

**THE UNIVERSITY OF TEXAS AT LOS ANGELES**

**ENTERTAINMENT INDUSTRY – THE BIG PICTURE**

COM 324-1

RTF 347C

INSTRUCTOR: STUART G. POLLOK

Phone: 323 842 3842

Email: \_\_\_\_\_

UTLA CENTER, BURBANK, CALIFORNIA

Semester Credit Hours: 3

Office Hours Wednesdays 6:30-7:00PM and By Appointment

**FALL 2017**

**Course Overview**

This class is an overview of the business of film and media focused on past, present and emerging practices from both a major motion picture studio and independent film perspective concentrating on the economics and business models – “follow the money” - that drive show business as well as exposure to the critical practical expertise required to satisfy the multi-faceted demands of producing content in the ever-changing media landscape. The disrupting influence of technological advances, changing consumer habits and the rise of ‘international’ will be analyzed as well as the tensions between content/distribution, business/creative, and risk/reward, to name but a few paradigms, that are at the core of understanding the eternal beating heart of the entertainment industry.

The class is structured in two halves, with the ‘eco-systems’ featured in the first half of the Semester leading to the mid-term exam followed by the practicalities of producing leading up to the final exam. Information will be presented in class from your instructor, handouts, reading assignments and industry professionals.

**Learning Objectives**

1. Analyze the revenue structure for major motion picture studio films
2. Analyze the revenue structure for independent films
3. Monitor emerging disruption factors within the film industry
4. Identify recurring themes, business models and the role of technology in film
5. Identify, manage and present financing, recoupment, collateral, and ‘comparables’ analysis solutions for individual productions
6. Create and present a business case for a selected entertainment property

**Assignments**

Per the Canvas syllabus dates you can instantly access, you will find written assignments are due to be posted onto Canvas no later than the commencement of the next class session (e.g.: an assignment assigned on Wednesday, it would be due the following Wednesday.) Please do not submit printed material unless requested.

Email ALL written assignments (double-spaced) to \_\_\_\_\_. Include "The Big Picture Assignment" in the subject line. Make sure your name appears on the title of the document and the calendar date of the assignment on the paper itself, not just on the covering letter. Extensions will be difficult to come by. However, if extenuating circumstances arise, like a death in the family or your own illness, please notify me via text or email before the deadline so that the matter may be discussed.

### **Special Guest Speakers**

Industry professionals will be scheduled to offer their insights and personal experiences. Owing to unpredictable schedules, there may be last minute changes which will be communicated to all students via the class Facebook page and email. You will be expected to research the speakers, companies, and their work ahead of time to ask them questions in class or on location IN ADDITION to the assigned questions you will be posting on Canvas. This will be part of your grade. This is a unique opportunity for you to speak directly with professionals. These visits are highly valuable and you will be expected to participate in the Q&A for each speaker.

### **Absences/Tardy**

See above in "Assignments." Allow plenty of time for your commute, as L.A. traffic is both congested and unpredictable. If you have a legitimate scheduling problem (this does NOT include business lunches, family visits and screenings!) Please contact me prior to class via email, text, or a phone call to the office ([323-512-9200]).

Every On-Time class attendance will fully count towards your semester attendance grade, however each instance of being TARDY without any prior approval will result on you only receiving 80% of that evening's class attendance credit and an ABSENCE will result in 0% credit for that evening's class attendance credit unless discussed with me prior to the class date. Early exits will have the same effect as a TARDY.

CRITICAL NOTE: At NO time may your internship be used as an excuse for being late or missing class. Your internship host should accommodate your need to fulfill your punctual classroom attendance. It is your responsibility to communicate your schedule ahead of time with your host so they can help you make this happen.

### Recommended Industry Links

Deadline Hollywood <http://www.deadline.com>

Variety <http://www.variety.com>

Hollywood Reporter <http://www.hollywoodreporter.com>

The Wrap <http://www.thewrap.com>

Imdbpro.com <http://www.imdbpro.com>

Box Office Mojo <http://www.Boxofficemojo.com>

The Numbers <http://www.the-numbers.com>

### Recommended Industry Bookstores

SAMUEL FRENCH: 7623 Sunset Blvd., L.A

WRITERS STORE: 2040 Westwood Blvd, West L.A.

