
FILM INNOVATION LAB

SOLVE: FINANCING



SOLVE: DISTRIBUTION

SOLVE: COMMUNITY

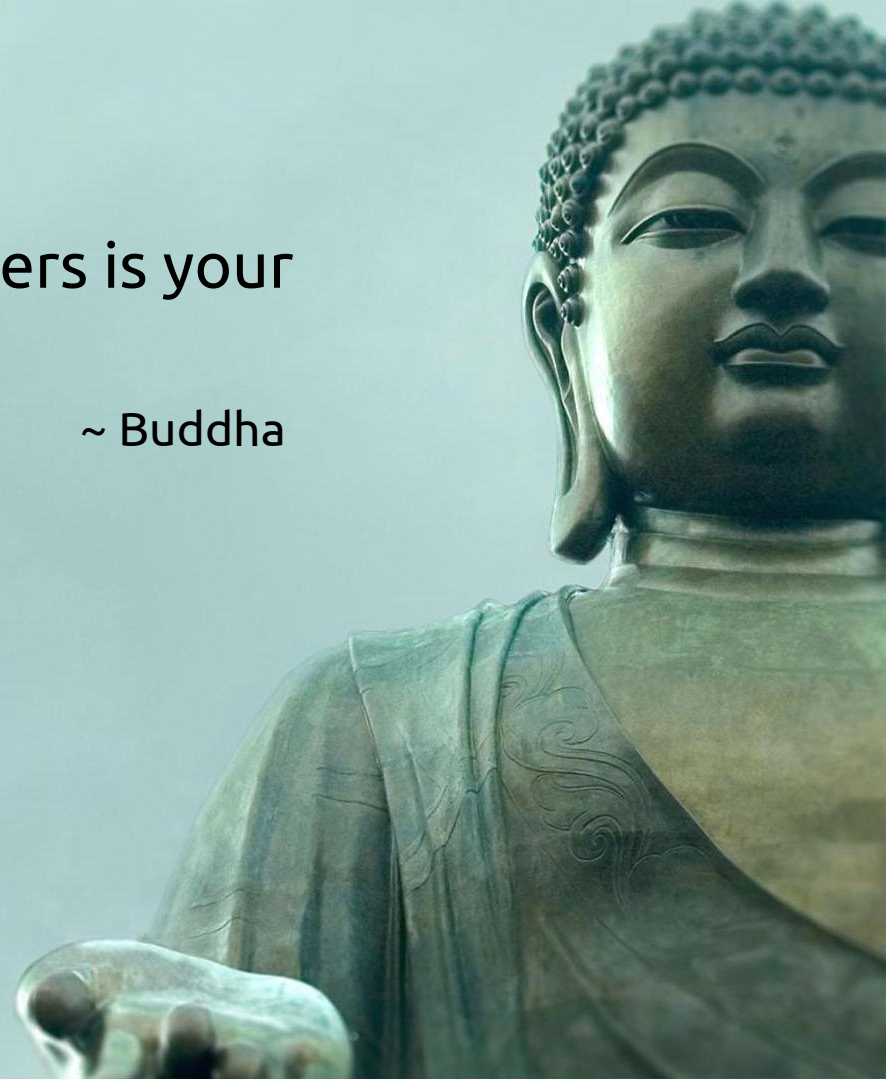
ELIXIR

ELIXIR ...

