (i.e., “over 400 broadcasters in over 200 countries”)
- Expands into non-fiction television programming
  - Acquires Great North Communications, Canada’s largest independent producer of non-fiction programming
- Risk mitigation policy => “80% of all production costs must be covered by third party commitments prior to the commencement of filming”

# Alliance Atlantis Communications Operating Groups, 2000

## Motion Picture Group

- “Acquires, creates and distributes theatrical motion pictures worldwide.”
- Produces small number of films (e.g., 6 films in FY2000)
  - Production focus=“upscale, director-driven, motion pictures in the art-house genre”
  - Does not compete with Hollywood blockbusters “that require increasingly larger amounts of capital.”
  - Budgets usually in C\$2-\$10 million range
    - Typical film=> “70% of production costs covered by third-party commitments before shooting begins”
    - Group occasionally produces a larger budget production; however, it adheres “to the 70% pre-financing yardstick to mitigate risk”
- Alliance Atlantis Cinemas
  - Launched in early 1999 to support the Company’s “art house” film distribution business
  - Jointly owned with and operated by Famous Players

# Alliance Atlantis Communications Operating Groups, 2000

## Broadcast Group

–Owns wholly or in part eight specialty television networks

–Also, exclusive sponsor in Canada for U.S.-based *The Health Network*

Showcase (100%)	Life Network (100%)
HGTV Canada (67%)	History Television (88%)
Series+ (50%)	Historia (50%)
Headline Sports (48%)	Food Network Canada (51%)

# 1999-2000: Initial Repositioning of Alliance Atlantis Communications

- Company begins transitioning from a *production-centered* media enterprise to a *broadcasting-centered* enterprise
- Emphasizes branding, packaging, and marketing of audiovisual products
  - Enters into partnerships with well-known “brands”
    - National Geographic
    - BBC
    - Food Network
- Actively pursues “attractive” broadcast assets
- Concentrates in-house production upon children’s programming and non-fiction documentary programming
- Launches UK motion picture distributor Momentum Pictures
  - Strategic partnership with Kinowelt Medien AG of Germany

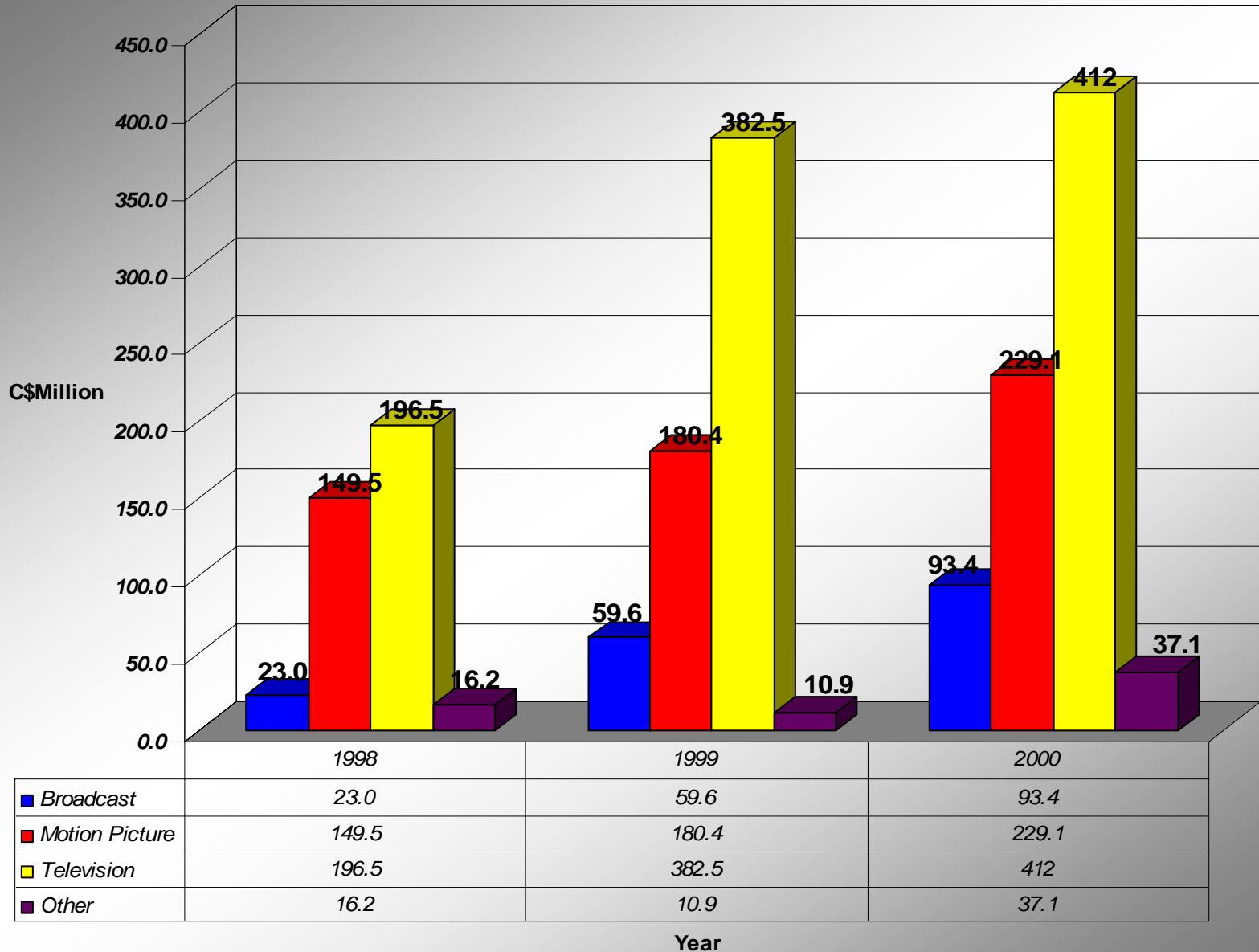
**“Successful companies in the future must occupy the strategic ‘sweet spot’—the place where the business and art of content creation and ownership (our traditional business of film and television production) intersects with the business and art of content marketing and packaging (our newer business of well-branded specialty networks).”**