### Classroom Etiquette Policy

The use of cell phones, text messaging and all forms of outside-communication during class hours are not acceptable and will not be tolerated. Laptops (without wifi), however, ARE an acceptable form of note-taking in this class. NO WORKING ON OUTSIDE CLASS ASSIGNMENTS OR SOCIAL NETWORKING DURING CLASS TIME.

Learning Outcomes	Assessment	% of Grade
Design, produce, explain, and apply keywords/concepts related to business of entertainment	Final Exam	Paper 20% Presentation 20%
Critique and explain a professional business and career	Mid-Term	Paper 10% Presentation 10%
Understand, explain and create materials	Class Assignments	20%
Engage in critical dialogue and collaborative knowledge-building	Attendance and In-class participation	Attendance 10% In-class 10%

Total Course Grade is 100% and presentation and delivery of Final Project is mandatory.

Letter Grade	Range
A	100% to 94.0%
A-	< 94.0% to 90.0%

Letter Grade	Range
B+	< 90.0% o 87.0%
B	< 87.0% to 84.0%
B-	< 84.0% to 80.0%
C+	< 80.0% to 77.0%
C	< 77.0% to 74.0%
C-	< 74.0% to 70.0%
D+	< 70.0% to 67.0%
D	< 67.0% to 64.0%
D-	< 64.0% to 61.0%
F	< 61.0% to 0.0%

### **Services for Students with Disabilities**

Students with a documented disability may request appropriate academic accommodations from the Division of Diversity and Community Engagement, [Services for Students with Disabilities](#), 512-471-6259 (voice) or 512-410-6644 (video phone).

Please inform me within the first three weeks of class if you have a physical, learning, sensory, or psychological disability and need accommodation to take part in or to complete the required work for this course.

**University Email Notification Policy:** All students should become familiar with the University's official email student notification policy. It is the student's responsibility to keep the University informed as to changes in his or her email address. Students are expected to check email on a frequent and regular basis in order to stay current with University-related communications, recognizing that certain communications may be time-critical. It is recommended that email be checked daily, but at a minimum, twice per week. The complete text of this policy and instructions for updating your e-mail address are available at <https://cio.utexas.edu/policies/university-electronic-mail-student-notification-policy>.

In this course, email will be used as a means of communication with students. You will be responsible for checking your email regularly for class work and announcements.

**Religious Holidays:** Religious holy days sometimes conflict with class and examination schedules. If you miss an assignment or other project due to the

observance of a religious holy day you will be given an opportunity to complete the work missed within a reasonable time after the absence. It is the policy of the University of Texas at Austin that you must notify your instructor at least fourteen days prior to the classes scheduled on dates you will be absent to observe a religious holy day.

**The University of Texas Honor Code:** The core values of The University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the University is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community.

**Scholastic Dishonesty:** The University defines academic dishonesty as cheating, plagiarism, unauthorized collaboration, falsifying academic records, and any act designed to avoid participating honestly in the learning process. Scholastic dishonesty also includes, but is not limited to, providing false or misleading information to receive a postponement or an extension on a test, quiz, or other assignment, and submission of essentially the same written assignment for two courses without the prior permission of the instructor. By accepting this syllabus, you have agreed to these guidelines and must adhere to them. Scholastic dishonesty damages both the student's learning experience and readiness for the future demands of a work-career. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. More information on student conduct and academic integrity is available at <http://deanofstudents.utexas.edu/conduct/academicintegrity.php>.

