

Michael Donovan of DHX named Atlantic Canada's entrepreneur of the year Nova Scotian built company into international children's entertainment distributor

Jennifer Henderson · CBC News · Posted: Oct 09, 2015 2:54 PM AT | Updated: October 9, 2015



Nova Scotia's children's entertainment mogul and film executive whose career includes an Oscar win took home his first award for entrepreneurship Thursday night at a ceremony in St. John's, N.L.

Michael Donovan, co-founder and executive chair of global children's television distributor DHX Media Ltd., was named Atlantic Canadian Entrepreneur of the Year by Ernst & Young (EY).

"It's particularly satisfying because we in the film, television and media business in Nova Scotia feel a little bit under assault these days," Donovan says, [referring to the changes to the province's film and television tax credit.](#)

"One of our arguments has been the creative industries are the future and that's been acknowledged by the business world."

An Ernst & Young news release calls Donovan "a shining example of visionary leadership." It says despite being told by the market that "content" was dead, Donovan turned his company into one of the international leaders in children's entertainment.

As one of the founders of Salter Street Films, which closed in 2003, Donovan and his partners became pioneers in Canadian television, producing award-winning adult comedy shows such as CODCO and This Hour Has 22 Minutes.

He also won an Academy Award as a producer of the 2002 Michael Moore documentary *Bowling for Columbine*, which explored gun violence in the United States.

Even so, the move eight years ago into children's cartoons was considered risky.

'Everything is personal'

Donovan tells CBC News he built on the "brain trust" and strength of the National Film Board's excellence in animation, the evergreen nature of selling the same programs to new generations of kids, and the rise of the internet to create video-on-demand services.

And there's one more thing.

"At that time, I had small children," Donovan says. "Everything is personal and so you live where your heart is. And I could see that what they were watching on TV was often way too violent, and I thought we can do better and I got motivated to do so."

Today, DHX Media has the largest independent video library of children's content in the world. It distributes Inspector Gadget, Caillou, Degraassi, Twirlywoos and Teletubbies to name a few. Another division sells licensed toys and merchandise.

DHX has 1300 employees, including nearly 200 in Halifax who create animated TV shows and This Hour Has 22 Minutes for CBC TV.

Last spring, the company threatened to move its Halifax animation studio to Vancouver after the provincial Liberal government introduced changes to the film and TV tax credit.

'The dust has not quite settled'

DHX took part in the industry's subsequent consultation with the province to amend the package, but Donovan says the final result is "not as good" as what the company enjoyed before.

"The dust has not quite settled, the regulations are not in place," he says. "What has been created now is not as good as what was there, not as competitive."

"But it is much better than what originally proposed and that was what I thought was the result of a productive consultative process on the part of government."

Donovan says although the financial incentives here aren't quite as favourable as in Quebec, B.C. and some places globally, he's made the decision to keep the Halifax studio open and grow the business.

"I'm a Nova Scotian, we are a Nova Scotia company," says Donovan with obvious pride. "We were disappointed with the government's lack of support for us and the industry.

"But nevertheless, we feel even though what we have now is not competitive, we are in our DNA rooted in Nova Scotia and therefore are committed to staying and building the industry under slightly more difficult circumstances".

As for DHX, the publicly traded company's profits grew by 150 per cent this fiscal year. DHX did \$19.5 million in profit, or 16 cents a share on revenue of \$260 million.

Source: CBC News <http://www.cbc.ca/news/canada/nova-scotia/michael-donovan-dhx-entrepreneur-1.3264564>