

# MIPCOM

**MEDIA MASTERMIND  
KEYNOTE:  
SEAN COHAN,  
A+E NETWORKS**

Fast – Accurate – Affordable



**mipcom**<sup>®</sup>

UK: 0800 085 4418

US: 855 958 2531

[www.take1.tv](http://www.take1.tv)

### **Interviewer**

Good afternoon and welcome to this Media Mastermind Keynote with Sean Cohan and Howard T. Owens. Before we start the discussion, we're just going to run a couple of short tapes to set the scene. The first one will be some A + E content. It will cut off quite quickly because we don't want to spend too much time on sizzle reels, and then we're going to look at something from Propagate.

Can we start by explaining why you two guys are sitting together on this stage? What is the connection between the companies and how do you think that informs what's happening in the TV business at the moment? Howard, do you want to kick off?

### **Howard T. Owens**

When we were considering and strategizing about launching Propagate, and Ben Silverman was advising me as a friend and trusted old partner at the time, we talked about linking up with a world class media company that had global tentacles, that could give financial support but also strategic support as we attempt to launch the next global super indie. One of the reasons why we really liked A + E is that we loved the people. Nancy Debus, Paul Buccieri and Sean Cohan are all collaborators, partners and friends, so that felt right.

However, from a strategic, financial and business perspective there were two main reasons. One is that we loved the fact that they have a very diverse domestic and international portfolio. Domestically, from History Channel to Lifetime to A + E to Lifetime Women's Network to Lifetime Movie Network and then also the ascendant FYI provides a lot of nice, diverse opportunities for creativity on both the scripted and unscripted side. Therefore, that was one of the impetuses. The other one was that they are growing globally. They view global growth as essential to their growth and we are a global company by nature. I would just mention that Ben Silverman is sad that he couldn't be here as this is his favourite time of the year, but Ben and I are router and global and that's why.

### **Interviewer**

Sean?

**Sean Cohan**

I think I'd just echo, A + E is both a significant investor in Propagate and Propagate is a significant production partner for our networks. In addition, it produces a ton of content for other networks and other platforms.

I think, for us, the attraction is similar; it's has a creative set of producers - creative sort of folks - that were really globally minded from the outset. When you think about their track record, when you think about some of their original successes, it's about - and you can correct me if I'm wrong Howard - it's about finding IP, finding new interesting ideas, finding interesting talent in relatively unlikely places. So we share a passion there and I think it's also one of the things that we'll get into; the way the world is in 2016. Not only is creativity required in terms of breaking through, in terms of what's on screen, but creativity in deal making is key and there are no two executives outside of A + E that I know of that are more creative in terms of deal making than Howard and Ben. Therefore, it's a natural tie up, really complimentary in a lot of ways.

**Howard T. Owens**

And today is a particularly tough time. When we originally launched Reveille in 2002 we had no big media partner. We had our first look at NBC and, today, we view the world differently. Today it feels like, well we are independent, we have no first look at A + E, we have no obligation to bring them anything and they don't have an obligation to really do much with us. Our relationship is born out of creative symmetry and business linkage and, where we see opportunistic challenge/opportunist opportunities, we will take advantage. But we also, as Sean mentioned, are free to work and shape our business as we see fit. That is unique. However, having an international media company as a strategic partner is something that I feel in today's climate is incredibly helpful and I think almost essential.

**Interviewer**

And it's quite a trusting scenario, isn't it? You're an investor, but these guys can go off and they can do whatever business they want. That's the kind of deal making we're increasingly seeing, aren't we?

**Howard T. Owens**

Yes, it is. We're past cookie cutter time. We are, I think, different platforms, different windows, different skill sets, different talent. I can see - and we've already seen - lots of different variants to

the kind of relationships we would have with Propagate. Whether we support their distribution efforts, whether they help open doors on international formats, whether we collaborate in an Asian territory to put out a signal together - there's a lot of different opportunities and I think being shackled with one model, in this kind of context, would be difficult and prohibitive in terms of creativity.

### **Interviewer**

So you come from very different backgrounds, different corporate cultures, but in your own way you're both right on the front line of digital development. Can you tell me how that informs what you're doing? I mean, how are you negotiating and addressing the shift from linear to digital in what you do?

### **Sean Cohan**

Taking a step back, it's obviously the rise of digital, the proliferation of a range of different platforms which we've been talking about for years which, over the last couple of years, has really been a tipping point moment.

