

Rapid Response Transcript – Bonnie Comley

“Applauding the drama of the digital age”

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BOB SAFIAN: That's Bonnie Comley, Broadway producer, board president of Broadway's Drama League, and CEO of BroadwayHD.

Even as the Delta variant has pushed up COVID-19 infections, Broadway theaters are re-opening, resuming their “show must go on” mantra.

I'm Bob Safian, former editor of Fast Company, founder of The Flux Group, and host of Masters of Scale, Rapid Response.

I wanted to talk to Bonnie because she's been on the forefront of merging live theater with new digital engagement.

The business of Broadway is entirely unique, yet at the same time, it offers a window into the challenges we all face when rebooting longstanding practices and expectations.

Bonnie is charged with expanding Broadway's fan base and exposure, recognizing that some things about the theater experience need to be modernized.

The pause of the pandemic created an opportunity to re-examine how the business and the art might both evolve, to engage new audiences in new ways.

[THEME MUSIC]

SAFIAN: I'm Bob Safian, and I'm here with Bonnie Comley, board president of The Drama League and CEO of BroadwayHD. Bonnie is talking with us from her home in Manhattan as I ask my questions from my home in Brooklyn. Bonnie, thanks for joining us.

COMLEY: Thank you so much for having me and shedding a light on Broadway.

SAFIAN: Yeah. Broadway has come back to life in recent weeks, in recent days with anchor productions like *Hamilton* and *Wicked* bringing up the curtain after a long, long hiatus. But the future of Broadway is still far from certain. Tourists are still in short supply in New York City. The delta variant is deeply embedded, impacting the country, the world. The road to us getting here even has not been a simple one. Can you paint the scene for me of where you were when the lights went out, when Broadway shut down, and how you personally were impacted and reacted?

COMLEY: Sure. I was at work in my Manhattan Times Square office. We were aware of this virus that was coming. And then on March 11th, we actually had one of our employees test positive. We had the opening of a show for the new musical *Six* on the next night. We're co-producers on *The Minutes* that was supposed to open on March 15th. And we had BroadwayHD employees in several different offices around the U.S.

Everybody, we were all out of work overnight.

SAFIAN: Now, at that point, you were on the board of The Drama League. You weren't the president, right?

COMLEY: I was vice president of the board. I've been on the board for about 12 years. And basically, what The Drama League is, is it's a mentoring organization for early career stage directors. So every year we look for these fellows that we bring on, and we give them an opportunity to direct in front of a professional audience in New York City.

And we were at that point with these directors in different places, looking at the safety of their crews. So we were doing micro-grants at that time. Like \$500 for your groceries. Because at that moment, directors fall between the cracks. They're not in the acting unions. So we were just trying to help people get by at that time. It's just looking at basic needs, not artistic expression.

SAFIAN: I want to get back to BroadwayHD in a minute. But first, between The Drama League, you mentioned there were a couple of productions that you are producing, that you are a part of. After the initial phase of shutdown to now, has it been mostly a matter of waiting or have there been sort of phases of activity, like change that the industry has gone through during this period?

COMLEY: So when these shows shut down and sent everybody home and thinking, okay, so we'll see you next week or in two weeks, when we're all done with the quarantine. But what happened with the shows that we were working on as well as other shows that were actually in previews or rehearsals or going on Broadway was the cast getting together in these Zoom conferences to rehearse.

They did that for months because we all thought, oh, well, everybody's just got to keep their vocal chops up to speed because those doors are going to fly open, and everybody's going to come back in. And then after about a year, well, that's not how anybody thought it was going to go, then it was looking at ... An industry had to get up and get back together, together. And that happened probably just about two months ago.

Basically when I think the vaccines were coming out, "Okay, it's time to get together, and we've got to reopen. What does that mean?" But it was getting theater owners and 13 different unions that were representing a hundred thousand people, what are they going to feel safe with? And it's kind of a marvel that they all agreed so quickly. In fact, the Broadway producers, in a leap of faith, started selling tickets before those agreements were reached because they were so confident that everyone wanted to pull it together and come up with these rules.

SAFIAN: This happened through the Broadway League, the trade association for the 41 Broadway theaters, yes?

COMLEY: The Broadway League sent these rules out, "The audience and everyone in the cast and crew needs to be vaccinated. Everyone in the audience needs to wear a mask. Everyone in the audience needs to prove that they're vaccinated. Under 12 has to prove with a negative COVID test."