**Michael I. M. MacMillan, “Letter to Shareholders,” in *Alliance Atlantis Communications Inc. 2000 Annual Report***

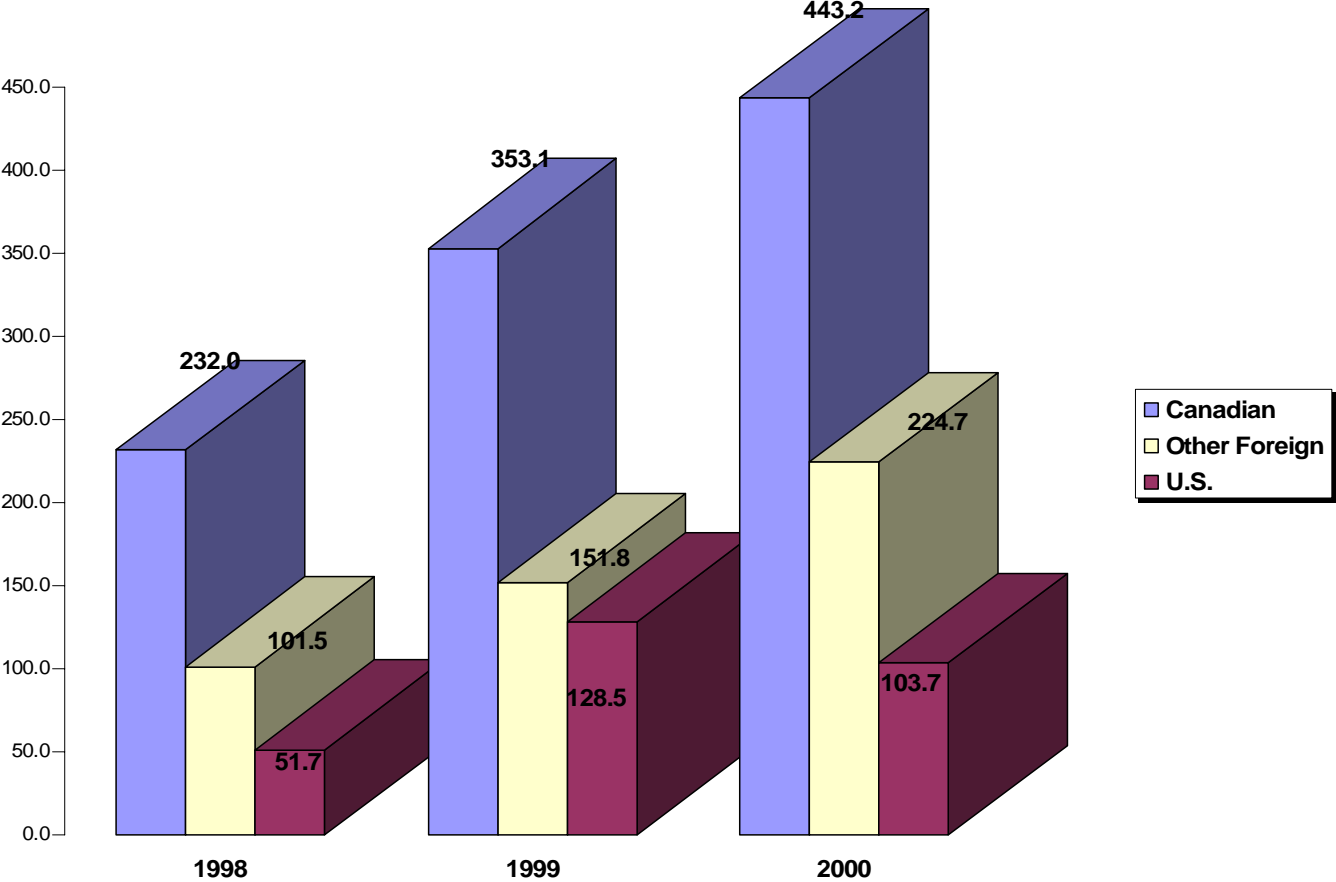
**"We expect that our Broadcast Group, by virtue of our clearly defined and vertically-themed channels, will be the most important engine of growth for Alliance Atlantis in the years ahead. It is in this core business that management's time and the Corporation's capital will be concentrated."**