---

## WEEKLY SCHEDULE (Subject to Change)

CLASS #1: INTRODUCTIONS / STATE OF THE INDUSTRY / CLASS METHODOLOGY  
(Wed. Aug 23)

- Introductions
- Current State of the film and media industry
- Class Methodology:
  - How Hollywood Works + Economics
  - Studio of Independent of Disruptors/digital of TV
  - Role of Technology
  - Paradigms:
    - Business/Creative
    - Content/Distribution
    - Risk/Reward - 'Follow The Money'
  - Learning the language of savvy

- The Players:
  - Talent: Writers (WGA); Directors (DGA); Actors (SAG-AFTRA); IATSE; Teamsters
  - Producers – what is a producer?
  - Representatives: Lawyers; Agents; Managers; Publicists
  - Studios and mini-majors; Indie Distributors; Disruptors
  - Indie players: Sales Agents; Buyer’s Reps; Collection Agents; Completion Bond companies; Insurers
  - ‘Independent’ Film Financiers; Banks; Bank equivalents; Private Equity; Brands; Crowdfunding

Class Assignment: The class will be divided into groups and each group will be required to provide two brief (1 page each) papers in bullet point format, AND to present the papers in person at Class #2 to your classmates, focused on:

- (i) The history of cinema in the U.S. for each decade since 1900 (each group will be assigned one decade); AND
- (ii) The notable film highlights of one international territory (each group will be assigned one country).

Each paper will focus on the creative (films/filmmakers), business and technological developments.

Reading Assignment: ‘The Big Picture’ by Edward Jay Epstein, pages 3 to 125.

## CLASS #2: A HISTORY OF HOLLYWOOD (Wed, Aug 30)

- Presentation of Class Assignments
- A History of the U.S. Industry:
  - Creators
  - Contract System
  - Era of Liberalization

Class Assignment: Review and be familiar with the assigned handout studio film financing model handout for participation in Class #3.

## CLASS #3: HOW THE MAJOR MOTION PICTURE SYSTEM WORKS (Thur. Sep 7 – class pushed one day due to Labor Day holiday) GUEST SPEAKER: TBD

- How The Studio System Works
  - What is a Studio Film?
  - Distributors, Banks & IP owners
  - Relationship with Exhibitors

- Filmmaker Relationships
- Financing Relationships
- Little Yes/Big Yes
- 'Follow the Money' – The Domestic Economics:
  - Release Windows
  - Film Rentals
  - Costs off-the-tops (1-7)
  - P&A
  - Distribution Fee
  - Home Entertainment
  - Pay Television
  - Cable/Free Television
  - Syndication
  - Library
  - Other Revenues
    - Merchandising
    - Theme Parks
    - Retail
- International Release
  - Day-&-Date
  - Major/Minor Territories
  - Release Windows
  - Piracy territories
  - China

Class Assignment: Prepare a paper/model that estimates, and shows the calculations, of the total net revenues domestically for any movie released theatrically by a major motion picture studio in the last five years that garnered more than \$10m in domestic box office. Be prepared to present and discuss your paper/model in Class #4. A 1-page Summary of the Guest Speaker's insights.

Reading Assignment: Review and be familiar with the assigned independent film financing model handout for participation in Class #4.

#### CLASS #4 HOW THE INDEPENDENT SYSTEM WORKS

(Wed, Sep 13)

GUEST SPEAKER: TBD

- Discussion of Class #3 Assignment Papers/Models
- How the Independent System Works
  - What is an independent film?
  - Markets (cf. festivals)
  - Sales/International
    - SAA (NOAs)

- Domestic Representation
  - Co-Productions
- Finance Plans
  - Equity
  - Mezzanine
  - Senior = Collateral
- Recoupment Plans
  - Waterfalls
- 'Comparables' Analysis

Class Assignment. Prepare ONE of either a Finance Plan, Recoupment Plan or Comparables Analysis for an independent film project of your choosing sold in the last five years by a prominent sales agent. Be prepared to present and discuss your work in Class #5. A 1-page Summary of the Guest Speaker's insights.

Class Reading. Handout 'Final Top Ten Production Incentive States 2015-2016.'

#### CLASS #5: PRODUCTION INCENTIVES

(Wed. Sep 20)

GUEST SPEAKER: TBD

- Discussion of Class #4 Assignment FP, RP or Comp Analysis
- Top Locations
- International Locations
- ATL cf. BTL
- Caps/Minimums
- Rebates cf. Credits
- Discounting

Class Assignment. Select a property that you wish to be the subject of your Final Project. You are free to choose your property, preferably in film, and it may be studio or indie of any genre, budget, rating, etc. A 1-page Summary of the Guest Speaker's insights.

