



ONE ON ONE

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Jon Helmrich
President IBC

After a number of years spearheading E! Entertainment's international expansion, Jon Helmrich went out on his own and at NATPE in 2001 launched **International Broadcast Communications**, which helps companies with channel launches and program sales. Last week in Las Vegas, on the occasion of IBC's fifth anniversary and Helmrich's 15th visit to NATPE, the veteran international cable executive talked about the global opportunities for new channels and the challenges of running a small indie in global TV market dominated by giant corporations. An edited transcript follows:

Q: In a very consolidated global TV landscape, what advantages do smaller indies like yourself offer?

A: I think there are a couple of things. You are not adding to overhead and staff costs and office space, when you work with a company like IBC. It is a very efficient way to work and you get very specialized hands on treatment. I can pay attention to product that might get lost in a much larger library.

I think people understand those advantages. The prospecting element of finding new product has become one of the easiest aspects of my business. I'm constantly having people come to me with new product or even channel ideas.

Q: What areas are you focusing on?

A: There are two areas. One is program sales and the other is channel development. I continue to work with Chum out of Toronto with their Star! entertainment channel, which is now in third year. It has turned a profit in Scandinavia and is seen in over 2 million homes there.

Star! is also going into its second year as a full 24 hour channel on Orbit throughout Middle East. We're continuing talks elsewhere and want to bring it to Asia for the first time in 2007.

I'm now in my second year of working with Rainbow Media for Voom HD, which is 24 hour HD channel made up of all the original programming that they produce in the U.S. for the 15 channels they have on the Dish Network. It was launched in Scandinavia in November and will be in Hong Kong and Singapore by April of this year.

This week [at NATPE], I'll also be focusing on VOD deals for the Rainbow catalogue and Voom. We are close to a nice VOD deal in Latin America that we hope will be the first step towards a channel.

Q: How do you see the opportunities for launching new channels compared to 10 years ago?

A: I would say it is probably as strong or stronger. The sheer number of channels that will launch this year will probably be smaller than it was 10 years ago [when cable and satellite services were just beginning in a number of international markets] but there will always be a need for new channels.

In some territories, it is digital that is driving the demand. And, now there is the HD aspect and VOD. Broadband is growing everywhere.

Last year I actually looked at the number of channel licenses awarded by Ofcom in the U.K. and it doubled between 2004 and 2005. I'm sure that a lot of those licenses never launched as channels but the drive is out there to come up with new ideas.

Q: You mentioned being close to a VOD deal in Latin America. Are we finally seeing some VOD rollouts in the region?

A: Digital has been slow but we are finally seeing it in Latin America. In terms of VOD it is more on the pan regional side with the satellite operators [that are using DVRs for on-demand services.] I think you'll initially see much more interest in on-demand from the satellite operators. But on the cable side it is beginning to happen in Mexico and Brazil.

Q: There has been a lot of talk about IPTV opening up new opportunities for programmers. How do you see that?

A: It is complicated. On one hand there is a ton of interest. Portugal, France, pretty much everywhere, you'll find someone who channels for IPTV.

But I have yet to do an IPTV deal. I think we have to proceed with caution because it can have an impact on your core cable and satellite distribution. Yes, you want the channel to get more exposure and the distribution. But I'm still pretty cautious on the economics and the business plan and I think most people still feel the same way.

It is similar to what was happening with mobile a year and a half ago. All the mobile operators wanted to do deal but they were very vague if you asked them if they had any subscriber projections. They'd just say "we'll share profits."

That is changing now. You are beginning to see a business model and I hope the same thing will happen with IPTV this year. But for the moment, I think channels have to focus on cable and satellite. I haven't seen a single example of an IPTV deal that drove a channel getting more traditional distribution on cable or DTH.