Broadway and the 41 theaters here are the heart and the brains of this network of 200 other Broadway touring theaters that go across the country. So they're setting the standards and sharing best practices.

SAFIAN: And I know the finances of these productions have got to be a lot more challenging than they anticipated being two years ago or a year and a half ago at this time.

COMLEY: Well, Broadway is a very low margin business anyway because so many of the costs are fixed. There's only 41 theaters. There's only a certain number of seats in those theaters. All the unions have set minimums for what it is that they require for their union members to receive.

So when you go in and produce a show, you are handed a lot of costs that are just fixed. And then it's competitive, but it's an amazing business. And when it works, it works in not always *Hamilton* numbers, but it's really very successful.

And as a business, it probably should have died out years ago because of the high risk. Only about four out of 10 shows actually recoup their investment. So it's really supported by people that just believe in this art form and want to see it go forward, which I think, again, is just very hopeful.

SAFIAN: Yeah. For some businesses, the enforced downtime of COVID and lockdown sort of enabled a rethinking of practices and assumptions, what the future might look like. To what extent did that happen with Broadway?

COMLEY: When you have the time to sit and reflect on any business because there's really nothing going on. Those 41 Broadway theaters just really sat in mothballs for almost 18 months. And I think that reflection time on what was onstage, what was going on backstage, how we communicate, how we engage audiences, all were looked at very differently.

Broadway's a very progressive industry and with a progressive industry, you're looking at what are the types of stories that are being told, who are the people that are telling those stories, how do we market those stories to people that are in the audience? And with my company, BroadwayHD, what we've always done is try to expand the fan base.

BroadwayHD is a streaming service. We have over 350 full length stage plays and musicals. And the Broadway ticket buyer has, for as long as The Broadway League has been keeping the demographics, is basically the same person. It is an over 40 white woman that usually buys the tickets. So a lot of those stories that are on stage are to attract that demographic. But then, as I said, when you have the time to sit and say, hey, in a typical year pre-pandemic, there's 350 million people in the United States. 75% would go and see a movie in the movie theater, but only 15% would buy tickets to a live show.

So there's a whole universe of people just in the United States that, for whatever reason, they don't know about them, they're not comfortable, they don't feel like they belong there, it's not my thing to go to Broadway, there's a whole universe of people that we can address and say, "You ought to come here." So is it that we're not putting the right shows on stage? Is it not the right people telling those shows, or is it that we're not marketing to the audience in the right way?

SAFIAN: So you're talking about the diversity of the audience and the diversity of the storytellers, the stories themselves?

COMLEY: When you look at the last full season, which was 2018 to 2019, there were only three women directing out of the 41 shows. There were only two women composers out of those 41 shows. I think it was only one playwright. And then the numbers for

people that are the BIPOC community, those numbers don't even register. So I think when you start to look at that and say, "Well, why is that?"

And I think that there was a lot that came out of this pandemic. There is a new deal for Broadway that is an agreement that the producers came to with the theater owners to say, "You know what? We need to change who makes theater."

SAFIAN: Your efforts at BroadwayHD are built around expanding the audience, right?

COMLEY: One of the things that we've done is say we're making theater accessible on the internet with BroadwayHD. So you're giving an opportunity to somebody who either it's geography, that they just can't get to the 41 Broadway theaters or the 200 touring theaters, or they can't afford that ticket, or there's some other sort of physical limitations for them. But if you can bring the theater to them and have them become fans, you increase the fan base. And I think there's been a lot of that, of the looking and saying, "How do we increase the fan base?"

To your point earlier in a pre-pandemic year, 60% of the tickets to Broadway shows were bought by people that were from out of town. So with all the uncertainty of who can travel to New York City, who can travel to the U.S., we still have 60% of the theater empty. So how do we get those other people there?

And that's increasing the fan base and letting people know that these shows are available, these shows have stories that they can relate to. Because it's not about who gets to see the theater, it's also the diversity that we're creating with these things is whose theater gets to be seen.

[AD BREAK]

SAFIAN: Before the break, we heard BroadwayHD CEO Bonnie Comley talk about the disruption of the pandemic and the opportunity it created for improving Broadway's appeal.

Now Bonnie talks about how Broadway brands are embracing digitization, from Springsteen to Wicked. She also talks about overcoming the fear of cannibalization, the implications of a try-before-you-buy business model, and how Broadway is inherently entrepreneurial.