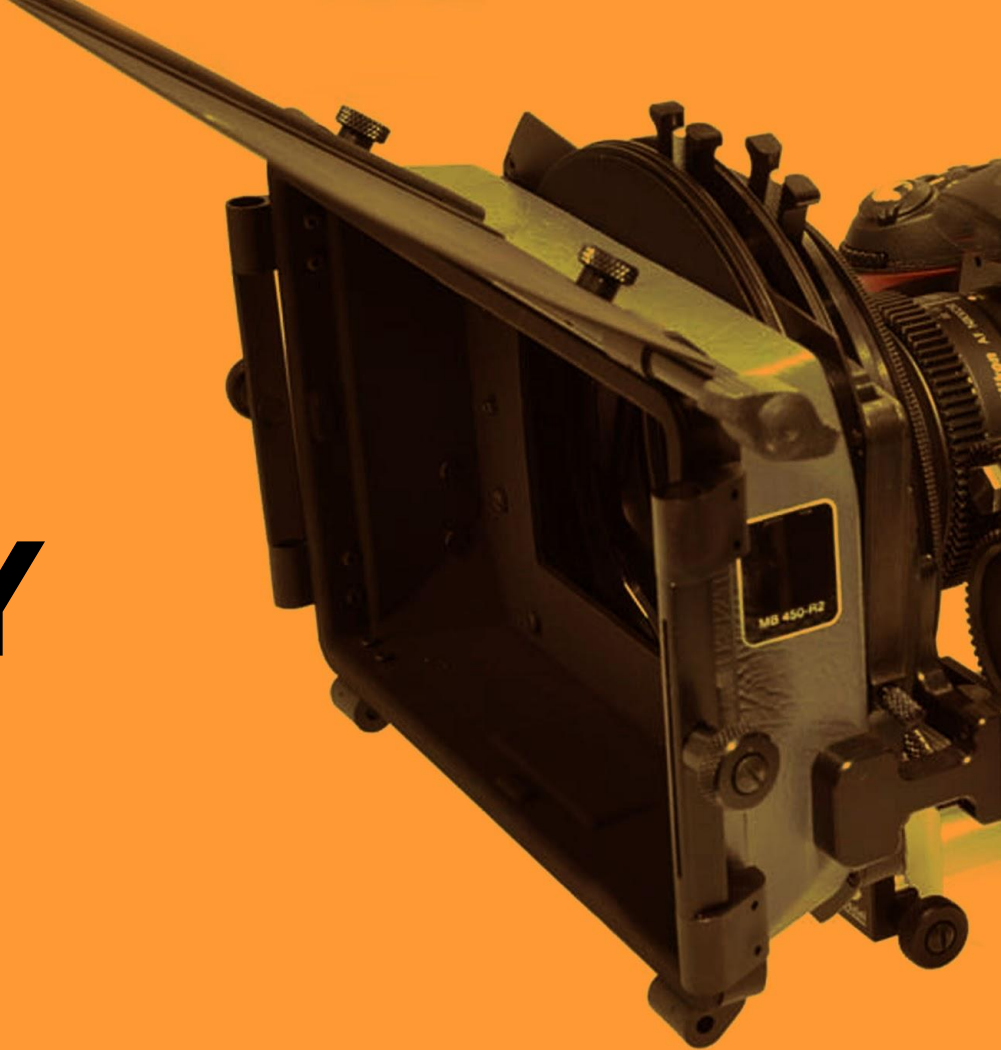
- **Why**
- **Purpose**
- **Theme**

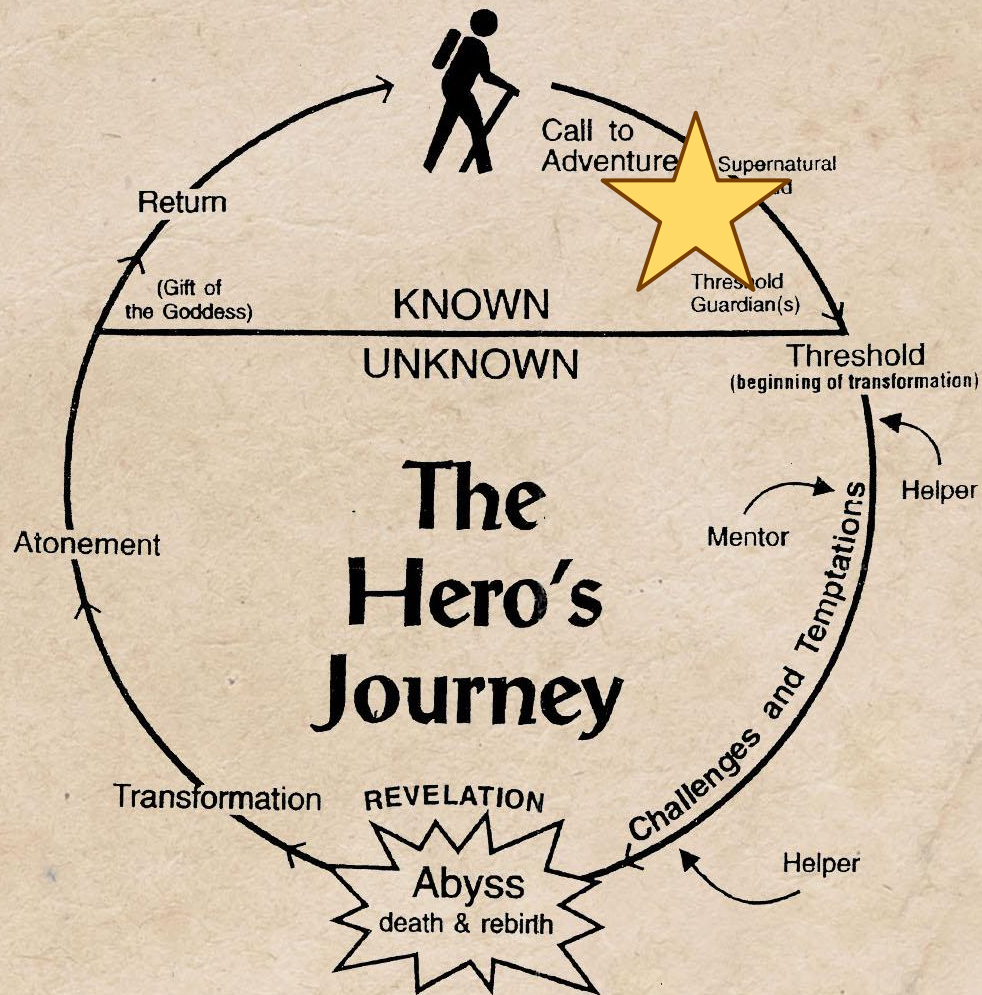
“The greatest gift to give to others is your knowledge ... share it.”

~ Buddha



HERO'S JOURNEY







Once upon a time ...

- Ordinary World / Known World
- Filmmakers only know one “Elixir”

HOW DOES HOLLYWOOD WORK?



HOW ***DOES*** HOLLYWOOD WORK?

- Studios have a **slate**
- Executives **answer** to a Board of Directors
- Studios **decide** which projects get the **greenlight**
- The film product is **made**
- The film product is **marketed** and **sold** through various **distribution** outlets
- The **goal** is to make **money** for the stakeholders
- Rinse and repeat

HOW DOES INDIE HOLLYWOOD WORK?





Producer / Distributor



Foreign Buyer



\$2 Million Note



\$2 Million Loan



**Pocket \$1.5 Million
\$500K Budget**



**Filmmakers' Fees
Based on Budget**



Film Delivered



**\$2 Million Loan
Paid Back**

NETFLIX





Available at
amazon

The Amazon logo is shown on a black rectangular background with rounded corners. It consists of the word "amazon" in a white, lowercase, sans-serif font. Below the word is a thick, orange curved arrow that starts under the letter "a" and points towards the letter "n".