*Michael I. M. MacMillan, "Letter to Shareholders," in Alliance Atlantis Communications Inc. 2000 Annual Report, p. 12.*

# Alliance Atlantis Communications Revenue by Operating Group, 1998-2000

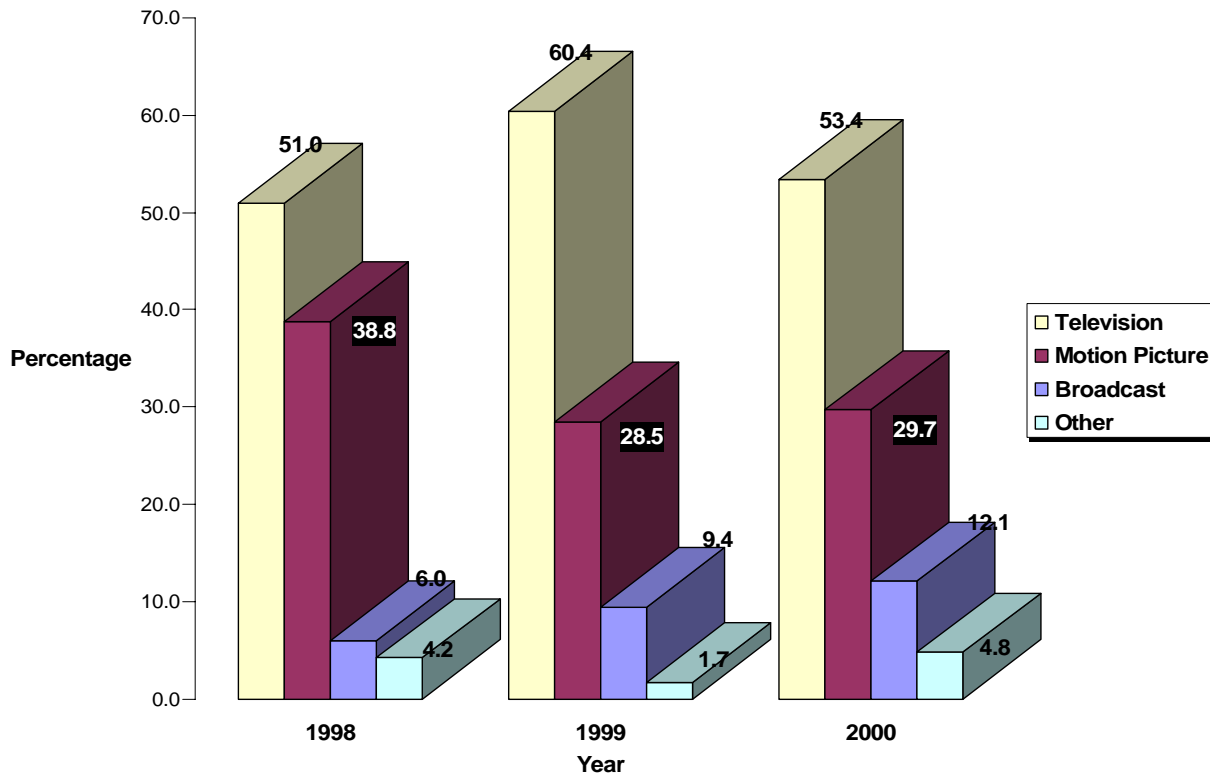


