

Over the next five years HBO does not see international business significantly impacting business. Though most production work is done overseas, the main revenue producer is U.S. viewership. Therefore, the company remains focused on the cultivation and continued loyalty to this audience.

Technology

HBO is open minded regarding technology. Since all pre-production operations (ie., scripts and storyboards) are performed in-house, any technology which positively impacts these functions will be reviewed. In addition, as creative options for the artist improve so will the efficiency of HBO's operation.

One desired improvement for HBO would be to lower operational costs via teleconferencing and data transfer of digital animation. Today, much of the ink and paint is performed by firms located in the Pacific rim. The traditional technique of physically mailing artwork and film, back and forth, remains the status quo. The internet seems to be the first step in resolving this issue, but there are technical limits to its usefulness in its present form.

New technology is evaluated by three main forums: trade shows, staff recommendations and site visits. The staff also regularly reviews industry periodicals in search of new technology.

The procurement cycle for both hardware and software at HBO is continuous.

Investment

Because HBO is in the pay cable television business, a typical budget ranges in the area of \$600,000 to \$700,000 for a half-hour show. Financing at this time is strictly in-house and varies with the project.

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As for suggestions for raising capital for Canadian animation firms, HBO recommends co-production deals within Canada. The trend of the industry has been co-production deals for smaller firms. This model is expected to continue.