The first thing I'd say is that there's a tremendous amount of opportunity versus what there used to be. There are new audiences and there are these new platforms and new formats, and I don't mean formats in a text book way or executions for creative that didn't exist before; the six second vertical Snapchat piece or the 14 minute off the clock linear bit. Therefore, I think we are reminding ourselves a lot these days that our core knitting is we tell great stories. That's our job. We need to tell great stories. We need to know our audiences. We need to think about these platforms and some of the new audiences as really targets in and of themselves and as groups that you might develop against independently. What I mean by that is gone are the days where you'd make a long form programme and then retrofit for these different platforms or say I'll take a six second here, I'll do a minute here, here's a scene lift over here. It's more about a great idea, a great talent or a great concept and being planned for and cross functional in your thinking and saying, "Okay, great idea. What are you going to do for this audience? What are you going to do for this audience? What are you going to do on Snapchat for six seconds? What are you going to do on Facebook?"

I think that's one way that the digitalization or the rise of digital platforms has changed things. I think the other way is also going back to our core knitting or our core goals when it comes to

deploying content. You will ask about modernisation - and we'll get there, I promise - but it's not only about modernisation immediately. It's also about marketing, because content is marketing, and it's also about learning and R & D for future business.

**Interviewer**

Howard, you have your input and then we'll come to monetization. We'll follow up with that.

**Howard T. Owens**

I think that the digitization of our business has opened up a tremendous opportunity. We have seen it as a young company. I have seen it in partnership with Sean and his team. They like to say in America, and particularly in Silicon Valley, that the riches are in the niches. Therefore, not only is that a digital thing, that's a programming, that's a content thing. People consume content differently these days. Gone are the days of generalist media. It still exists. It still works in some way but your channels have a core focus that are continually crystallizing their core viewer and their core message and, from a digital perspective, there are just tons of new channels, tons of new outlets for creativity and also different places that you can experience content. So it's now everywhere. It's on your phone, it's on your iPad and that presents opportunity in the multitudes and as a content creator it's exciting and it's just a great time for content.

**Interviewer**

And you have specific examples, don't you? Amazon, Apple, some of the people you are working with.

**Howard T. Owens**

Yes. One of our recently announced projects is a show called "Lore" - L O R E - which was born out of a guy who launched a podcast out of his home in Massachusetts. The first day he had three downloads. A week later he had 7,000 downloads. Now it's consistently in the top ten, top 15 worldwide downloads for podcasts when it comes out, which is bi-monthly, and Aaron Mahnke, we were the first people to reach out to him. "Lore" is real life scary stories. So it really attracted me as a guy whose roots are really in factual. So we reached out to him, partnered with him. We brought in Gale Ann Hurd, who's one of the masters of scare, and we created a hybrid - a scripted/non-scripted alternative show - and we took it out to everyone and Amazon stepped up in an amazingly confident way and took it off the market. The way that will be programmed is around other things that scare the bejesus out of people which exists on Amazon Prime's platform

---

which is just incredibly exciting and causes you to think about media content in a new way.

**Interviewer**

Let's come back to 45th & Dean. Tell me a little bit about what that is; it's some kind of content creation.

**Sean Cohan**

It comes back to the story telling and what I was saying about content being at the centre of this, being key. Really there are all these platforms, all these opportunities, but you just have to come back to your core knitting. It is about the story.

So, 45th & Dean is a group of people in a physical facility that are focused on bespoke, short and mid form content creation - so anything from six seconds to 15 minutes. That group also handles all social media distribution and promotional activities for our brands and for that content and does some measurement around that.

I think what was important for us to set out on this effort relates to marketing. It's marketing our shows and our brands, it's for providing advertisers interesting creative solutions, it's for learning and testing. One of the interesting things and, Howard, I know you've had some experiences with this, is there's ways to pilot things today that never existed before. We're going to get to a data, I'm sure, but the idea is that you don't have to make a full blown pilot. So, literally, 45th & Dean, one of their functions - and this is in the R & D and future category rather than immediate monetization or marketing - is to come up with concepts and play with them. It's a group that fosters a creativity in the making of non-traditional content, supporting clients, supporting our brands and pushing it out via non-traditional means.