# Alliance Atlantis Communications Revenue by Geographic Area, 1998 to 2000



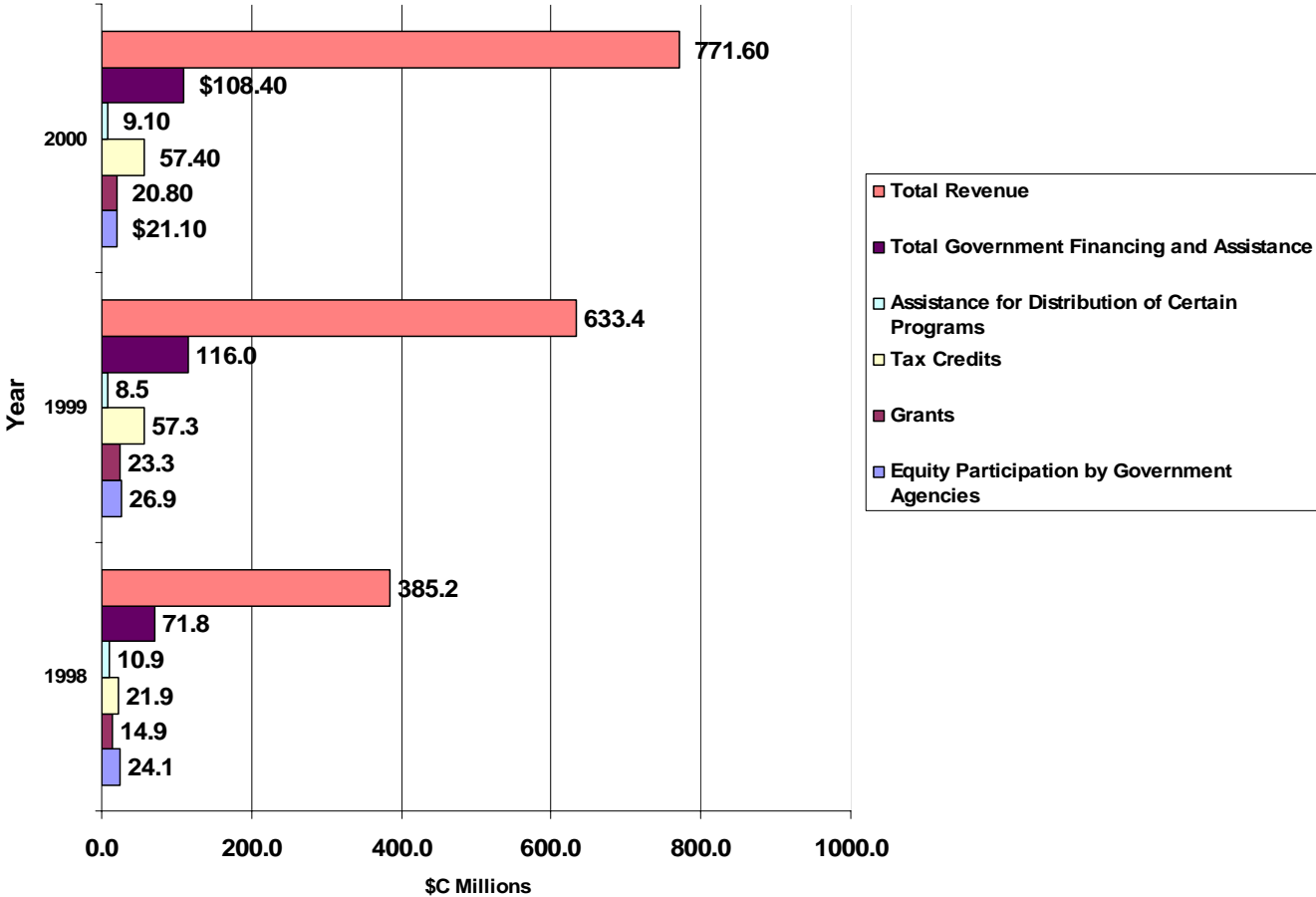
Source: Alliance Atlantis Communications 2000 Annual Report