Distributor



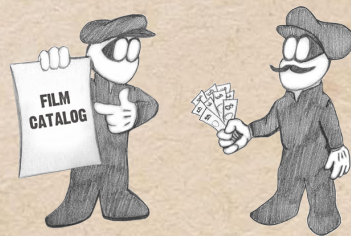
Filmmaker



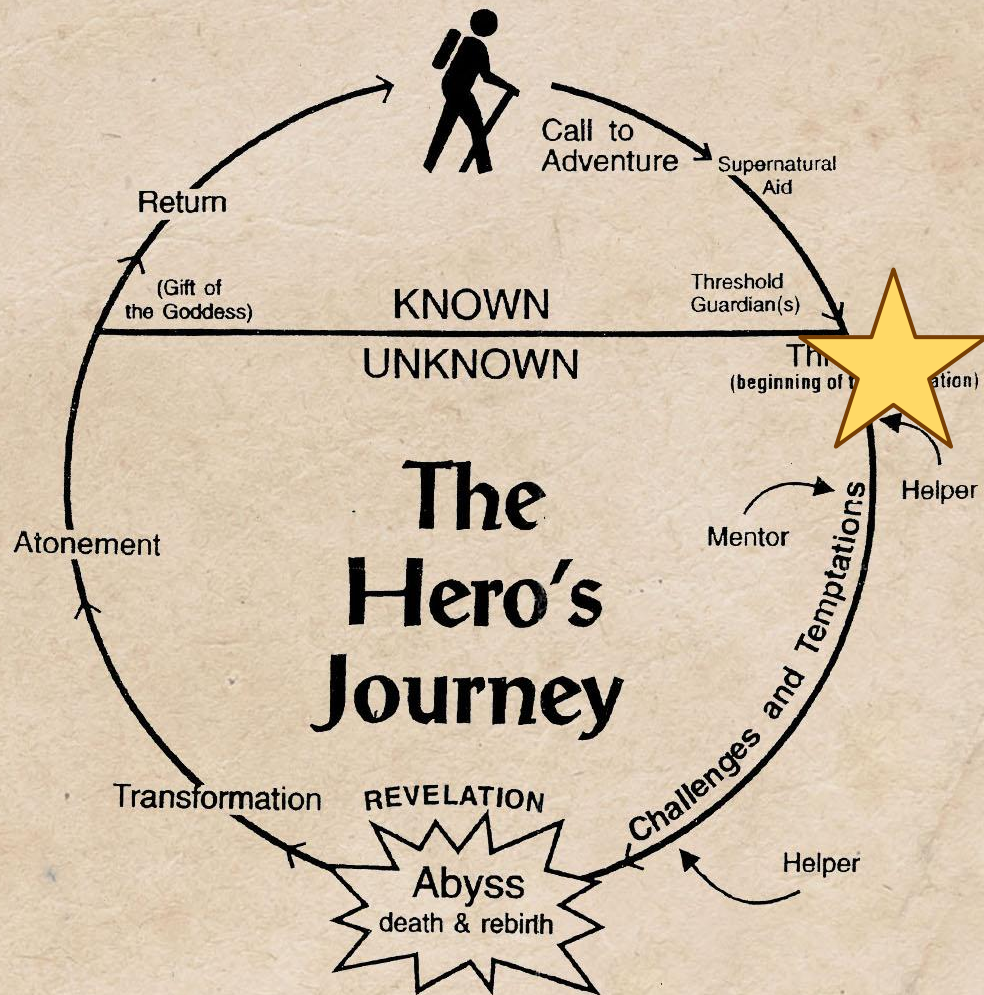
**Offers \$5,000
Cash Advance**



**Filmmaker Risks
\$250,000**



**WHERE DOES THE
ÜBER INDEPENDENT FILMMAKER GO?**



“There is no
transformation
without the
trials”

~ Joseph Campbell





VIDEO ON DEMAND (VOD)

- The über independent will most likely sell their film online
- VOD
- Restricted Access
- Understanding **VOD**

VIDEO ON DEMAND (VOD)

- **cVOD** = Cable VOD
- **MOD/TOD** = Movies on Demand or Transactional on Demand
- **FOD** = Free on Demand
- **cSVOD** = Cable Subscription VOD
- **SVOD** = Subscription VOD
- **iVOD/AVOD** = Internet VOD or Ad Supported VOD

DIGITAL DOWNLOADS

- **EST** = Electronic Sell Through
- **OTT** = Over The Top

VOD PLATFORMS ...



NETFLIX

AGGREGATOR



**Offers \$5,000
Cash Advance**



**Filmmaker Risks
\$250,000**



**Aggregator Provides
Technical Service**



**Filmmaker Pays
\$800-\$2,500**

DIRECT DIGITAL PLATFORMS ...



IndieReign

Your Independent Film Marketplace

ELECTRONIC SELL THROUGH (EST)

- This is the **world** of the über independent
- Transactional Projections = Conversion Rate
- **1%-3%** Conversion Rate
- Trailer Views
- **1,000** Trailer Views
- **1%-3%** of **1,000** = **10-30** Transactions
- Transactions (**10-30**) X Price (**\$10**) = **\$100-\$300**



\$25K Budget

- **$\$25,000 \div \$4.00 = 6,250$ Transactions**
- **1%-3% Average Inbound Marketing Rate**
- **625,000 - 1,875,000 Trailer Views**

HYBRID DISTRIBUTION

- Theatrical Events *
- Cable VOD **
- TV Deals **
- Foreign Distribution **
- Electronic Sell Through (EST)

HYBRID DISTRIBUTION

- ~~Theatrical Events *~~
- ~~Cable VOD **~~
- ~~TV Deals **~~
- ~~Foreign Distribution **~~
- Electronic Sell Through (EST)

MEANWHILE ...

