

## **OKTV and Open Negotiation**

This whitepaper will discuss in detail the rationale, approach, and business strategy of Opportunity Knocks Television (OKTV), a variety network recently launched on April on June 6, 2018. OKTV's primary goal is to produce original content that inspires, educates, uplifts, and positively impacts viewers. Much of what is on television today fails to do this; shows tend to be unoriginal, derivative, and lack meaning. In contrast, OKTV returns TV back to its roots by creating a high-quality, recognizable mix of content including scripted programs, reality TV, sports, comedies, self-help programs, and talk shows. OKTV aims to be a positive force by not only inspiring its viewers, but also by fostering social consciousness among them. OKTV, then, is ultimately transformative: its programming encourages viewers to better their lives and strive for constructive societal change.

Some networks today produce original content that attempts to achieve some of the same goals. However, what distinguishes OKTV from these networks is that it has moved away from the accepted method of negotiation between content producers, advertisers, financiers, and legal and contractual teams. Instead, OKTV employs a novel approach to producing television shows: open negotiation, a disruptive business strategy where OKTV does not act as the broker between the parties involved. Open negotiation has the advantage of encouraging more original programming because the level of risk is shared equally between the content producer and the financier. It will be discussed in further detail below.

The leading force behind OKTV is its founder, Xavier "X" Mitchell, a successful producer and director with over 20 years of entertainment industry experience. Mitchell has earned respect in the industry for producing and directing a wide variety of projects including music videos, commercials, films, and television programs. He is most well known for producing and directing *Laugh at LA*, *Next Up*, *Fathers of the Sport*, *Reality Check*, and *Harlem Tigerman*. Mitchell has also produced, managed, and promoted concerts including those of MC Hammer and Boyz II Men.

OKTV is currently on the air and available in 60 countries on DIRECTV, Rabbit TV Plus, Roku, Amazon Firestick, Smart TVs, Sling TV, and the TV To Go app (the programs airing are previously produced content including *Laugh at LA*). Based on its in-house metrics, OKTV estimates that it has around two million downstream and regular viewers. Its flagship program is called *Opportunity Knocks*, a show where people who have given up everything to help others are themselves provided with the opportunity to achieve their dreams.

### **Evolution of TV Networks and Audience Shifting**

Up until the digital age, people watched TV—usually with their families—together and only had a few networks to choose from. Today, this has all changed; people have the ability to watch whatever they want and when they want on their smartphones, tablets, laptops, and personal desktop computers. Obviously, traditional TV networks still exist but, as the Writers Guild of America has found, there has been a significant reduction in the commissioning of the genre-based, genre-variation-based, and genre-based comedy products that have been the mainstay of commercial television content since TV's inception after World War II. This drop is particularly evident within the younger, so-called "millennial" demographic, who have grown up in this

period of digital, mobile technology. Millennials and other media consumers still watch traditional TV on the internet and mobile devices but also watch a lot of other content not created by networks. As a result, advertising revenue has dropped as well because Nielson, the organization that gauges audience size, does not measure internet viewership. In short, film and television content has migrated to the internet and the type of programming has evolved as well. Viewers, especially the younger generation, are exhibiting signs of less and less interest in pre-dictated programming and instead yearn for original, informative, and meaningful content. They also increasingly demand the ability to choose what to watch.

### **Open Negotiation**

As stated above, OKTV uses the open negotiation approach to television programming. Instead of acting as a broker, it negotiates directly with producers, thereby eliminating the need for a broker or agency. This is something that traditional TV stations and networks do not do. Without a middleman, OKTV has more control over its operations, which, in turn, gives it more freedom to choose and create the programming it wants to offer. The key advantage for producers is that OKTV gives them greater creative control and input into the development of their programs than they normally would receive at other networks. So, while OKTV retains the authority to control all aspects of productions (it decides how much a show is going to cost and determines how much money it will make), it allows producers greater say from a creative standpoint. Also, OKTV's small size makes it more agile in terms of decision-making, enabling it to be flexible with producers during negotiation and production. Another key point is that the level of risk for a show is shared between the producer and OKTV, which adds further incentive to both to create more creative shows.

### **OKTV's Programming**

The shows aired on OKTV resemble those of other networks. The difference is that the programs are mostly all original and divided under two categories: Perfect Pitch Original (PPO) or Perfect Pitch Authentic (PPA). PPO refers to well-conceived, planned and presented fictional content, and PPA refers to original non-fiction content. OKTV aims to offer 70% PPO and PPA material by the end of 2018, which amounts to more than 120 hours per week of original, non-genre content. The types programs are, again, similar to those on other networks and they can be as short as 15 seconds. Furthermore, OKTV programs are not bound to FCC rules (but they cannot be illegal or pornographic) which affords producers a lot of flexibility in the content they want to create.

In sum, OKTV intends to build a mixed program portfolio of creatively appealing programs available to viewers around the world. They are going to range from well-planned and produced programs to more high-risk, high-yield content involving celebrities and star casts.

It is important to state here that there are limitations to the original programming OKTV will allow. Program ideas or scripts cannot be 100% genre-based or use stock material (footage, pictures, characters, music, dialog). The reason for this is that networks are fraught with this kind of content and are beginning to rerun this material, which decreases advertising revenue. OKTV also excludes any show that is variation of another or is a parody or makes fun of another program. Finally, OKTV will only air programs not being shown on other stations, networks, or online because of copyright and royalty reasons.

## **Monetization**

Like other networks, OKTV obtains revenue from advertising. It disburses the revenues to producers (or funding entities) and local stations according to the terms agreed to with OKTV during open negotiation. OKTV's ad revenue stream can be considered low compared to traditional TV because its business strategy of foregoing brokers remains largely untested. It plans to mitigate this risk in two ways: 1) it seeks a wide range of potential program material according to the PPO and PPA boundaries, and 2) sets a no fixed out-time for the run of a program, which means that all programs, even low budget or poor-performing ones, can eventually break even and eventually earn profits. With this level a certainty, producers can be assured that they will get a larger than average cut of the revenue "pie." This profit potential is the result of dealing directly with OKTV versus brokers or agencies.

## **Conclusion**

Opportunity Knocks Television is in the beginning stages of an exciting project that will transform and positively impact viewer's lives. Its programming of inspiring, educational, and informative shows is what is appealing to more and more people today, especially the younger generation, who don't want to watch run-of-the mill content anymore and demand more meaningful programs. For producers, this opens up a great opportunity to create, and collaborating with OKTV offers them the best opportunity to see their creative vision come to fruition.

## **References**

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