3ality Technica: CEO Steve Schklair on Changing the S3D Game

by Debra Kaufman

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(print friendly)

Stereoscopic 3D People / Interview at Creative COW







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Article Focus:

Combining forces to drive innovation in 3D production, 3ality Digital has acquired Element Technica, and has changed their name to 3ality Technica. The newly merged company will dominate stereoscopic 3D production, with an estimated 80% market share. Creative COW caught up with fast-moving Steve Schklair in Brazil and later, Los Angeles to get the inside information.

On August 24, 3ality Digital, a well-known provider of stereoscopic 3D systems, announced that it had acquired Element Technica, which had made its name in 3D with its motorized S3D camera rigs as well as other production accessories. Now called 3ality Technica, the newly merged company will now command an S3D market share dominance estimated at 80 percent. The privately held 3ality Digital did not release any figures regarding the price they paid to acquire Element Technica, whose chief executives Hector Ortega and Stephen Pizzo are now senior members of the 3ality Technica team. In April 2011, private investment bank Clearlake Capital Group made a majority investment



in 3D 3ality Digital. Although the dollar amount Clearlake invested was also not revealed, 3ality Digital CEO Steven Schklair stated at the time that the investment would be used for acquisitions as well as R&D.



3ality Technica CEO Steve Schklair



Hector Ortega and Stephen Pizzo, now serving as Senior Vice Presidents at 3ality Technica, with The Neutron™ and Quasar™ rigs

Creative COW caught up with Schklair, first when he was in Brazil to begin talks with a range of production and broadcast entities there, and later in Los Angeles.

What was the key "get" from the acquisition? Does Element allow you to get into lower budget productions? What market share do you gain from the acquisition?

This was a way to grow the business. Most productions used their gear or our gear. Element also had a greater variety

of skill sets as well as design capabilities and manufacturing.

They were doing big features too. Our only competitor in that area was Element Technica; we have seven features going on and they had almost as many. Between the two of us, we now have the lion's share of the feature film production.



Does that mean that the acquisition signals a desire to focus more on the hardware side of your business?

No, not at all. In fact, it enables us to do a couple of things. Element Technica was very, very good at hardware, nimbleness and great design. I like their designs. Our rigs had more capabilities built into them, but a lot of TV shows are using 3ality image processors with Element Technica rigs. Our image processor didn't talk back to the Element Technica rigs. It would only tell these TV shows when something was wrong, and then they had to manually fix it.



Prior to the creation of the Quasar™, the first and largest rig in the Technica 3D family, 3D rig shooting platforms were largely one-off prototypes.

You lose a bit of resolution when you do manual fixes, but a lot of TV guys don't mind that since by the time it reaches the home, it matters less. Element Technica couldn't integrate our gear and we couldn't integrate theirs. A lot of broadcasters were doing their own integration and now they don't have to. So that helps the whole broadcast market.

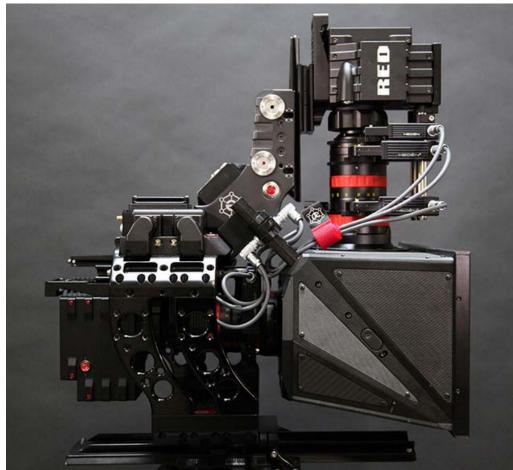
Their company also has a manufacturing base and we don't. We've always outsourced our manufacturing, and they do in-house manufacturing at their offices in Los Angeles. We've rented two more buildings and now have most of the block we're on in Burbank. They'll be completely moved over to our Burbank facility, certainly by the end of the year.

Will they manufacture your rigs?

Not in the immediate future, but they'll manufacture a lot of accessories for us in-house. They make so many great accessories for camera support, hand-held and hybrid systems, the RED camera. I was attracted to them because of their accessories. And they'll continue to manufacture their own rigs.



When we go to IBC this year, what were Element Technica rigs are going to be rigged to get feedback from our image processor and our rigs will be outfitted with their accessories. So we've integrated some of the best components of both companies.



The Atom™, a camera-specific 3D rig designed for RED Epic digital cinematography cameras. The Atom has been optimized to

take full advantage of the small form factor of the Epic, while still accommodating full-sized PL and PV primes, as well as smaller zooms like the Optimo 16-42 or 30-8.

There's been such a proliferation of 2D-to-3D conversion systems. How much does this eat into 3D production?

There are some companies that do a good job of converting. But it doesn't add anything to the story. I'm not opposed to conversion but I am opposed to conversions of entire movies. Usually conversions are for big special effects sequences; you do it in 2D or 2.5D and then convert the backgrounds or the first 20 layers and do the final. That's a great hybrid way of working with conversion. People will obviously convert library movies. Jim [Cameron] has said he plans to convert *Titanic* to 3D, for example. If you want to see *Titanic* in 3D, that's up to you. There's no opportunity to re-shoot it in 3D. So, conversions: For a hybrid purposes, great. For library titles, great.



U2 3D. Courtesy Revolver Group. Note TWO 3ality rigs, one flown, one on tripod and one on a boom in the background, immediately to the left and behind the one on the tripod.

Where do you see the growth in the 3D market? Is it the momentum going to come from TV going forward? Or are we still going to see a lot of strengths from the film side?

Features continue to grow, despite the naysayers. The Economist wrote an article and their conclusion was 3D is going to go away. I wrote a response to that none of this has gone away. It's growing. But the crappy movies that have 3D pasted on top of them aren't going to do anything to speed up the adoption of S3D. Or the movies that have conversions slapped on top of them.

You pay a price to watch a 3D movie: you have to wear glasses. If it's a good movie, you forget you're wearing glasses but you're still watching through a filter so you better get a good experience. If it's a 2D-to-3D conversion--and it isn't any better in 3D--then why pay extra for it?

For a lot of theses movies, 3D didn't add to the story or make you identify more with the characters. It didn't do anything. It was just there so they could market it as a 3D movie. That doesn't help the business.

What will drive the S3D TV market?

Sports will drive TV as it always does. More and more sports will be broadcast in 3D on TV.





3ality rigs were used for the first 3D sports broadcast. This is from the September 12th, 2009, USC-Ohio State Game. The game was also televised in standard definition and high definition on ESPN and ESPN HD. Photo courtesy ESPN.

The thing the [S3D] market needs that will actually turn 3D TV into a real home medium is episodic TV: When there's something on TV that most people want to watch. I can't name the show but I have a favorite show on TV and I DVR it when I can't watch it, which is about 90 percent of the time. We shot one episode in 3D for that show and I saw it. They won't let me have a copy, but it was so much better in 3D than 2D. It was a completely different experience. If I could see that show in 3D, I'd buy a TV for it. When there are more of those shows, the whole market moves.

We are working on episodes now, but I can't name the shows. Not all of them are planning to air the 3D episodes. They want to feature-proof their archive and release it in Blu-ray in 3D.

What are your hopes for IBC?

This is going to be the first public appearance as 3ality Technica. We're going to the market to explain why it made sense: to offer a more complete line of products. With economy of scale and doing our own manufacture, it will enable

us to start lowering prices, which is good for the industry. What's good for the industry helps the market. We want the 3D business to be stronger and one way to get it there is to lower prices.



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