BOOK PUBLISHING ...

- Relationship with book retailers
- However ...
- Advances have diminished
- Require author to have audience
- Require author to do marketing
- Authors don't make money from book sales

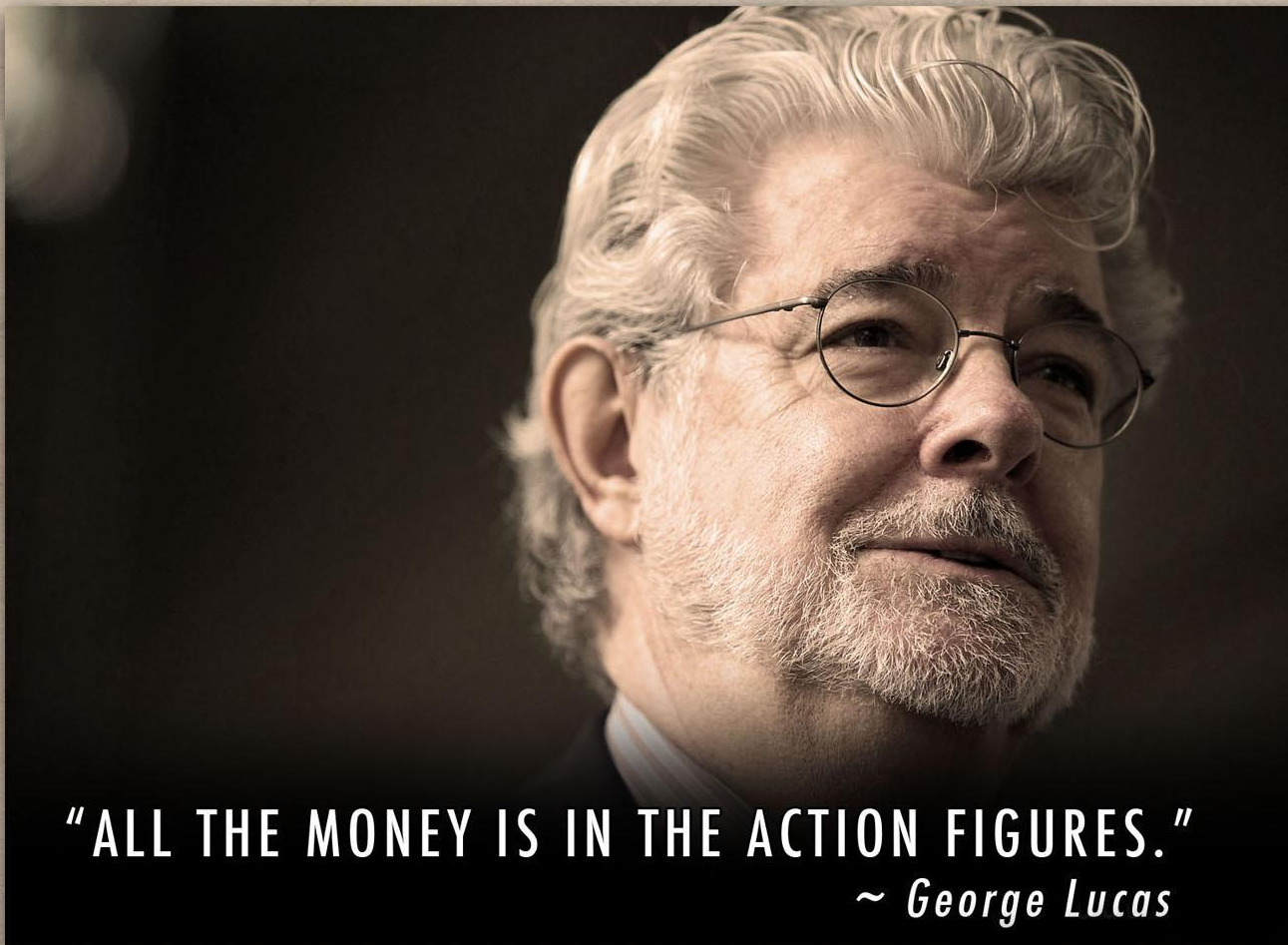
MUSIC INDUSTRY ...