# Alliance Atlantis Communications: Percentage of Revenue by Operating Group, 1998-2000



Source: Alliance Atlantis Communications 2000 Annual Report

# Canadian Government Financing and Assistance Given to Alliance Atlantis Communications, Fiscal Years 1998-2000 (C\$ Millions)



Source: Alliance Atlantis Communications 2000 Annual Report

# 2003-2004: Alliance Atlantis Undergoes a Fundamental Transformation

## FY 2004 "Strategic Moves"

- Ceases in-house production activities (e.g., prime time drama, made-for-television movies, and feature films)
  - *Exception: CSI franchise*
- Launches the Movie Distribution Income Fund

## Broadcast Group

- By FY 2004, owns a controlling interest in 12 Canadian specialty channels + 50% interest in two Canadian French-language specialty channels + minority interest in three other channels (1 analog and two digital)

## Television Group

- Renamed *Entertainment Group*
- New role = *Acquisition and distribution of television programming*

## Motion Picture Group

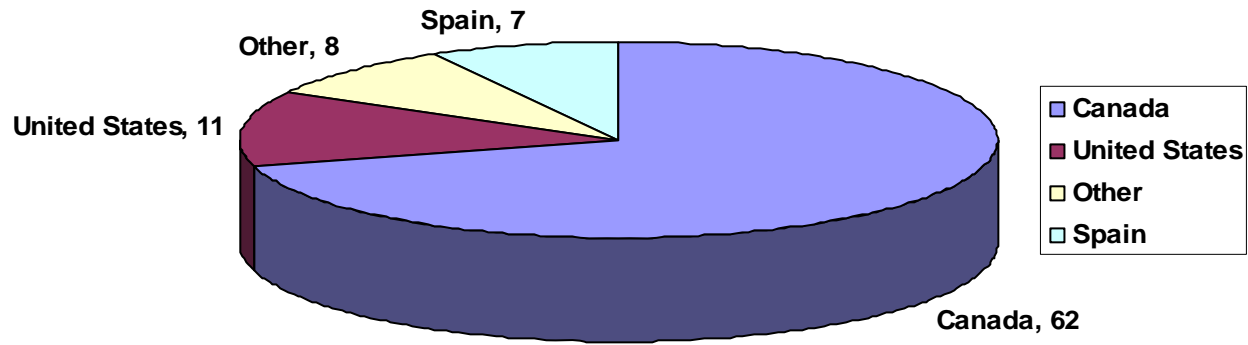
- Renamed *Motion Picture Distribution Group*
- Actively expands in the European market (e.g., UK, Spain)