**Interviewer**

When we were talking yesterday, when we were trying to set up this session, you used some great phraseology about taking moon shots, the clock is dead, content is marketing. How exactly do you monetize this kind of content? When we get away from a traditional show, which everybody knows how to sell, and you're talking about a six second piece of content or three minutes or whatever, how do you make money out of that?

**Sean Cohan**

Firstly, sometimes you're not monetizing it. Sometimes it is about marketing. Sometimes it is about R & D and exploration - whether creatively or business model-wise for the future. However, I think, today, the way that you're monetizing is, if any time you're able to bring mass eyeballs to something, any time you're able to - across TV and a range of other platforms - really cast creativity and plan fully a great idea, we believe, and we've demonstrated, that that's very attractive to advertisers, for example, so you can do interesting things to associate advertisers with either a great brand or a great series of content. This is the vaulted 360 degree sell. If you do it right, if you're really thoughtful and planful and it's a great story, both in terms of the content itself and also the association with the advertiser, if you really had to put a finger on it, that's how you monetize it today or you look at it as marketing and R & D for the future. However, I would turn to Howard, who's been doing these interesting integrations and ties-ins with advertisers. He really set the current model for a lot of this with some of his early work with Ben.

**Howard T. Owens**

I think what you are doing digitally is incredibly interesting. We live in a world where monetization is really broken down into two categories. One, premium paid for content, where people are going to pay fees on a monthly basis or a la carte via Apple to get your favourite premium content shows. The rest of the industry right now deals with ad supported models and that ad supported model is a challenging one, but you have brands that want to tackle this brave new world, want to become part of the content experience and your studio allows brands to that and allows them to play with the monetization model while allowing partnerships to flourish and, hopefully, down the road, foster new creative partnerships that have financial underpinnings from their beginning.

The other thing that I think that you are looking at, that we are also experimenting with, is perhaps the next leg on the rung of monetization which is potentially electronic sell through. You've got, in particular in your case, you have these channels that have history; you know the History Man, FYI, you know the kind of person going there. If I had an opportunity, I'd love to create a show for one of those channels and try to communicate and market to that consumer from a creatively fresh take and, hopefully, have the opportunity not just for them to see that but buy that or buy something. Therefore, I think that the kind of experimentation that you guys are doing fits in line with the kind of opportunistic business challenges that we're excited to tackle.

---

**Interviewer**

Tell me a bit about data and creativity. These does seem to be a new alchemy in the TV market around this word “algorithms”. Do you make your decisions in a very data driven way or is this still an instinctive, creative business?

**Sean Cohan**

It's both. It's funny because I feel like it's been both for a long time but maybe we've called it something different or we have thought about it differently. From our side, I use a couple of examples from our hit shows today; 'Vikings' and 'Ice Road Truckers' have their roots in shows that rated very well years ago. So 'Ice Road Truckers,' one of the highest rated episodes of Modern Marvels in the US, was about the ice road trek that some truckers made. We saw that, we looked at the data. Back then there wasn't as much data available but, based on audience appetite; we figured there might be an opportunity there. Now we took that data and we couldn't just say, “Okay, make a show about Ice Road Truckers”. You have to build a story around that, which is where the creativity comes, but I would argue that we just had less data available or more rudimentary audience knowledge, but we used those tools and built stories around them.

Well, fast forward to today and, as I mentioned earlier, we do have the ability to put a short form piece up or understand what the most trafficked topics on our history sites and apps are, so we can use that as a guide. We can certainly use it as a guide and help advertisers target individuals but, again, it gets paired with the creative shots necessary to build a great story. It's both. I don't know. Do you disagree?

**Howard T. Owens**

We use it a little differently. I agree with you but, from our side, Amazon or, for example, for 'Lore' we know what the most popular podcasts are. So when we go to select our stories for the series, there are 40 podcasts. There are a lot of them. We know the ones the audience connects with most - so that's obvious. But in America, like I'm sure all over the world, show runners listen to their audiences. Digital connectedness has allowed us to learn more about the consumer and how they react and how they engage with content. I think most creators, network groups and people use it for their own bespoke reason but it's definitely being utilized now more than ever.

**Interviewer**

Are linear and digital at war or are they compatible?

---

**Sean Cohan**

Probably both - that's the biggest cop out answer ever.