- Relationship w/ promoters & radio
- However ...
- Advances have diminished
- Require musicians to have audience
- Require musicians to do marketing
- Musicians don't make money from the sale of their music

**WHAT
BUSINESS IS
HOLLYWOOD IN?**



LICENSE EXPLOITATION



"ALL THE MONEY IS IN THE ACTION FIGURES."

~ George Lucas



WHAT BUSINESS ARE YOU IN?

- If Hollywood is in the business of license **exploitation**...
- Then how does the über independent filmmaker **exploit** their own license?

**YOUR FILM IS AN
ADVERTISEMENT**





VOLUME vs VALUE

- Hollywood plays the **VOLUME** game
- The über independent filmmaker plays the **VALUE** game



\$4.00

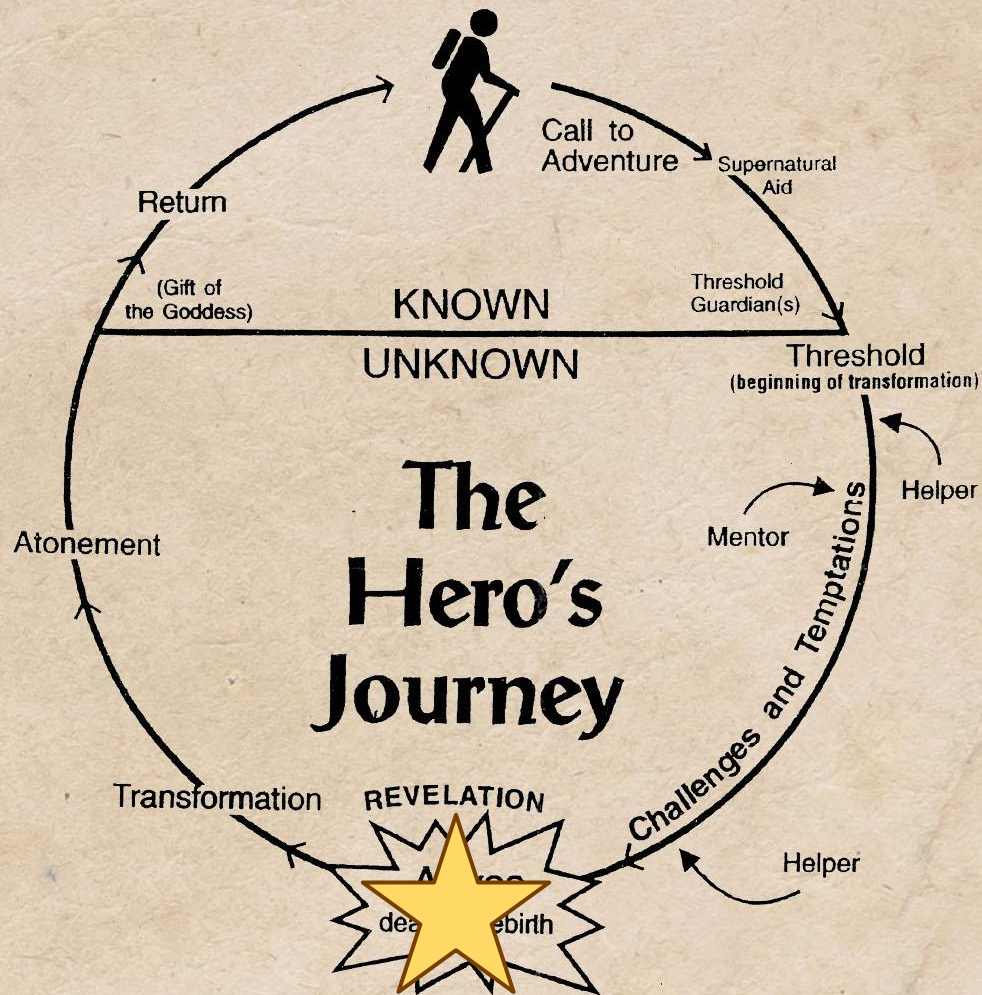


\$4.00



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\$4.00



\$4.00

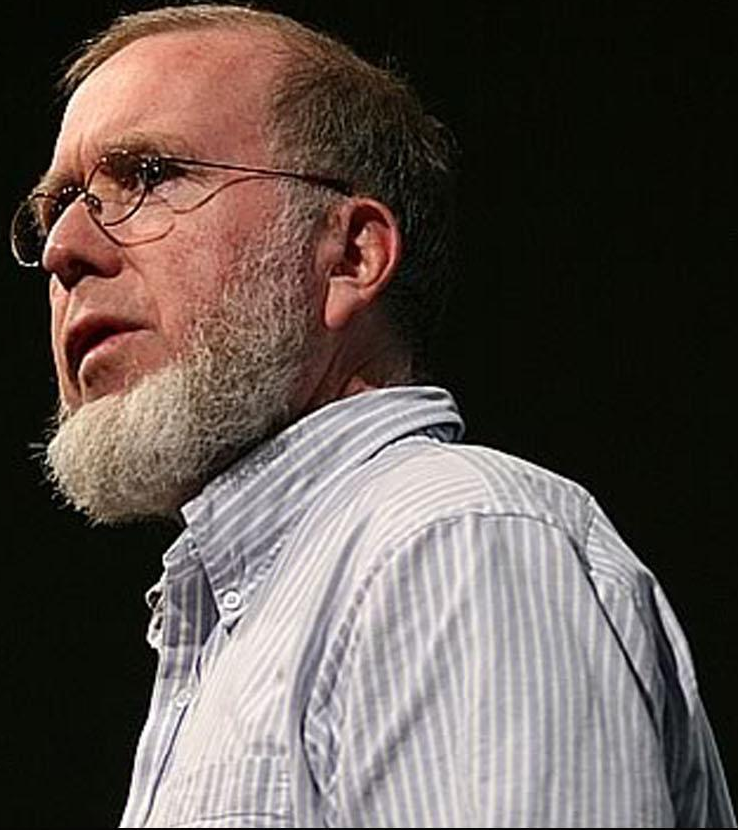


\$4.00



\$100

"1,000 True Fans"
~ Kevin Kelly



**YOUR FILM IS AN
ADVERTISEMENT**





The Film

\$10

BUY



Modules

\$97

BUY



One-On-One

\$997

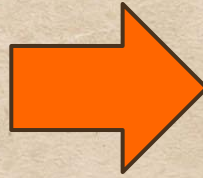
BUY



**"WE DON'T MAKE MOVIES TO MAKE MONEY ...
WE MAKE MONEY TO MAKE MOVIES."**

~ Walt Disney

CASH FLOW



RELATIVITY

The background is a deep space scene with a rich blue and cyan color palette. A large, bright spiral galaxy is the central focus, its arms swirling outwards. Several planets of varying sizes are scattered throughout the scene, some showing atmospheric details. The space is filled with countless stars, some appearing as sharp points of light and others as soft, glowing nebulae. The overall effect is one of vastness and cosmic wonder.

'Wet Hot' Inside the Camp Reunion Taking Stock Film Biz Drives Market Below the Line Impact Report