# 2003-2004: Alliance Atlantis Undergoes a Fundamental Transformation

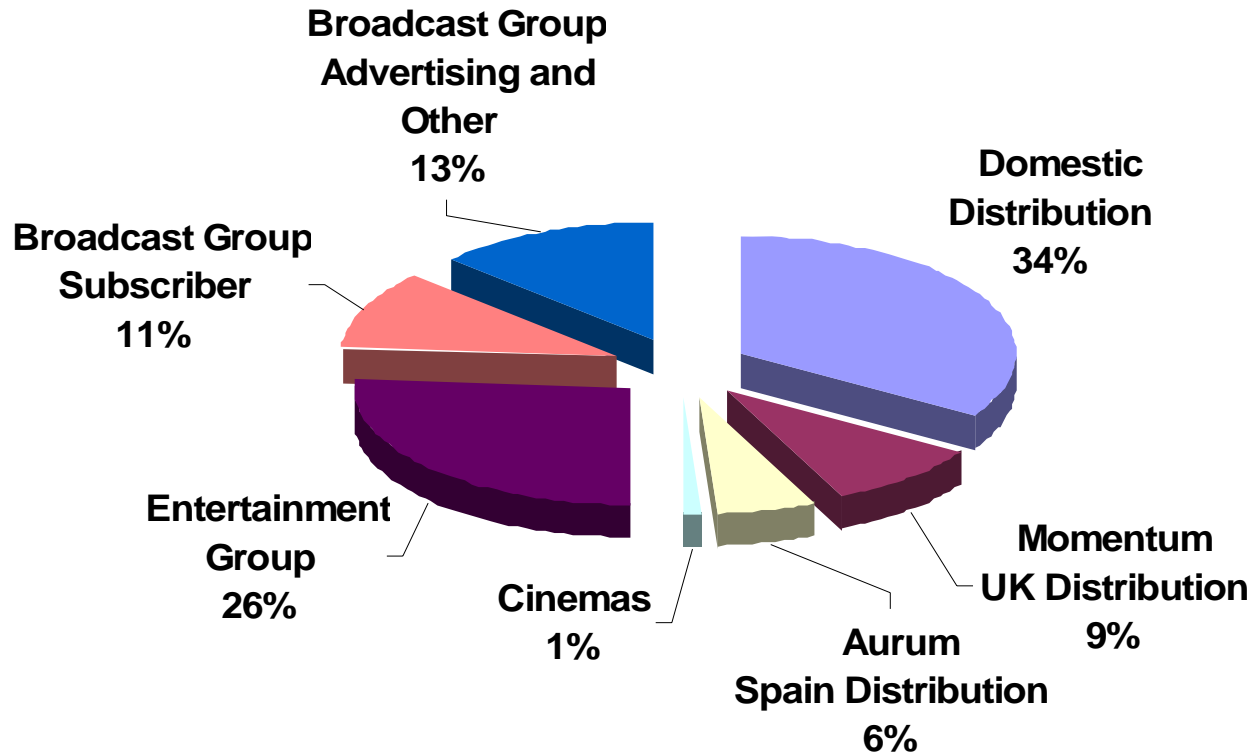
## Key Strategies

- **Achieving financial strength**
  - **Debt reduction**
    - **Fall 2003:** Initial public offering of units in Movie Distribution Income Fund
    - Emphasis upon low-cost, high-margin activities
- **Disciplined execution**
  - **FY2004 exit from the film and television production business**
    - **Exception:** *CSI franchise*
- **Strategic growth**
  - **Specialty broadcasting**
  - **European motion picture distribution**
    - UK, Spain, France, Germany

# Alliance Atlantis Communications: Percentage of Sales by Country, 2004



# Alliance Atlantis Communications Inc. 2004 Sales by Group/Division (Percentage)



# Alliance Atlantis' Reorientation and Its Consequences for Canadian Culture

- Loss of significant producer of Canadian-themed drama produced for the Canadian domestic market
- Alliance Atlantis' response = *Contribution to Canadian culture through our channels*

*We are very proud of the important contribution Alliance Atlantis makes to Canadian culture. Nowhere is this more evident than in the programming we commission from a wide range of Canadian producers and offer the viewers of our broadcast channels. While we have largely exited the in-house production business, Alliance Atlantis continues to make a significant and increasing financial and creative contribution to the Canadian production community every year by acquiring, commissioning and airing of original Canadian programming for our specialty television channels.*

*Michael I. M. MacMillan, Message to Shareholders, Alliance Atlantis Communications Inc. 2004 Annual Report, p. 8.*

# 2005-2007: Alliance Atlantis' Final Chapter?

- **Fall 2005: Alliance Atlantis begins selling off its cinema holdings**
- **Summer 2006: Motion Picture Distribution (MPD) Controversy**
  - **Internal debate regarding the future of the company's distribution business**
  - **Leads to highly publicized firing of MPD CEO Patrice Theroux and the subsequent exit of MPD Chairman Victor Loewy**
- **Summer-fall 2006: Rumors swirl about the possible sale of Alliance Atlantis**
- **January 2007: Alliance Atlantis (conditionally) is sold to its longtime Winnipeg, Manitoba-based rival CanWest Global Communications**
  - **CanWest Global receives substantial financial backing from New York-based Goldman Sachs**
  - **As of February 28, 2007, the sale still awaiting the Canadian government's approval**