So you mentioned sort of the live theater experience gets mothballed, but for BroadwayHD, with streaming and virtual access of all kinds of entertainment kind of exploding, it could be kind of an opportunity. Did that happen in your business, and how prepared were you for it technologically and otherwise?

COMLEY: It was absolutely a boon. Our subscriber numbers just shot up. Streaming was the only option. For the people that missed the theater that used to go, the ticket

buyers, it was an opportunity for them. We saw the power of what the internet can do with a nationally, internationally recognized brand. But it's the power of that brand that The Broadway League has created for the last 50 years that makes people know exactly what that genre of entertainment is, and they want it.

SAFIAN: And this unexpected boon, it's kinda been a coming of age moment for watching theater on a screen.

COMLEY: Streaming theater is not a replacement for theater. It is an additive. I mean, would there be as many football fans in the United States if you said, "Well, if you don't get to that stadium, you can't watch it."?

People told me, "Oh, nobody's going to want to watch a Broadway show on their phone." In fact, they do watch it on their phone.

So when BroadwayHD launched six years ago, we were spending our marketing dollars in U.S. and English, and that was it. We weren't looking for anybody else. And within days, we had people reaching out through our customer service and social media platforms to say, "I'm trying to watch your show, but you don't take my currency." So it was eye-opening of how many people were out there that were hungry, that were underserved for Broadway shows. And then six months later with the Roundabout Theatre Company, we were able to live stream *She Loves Me*. And we had 84 different countries that had tuned in at that time.

SAFIAN: You mentioned earlier that Broadway is a low-margin business. But it is a big business.

COMLEY: In 2013 actually, the National Endowment for the Arts and the Bureau of Economic Analysis got together and released a study that in fact said that live theater, arts, and culture creates more and impacts the gross domestic product larger, in a bigger way than transportation, construction, or agriculture.

Once you say this is a huge industry, people rally around because why is it a huge industry? Why are people attracted to this? How do I get in on it? How do I make money with it? And I think that has been tracked ever since. If you look at just the Broadway in New York City, those 41 Broadway theaters in the last full season sold almost 15 million tickets. The economic impact of what that did for the city was close to \$16 billion.

SAFIAN: And the pandemic just severed that.

COMLEY: New York City is a trillion dollar economy. So here is an industry that brings in 16 billion, as an impact, that is now unplugged. Because hotels could open up, and restaurants could open up, and other businesses were opening up, but Broadway has

still been shut down. It's like a Petri dish, a perfect experiment of, like, "If we unplug this one industry, what happens?"

What we found was it's not just 16 billion that was missing. The Broadway League has created Broadway and New York City to be a destination for tourists and people around the globe. They come here for Broadway. So if you take that out of the equation, it's not quite the same thing anymore.

And I think that was recognized by the government in the Shuttered Venues Operator Grant that was just made two months ago for these theater and live concerts and live performance venues. There were \$15 billion grants worth of money available for these, because they do understand the importance of what these organizations, these big, huge arts and culture organizations provide for their communities.

SAFIAN: Even beyond economics, right? There's a social impact too.

COMLEY: On a social impact, what you see for Time Square and these other urban areas that house these big Broadway theaters across the country, when they're operating, we've seen and we've tracked that the population is more likely to be educated. They're more likely to graduate from high school. They're more likely to go on to a trade school or a college. They're more likely to vote. They're more likely to donate and volunteer for community service. So it just makes for a much more cohesive community, which translates to a safer community. So without these arts organizations, you're missing that.

Theater affects everybody on so many different levels. And without it, we're feeling the loss from it.

SAFIAN: As you were talking about BroadwayHD and the digitization impact, the ability to reach and broaden the audience, it sounds very logical. But at the same time, I can also imagine that there are folks in the industry who might be a little resistant to the idea that there is the exclusivity of getting people in the theater and that experience being special. Has that reaction to BroadwayHD shifted at all over the last 18 months?

COMLEY: Well "the fear of cannibalization" is the term that we use within the industry, which is the fear that a producer who's just invested \$20 million to produce a Broadway live stage performance, and trying to sell tickets for \$125 for each ticket, if there is a version of this show streaming online at a BroadwayHD, or Disney+, or Netflix ... That's the fear of cannibalization, that somebody is going to see the digital version and say, "Oh, I'm going to replace that with the live experience." And there's no definitive evidence. Every show is different. There's not a one-size-fits-all that you can say, "Oh, look at this one. This is perfectly representative of the industry." Because if there was a one-size-fits-all, we would have all created a *Hamilton* or a *Rent*.