#### CLASS #6: HOW THE TELEVISION SYSTEM WORKS

(Wed. Sep 27)

GUEST SPEAKER: TBD

- Pitch your chosen Final Project to the class.
- The TV system
  - How the TV System Works
    - Network Cycle
    - Cable Cycle
    - Co-Productions
    - Syndicated

Class Assignment. A 1-page Summary of the Guest Speaker's insights. Prepare for your mid-Term.



### CLASS #7: MID-TERM EXAM

(Wed. Oct 4)

Interview a noted media executive; write a paper of no less than 2 pages and verbally present to your classmates in person the summary of that individual's personal and strategic business plan behind their career and their business

[Alternative: Prepare an analysis of what type of film (studio/indie, genre, budget, rating, location, release strategy) you would make if you wished to *maximize returns on capital* and verbally present your analysis to your classmates in person with the assistance of whatever materials you have prepared.]

### CLASS #8 PRODUCING - DEVELOPMENT

(Wed. Oct 11)

GUEST SPEAKER: TBD (Producing)

- How It Works
- Pitching/Selling
- IP/Underlying Rights/©
- Option Agreements
- Writer Agreements (Work-for-hire)
- Life Story Rights/Public Domain
- Invasion of Piracy/Defamation
- Clearances
- E&O
- Music Rights
- Development Investment Deal Structures

Class Assignment. A 1-page Summary of the Guest Speaker's insights.

### CLASS #9: PRODUCING - PRODUCTION

(Wed. Oct. 18)

GUEST SPEAKER- TBD (Legal)

- Packaging/Casting
  - Domestic Repping
- Director Agreements
- Actor Agreements
- Producer Agreements
- Profit Participations
- Guild Agreements
- Financing Agreements

Reading Assignment. Review and be familiar with the handout script, budget and schedule. A 1-page Summary of the Guest Speaker's insights.

## CLASS #10: PRODUCING – PHYSICAL PRODUCTION

(Wed. Oct. 25)

GUEST SPEAKER: TBD (line producer)

- Budgeting/Scheduling
  - Breakdown
  - Shooting Days
  - Cash Flow Schedule
  - Locations/Sound Stage
  - Night/Day

Class Assignment. Prepare a top sheet budget in Movie Magic Budgeting software for your Final Project. A 1-page Summary of the Guest Speaker's insights.

## CLASS #11 PRODUCING – POST PRODUCTION

(Thur. Nov. 2 – Class pushed one day due to Halloween)

GUEST SPEAKER: Paul Leonard and A N Other TBD

[to come]

## CLASS #12 MARKETING

(Wed. Nov. 8)

GUEST SPEAKER: TBD

- Marketing/Audience
  - Big Idea/High Concept
  - Traditional vs Digital
    - Network Media
    - Social Media
  - Rating
  - Genre
  - Demographics

Assigned Reading. Gender Inequality in 500 Popular Films by Stacy Smith. EU Digital Single Market Directive + Portability. [China]

## CLASS #13 FUTURE TRENDS

(Wed. Nov. 15)

GUEST SPEAKER: TBD

- Diversity
- Digital Single Market
- Disruptors: Amazon/Netflix
- Analytics: Slated/Cinelytics

Class Assignment. A 1-page Summary of the Guest Speaker's insights.

**CLASS #14 GUEST SPEAKER**

(Wed. Nov. 22)

GUEST SPEAKER: TBD – The Joys and Challenges of Producing

**CLASS #15: FINAL PROJECT REPORTS /PRESENTATIONS**

(Thur. Nov 30 – Class pushed one day due to Goodbye Dinner)

- Final Project Presentation Due (any format)
- Final Project presentation in person to the class of a complete development, production, finance, recoupment, budget & schedule, sales, marketing & distribution presentation primarily from a business perspective for your selected Final Project

**Suggested Reading**

[to come.]