

# Q&A: Elastic Rights' Inaki Orive

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April 13, 2010, 07:08 PM ET



Illustration by Chris Morris

*Brand management company Elastic Rights has turned Televisa's "Hannah Montana"-meets-"High School Musical" series "Patito Feo" into a social phenom in Portugal, Spain and Italy, marking a turning point in children's programming. Elastic Rights president and founder Inaki Orive talks about the company's expansion into southern Europe, the change in children's programming and the coming-of-age of the telenovela.*

**The Hollywood Reporter:** Tell me about Elastic's expansion.

**Inaki Orive:** It started about a year and a half ago. We're strongest in Portugal and Spain; that's where it all started. We have been very lucky in Italy, where "Patito Feo" is the No. 1 show on the Disney Channel, with the CD of songs in Spanish at No. 2. Now we are in Greece and entering Turkey.

**THR:** Why the geographic diversification?

**Orive:** We could have stopped after Spain and Portugal, but the reason we decided to go into Italy, now Greece and then Turkey, is that they have common denominators in programming content and because we saw a niche. It's better if you can plan across borders from the beginning in a coordinated way across southern Europe. We're not Germany or France, but we amount to a pretty good chunk of continental Europe. We saw that most content owners had problems breaking into these territories. Cracking into southern Europe, luckily for us, is more difficult for them.

**THR:** What does Elastic offer that's different from others?

**Orive:** It's integrated brand management. That's a niche we've been able to create in Spain, Portugal and Italy, and now we're beginning in Greece and Turkey. Of course, we did not invent this. When we started, there were two main differences between us and others. Number one, we were not producing any of the shows. That was a key ingredient for convincing our partners that we are a safe bet and that we could act as their own extension within Europe. The other main difference is that we focus and take care of all content facets -- TV, toys, books, DVD -- in southern Europe.

**THR:** How else has Elastic diversified?

**Orive:** The second branch is revenue stream. The properties we manage are usually a five-year cycle. Usually, it's pay TV, year one; free TV, year two; videos, book and toys, year three; merchandising alliances, years four and five. The first years we could only live off of the TV revenue. But from this third year onward, from the same property we have three different revenue streams. The third kind of diversification has been along editorial lines. We started with preschool animation from 6 to 12 years old and have moved into live action.

**THR:** How does the success of "Patito Feo," a telenovela, fit in?

**Orive:** We went from tween and teen live action to discovering a genre, the novela, which has already worked in Latin America. We spent three years patiently going country by country, client by client, explaining how to treat it. I can happily tell you now that "Patito" is the No. 1 brand in Italy. It is the No. 1 brand in Spain. It's very big in Portugal. And we're spreading that into Greece and Turkey.

**THR:** How will something like "Patito" work in Spain's increasingly segmented TV landscape with thematic channels?

**Orive:** We had two proposals for "Patito Feo," one from a national television network that wanted to air on weekends and one that wanted to go straight to primetime with a locally adapted show. Televisa never has had a primetime show in Spain. It took several cold showers to realize that as flattering as that was, if we

were going to look at the forest through the trees and be faithful to the long-term potential, we needed a very targeted partner on TV. We did Disney. In the end, we can say we did the right thing. Children acting and repeating the script and all that, you know you have something very strong.

**THR:** There are very few programs on TV that have loyal followings in Spain.

**Orive:** This is the key as to why we decided to try with children's novelas; it's a tested genre around the world. They usually come out per season with 120 episodes, and it costs \$40,000 to produce one hour. You cannot beat these guys. Where can you find -- with the decrease in animation in Japan -- a genre that will start off with 120 with a cost per episode that you can pretty much cover in two sets, that is already tested in a pretty big chunk of the world onscreen and offscreen, and will allow you to script it daily on a programming spot that once you're finished with one season, you have the next one ready. And, this is the first time we're not following the U.S. trend.

**THR:** Have you seen wide interest in the novela?

**Orive:** What "Pokemon" did worldwide for Japanese animation, "Ugly Betty" did for novelas. What I can tell you is that I've seen over the last year and a half a serious intention on the part of the big guys -- Disney, Warner, Nickelodeon, Cartoon -- to give the genre a try, not only where it exists in the Spanish- and Portuguese-speaking world, but in the northern parts of the world.

**THR:** What's next for Elastic Rights?

**Orive:** In this business, you always have to have your eyes open for the next thing. Two years ago, we had no idea we'd be going into live action, and even less so into telenovelas. We will be taking a stake in a home entertainment distribution company. We are in the midst of creating a live entertainment for children with a very reputable company in Spain and Portugal. We don't disregard anything. You have to go where the children want to go and provide them with what they want to watch and use.