So I think that looking at that now, and sitting and watching social media, watching what people's reaction is to it, so that people that were ticket buyers are thrilled with BroadwayHD and saying, "BroadwayHD is a 24/7 reminder of what we miss about Broadway and live theater." And that's what it's always been. It's always been something to create an interest in the live stage performance.

So we have high quality Broadway and Broadway-caliber productions that are on a stage. They're captured in high-definition, high-quality, TV filmed captures, and then they're streamed on an easy-to-use, high quality, user-friendly platform.

We haven't seen what the results are because everything isn't opened up just yet. But the signs are there. And I think that with this Broadway season specifically, we're seeing digital assets in a whole new way that we've never ever seen before.

SAFIAN: Can you explain that a little? What's different?

COMLEY: What I mean by that is each of these shows is its own product. So *Lion King*, *Wicked*, all of these shows are a brand. *Lion King* was first an animated movie, and then they made it into a musical on Broadway. *Wicked* was a book that then they turned into a musical. And I think that, that's what we're seeing on Broadway is that there are multiple touchpoints for a brand.

The streaming piece is really evident with what's going on this season as things open up. Springsteen came back and it's streaming on Netflix. *Wicked* just did a concert version that wasn't the entire script but, again, another touchpoint for this brand. And is that going to take away from the live experience?

I don't think so, because I think people do get excited. With a really good digital capture, I think that people see and feel the excitement that they're missing.

SAFIAN: I'm curious, our audience are entrepreneurs and business leaders. When you reflect on this period, are there overarching lessons that you draw from this experience for you, for your business?

COMLEY: You have to be a little bit off center, I think, to be an entrepreneur because regardless of the industry, regardless of the business, there's so many other safe things to go into than the entrepreneurship side of it. And I think entrepreneurship is something that is learned.

My parents had their own business, they had an elevator business. And the failures that happen on your kitchen table, and watching somebody get through all of that, and the excitement and the fulfillment that they get from that was really contagious, I guess.

So I think that was why it allowed me to take risks. But you have to be willing to lose, you have to be willing to fail.

SAFIAN: So what's at stake for you, for your business at this moment, in this time?

COMLEY: The real challenge for us is the content, because as theater around the world is looking a little bit different, we're saying, "Where are we going to get the next shows?" We did a couple of captures in Australia, we did some in the UK because they were opened up first, and then the variant came along and things shut down again.

So it's, "Where are we getting the content?" But as I mentioned, more people within the industry are seeing this as, not just as another revenue source, but putting what I've always advocated for, put the full length digital capture costs into the capitalization of the show, and put it into your marketing budget where it belongs. Because I feel that the full length digital captures of a show are long form commercials for the show.

And I think that the tricky part is what we call windowing, which we saw with Scarlett Johansson recently where her movie came out, and it was supposed to just go into the movie theater first, but it was streaming at the same time.

SAFIAN: I mean, Scarlett Johansson, suddenly she didn't worry as much about what proportion of the revenue she got from streaming, and suddenly it's a bigger piece of it that she's not getting a piece of. So there must be some versions of that that go on, and for your business too, if a streamed version of a show suddenly has a lot of people, does the cast get paid differently?

COMLEY: The Broadway shows, as I mentioned, are all entirely unionized. So with BroadwayHD captures in the Broadway theaters, everyone that is supposed to get compensated gets compensated. And again, that's not necessarily a cost that we can negotiate. Those are fixed.

SAFIAN: And I guess that cost, in this environment of digital capture is being embraced as a worthwhile investment.

COMLEY: I do think that they are seeing the value of brand familiarity. So people become familiar with the songs, they become familiar with the storyline, the risk is eliminated because if they watch a BroadwayHD show, you can say, "Oh, I loved that. I can't wait to go see it in person. Now I'm willing to spend \$125 a ticket and bring my family. So now I'm willing to risk that \$600 for us all to go to see a show."

It opens up a whole new possibility of "try before you buy." So it's a way to try it at a much lower cost before you lay down your \$125 for that ticket.

SAFIAN: Well, Bonnie, this has been great. And I do hope that we can keep everybody in the theaters and keep the theaters moving. I know I'm a big fan of the arts and of theater, and I really appreciate your sharing all this insight with our audience.

COMLEY: Thank you so much. And I so appreciate the support for the industry. Thank you for having me.