VARIETY

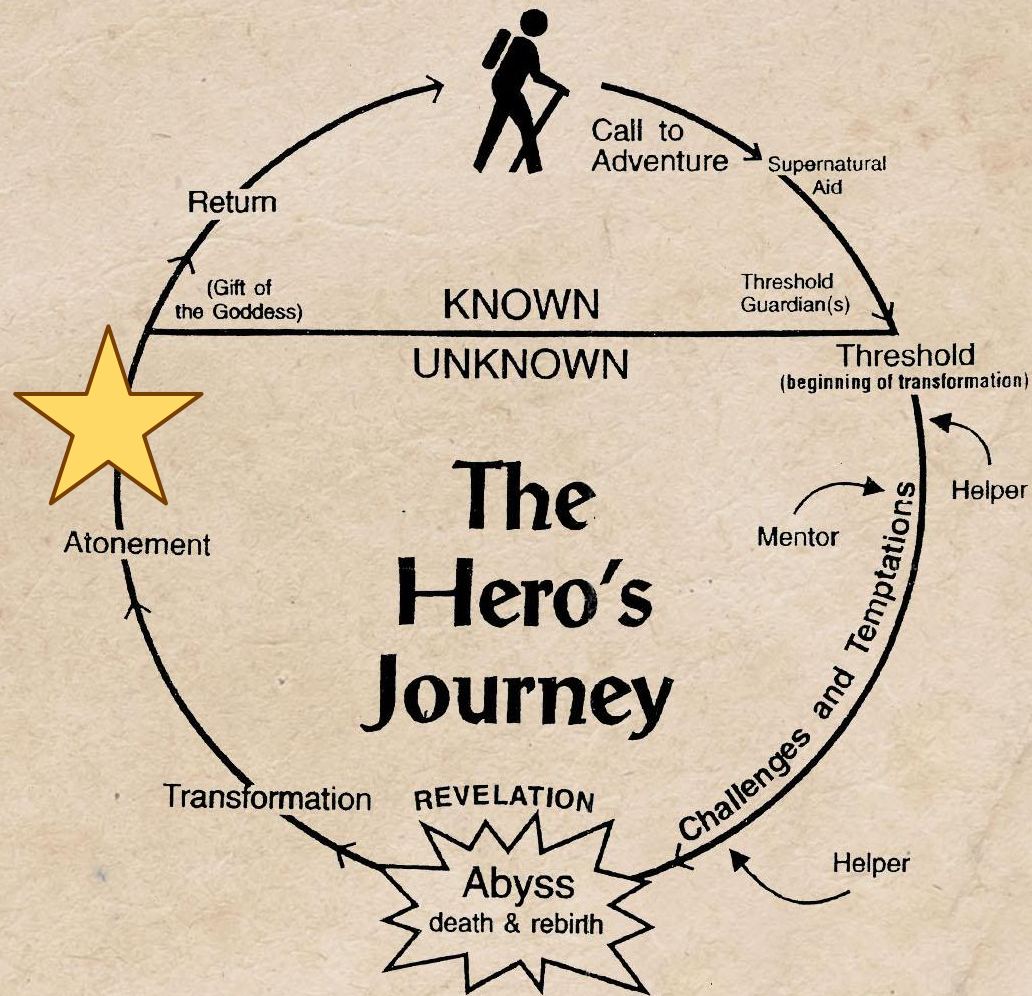


RELATIVITY IN RUINS

Ryan Kavanaugh is scrambling to save himself
and his company. But it may be too late

By James Rainey & Brent Lang
p.32

LICENSE EXPLOITATION



ELIXIR

NEW DISTRIBUTION MODEL

- Business of **LICENCE EXPLOITATION**
- Your Film is an **ADVERTISEMENT**
- Sell on **VALUE** not **VOLUME**
- **DISTRIBUTION** is NOT the problem...

MARKETING

ELIXIR

SERVE
YOUR AUDIENCE



HOW TO SERVE?

- **IDENTIFY** your audience
- **LISTEN** to your audience
- How does your **ELIXIR SERVE** your audience?
- Advertise the **VALUE**

**DOES THIS
WORK?**



Case Study ...

- Documentary Filmmakers
- NO Audience
- NO Email List
- Trial and Error ...
- Found Their Audience

Case Study ...

- Double Down
- Offered Licensing
- Marked Up Price for Licensing
- **GROSSED \$1.3 Million**
- Kept about 50% of Gross profit

AGE OF CHAMPIONS

***** WINNING NEVER GETS OLD *****





<http://filmtrooper.com/77>

Workshop ...

- Identify Your **THEME (Elixir)**
- **THEME** = Marketing Message
- Does your **THEME** reveal the **VALUE**?
- What high **VALUE** products can be offered in **SERVICE** to your audience?

**KNOWING THE "WHY" ...
WILL LEAD TO THE "HOW"**

<http://filmtrooper.com/innovation>