**Sean Cohan**

Cooperation. I think there are certainly going to be some winners and losers along the way but I think, at the end of the day, we have to come back to the consumer. So if you're sitting here, as we all are, we sit here, we watch our TV, we watch our iPad, we're on your mobile phone and, literally, at the end of the day, it comes down to you want to be able to - and it's as trite as anything - we want to be able to get everything everywhere, where it makes sense and you want to be able to start a show here and then finish watching it over here and sometimes you want a 30 second, sometimes you want a 40 minute. I don't think they're at war and I think, if anything, some of the recent moves by TV companies into more digital platforms - and by digital platforms into more TV companies or into the old linear model - shows that it's really about telling a variety of different executions of stories across a variety of platforms to a variety of audiences. Maybe that's overly reductive but you tell great stories and you deliver it lots of different ways and, in the end, maybe a fair amount of it as a result gets consolidated, but it's not one or the other.

**Howard T. Owens**

And to add on to what Sean's saying, I think the success of the global content market speaks to the fact that they are working well together. The lines become blurred. There are certainly business challenges but the growth of the global content business and the fact that the guy on his couch, or the woman in a cab, don't care - they don't care how they're receiving their content. They're the beneficiaries of this being the platinum age of programming and so, in that regard, it's working.

**Interviewer**

Let's look at some waves of development. We've see A + E develop through factual entertainment, through drama. Paul Cabana is now doing some very landmark factual pieces. What do you guys see as being the big content waves, the big trends?

**Howard T. Owens**

Well, historical drama, you referenced Paul Cabana, the roots, so that's the return of the big TV event. We used to call it a mini series but, today, we call it a recurring event. The big historical, for us, is a recurring historical series like 'Six' and 'Nightfall'. I see that across networks; I see other

---

platforms seeing it.

I think the other creative trends I'd hit on, and maybe pitch over to Howard, is there's a blurring and you referenced hybrid. There was a show you were talking about that's a hybrid. There's a blurring of the genres - between unscripted and scripted, between and doc and reality - in a really delightful way and there is a blurring versus the historical lanes which producers stayed in. So, historically, you'd have Hollywood producers that are like, "Okay, they were only drama" or, back in the day, I'll bet you thought of yourself as a real life and doc person but what you had is delightful crossover for lots of creativity, there's great story telling.

We don't conform to these lines anymore, so I do think there's genre bending that's very cool. I think there's a diversity element that's very cool, both in front of and behind the screen. Diversity contrived for the sake of diversity but really different viewpoints, different creative angles and different talents. There's great opportunity there from empire to roots. Shonda Rhimes is another example. There's a lot of work to do there but where would you want to go in terms of creative?

### **Sean Cohan**

I mean, I think it's interesting. There's premium now and there's everything else. You know, there's no longer a race to the middle. You know, people, your network groups, most people want their flagships, they want their king brands, their king content brands and those are ones that you have to pay for. You're not going to shortcut and you need to invest. However, within that there is also the hybridization. There is a less reliance on, I think, specialty and more people willing to change. I think one of the things we have talked about is the time; the fact that the 22 minute show or the 44 minute show no longer holds as much prominence. When AMC airs 'The Night Manager', I think they aired it in six 100 minute tranches, or the Showtime shows or the HBO shows that do 20 minutes, 19 minutes, 23 minutes. John Oliver is always a different time. I think that digitization allows you not to have to conform to a traditional clock.

### **Interviewer**

The clock is dead.

### **Sean Cohan**

I think that our niche is creativity and I think that makes us more creative. Playing the act breaks, the commercially enforced act breaks, has never been a creator's dream and so the ability to

allow the story to dictate as opposed to a pre-structured time code, I think, is really enabling and helpful. I think that a part of the creative supercharge you're seeing.

**Interviewer**

Geographic headlines, where do you see the opportunities geographically?

**Howard T. Owens**

Right now Propagate has deals in Turkey with Kanal D. We're in business with KBC in Korea. We're in business in Columbia, in Venezuela. We've always been a global company. It's only richer. There's only stronger creatives rising to the top. I like the Middle East. Ben and I particularly like the Middle East. We have a couple of things that we're working on right now. We've been to Abu Dhabi and we think it is rich; tons of people under 30 years old and that's a great market for us and a great creative market.

**Interviewer**

Sean.

**Sean Cohan**

Africa, India. Obviously everyone talks about china. You mentioned Korea. I believe it's a hard one for me to answer because I believe there's growth just about everywhere.

**Howard T. Owens**

I'd like to talk more about that, but I don't think we have time.