# Alliance Atlantis Communications' "Successes" in the Emerging Global Media Economy

- **Developed into a major vertically integrated media company**
  - **International presence**
    - **Active in the United States, United Kingdom, Spain, and other foreign markets**
    - **Film and television library marketed globally**
- **Readily adapted to changing market and technological conditions**
  - **For example, it successfully transitioned from a production company to a specialty cable broadcaster**
- **Successfully competed head-to-head with U.S. and other foreign media companies both at home and on the competitors' "home turf"**

# Canadian, U.S., and International Media Markets' Impact Upon the Development of Alliance Atlantis Communications and Its Predecessor Companies' Development

- The expansion of domestic and international media markets afforded Alliance Atlantis opportunities to diversify its activities and income sources to include:
  - Cable specialty channel ownership in Canada
  - Television and feature film production, distribution, and exhibition in both Canada and elsewhere (e.g., Great Britain, Spain)
  - Co-productions and co-ventures with U.S. and other foreign companies
- Alliance Atlantis' activities and profits were sensitive to changes in the domestic and international media marketplace
  - **For example**, decreased foreign demand for made-for-tv movies and drama series

# The Role of Domestic and Foreign Regulatory Policies, as well as Subsidy Programs in Shaping the Development of Alliance Atlantis Communications and Its Predecessor Companies

- **Canadian regulatory policies and subsidy programs were crucial factors in the companies' development**
  - **Foreign ownership limits "protected" the companies from foreign domination**
  - **The CRTC's Licensing Authority: 1) helped promote "indigenous" Canadian television productions and also 2) allowed Alliance Atlantis to become a specialty cable owner**
  - **Subsidy programs provided funding for indigenous Canadian drama production**
- **Co-production treaties encouraged the companies' to work with foreign partners**
  - **Provided an entrée into various foreign markets**
  - **Allowed the companies' to gain experience with larger budget projects**

# The Role of Entrepreneurial Skills in the Development of Alliance Atlantis Communications and Its Predecessor Companies

- The entrepreneurial skills of the companies' leaders were an essential component of the companies' development
  - Entrepreneurial skills arguably played an equal or even greater role in the companies' development than regulatory "protections" and subsidies
  - The vast majority of Canadian film and television companies founded in the 1970s went bankrupt within a few years of their founding
- The companies' leaders were equally capable of working in the "protected" domestic Canadian media market as well as in the highly competitive U.S. and international media markets where they were afforded little "protection."

# **What, If Any, Lessons Can be Drawn from Alliance Atlantis Communications and Its Predecessor Companies' Experiences in the Canadian, U.S., and International Media Markets?**

**Smaller foreign-based companies can successfully compete with their larger U.S. counterparts if they:**

- **“Work well with others” (i.e., are willing and capable of teaming up with foreign counterparts)**
- **Find market “niches” both in the North America and elsewhere that they can readily fill**
- **Are flexible and amenable to change**
- **Have capable and visionary leadership**
- **Capitalize on opportunities afforded by emerging markets and technologies**
- **Are tenacious**
- **Are lucky**

# Concluding Observations

- National governments, corporations, and the populaces of medium-sized countries can still exert some degree of influence over the globalization process
- Corporations based in medium-sized countries can survive and even thrive in a globalized economy
  - **However**, the extent of their success will vary based upon a diverse array of factors
    - The factors change at differing rates over time based upon technological, political, cultural, and economic conditions
  - In order to succeed, the corporations must learn to play by “global market rules”
    - In other words, they must learn to *run with the big dogs*

# Concluding Observations

- **The Canadian film and television industries can potentially derive cultural and economic benefits from the globalizing media market**
  - Spread “Canadian culture” throughout the world via Canadian feature films and television programs
  - Expand into newly opened markets for media products
- **A Canadian company may not necessarily place the Canadian “public interest” (e.g., culture) at the forefront of its business dealings**
  - No guarantee that a Canadian owned company will be any more protective of “Canadian” values and interests than a foreign company
  - Degree of a company’s “Canadianess” depends on the philosophy of its owners