



The Business of Music and Film
B40.343.10 Fall 2008
Mondays 6:00 – 9:00
Henry Kauffman Management Center
Room 3-110

David Ellner, Adjunct Associate Professor of Finance, EVP Global Digital Initiatives Universal Music Group
212-373-0620
d.ellner@umusic.com

Andy Kim, Adjunct Associate Professor, SVP Finance & Business Development, The Weinstein Company
917-751-0372
akim3@stern.nyu.edu

Course Overview

Technology has impacted almost every industry, but its impact on entertainment has been and will continue to be particularly profound. Throughout the value chain, from content creation, to distribution and consumption, technology has changed the way consumers view and use entertainment. It has dramatically altered the entertainment and media landscape, with more change on the way.

This course will provide a brief introduction to several industries within the entertainment industry including Music, Film Television etc. We will examine the impact that technology has had on them, including a realistic assessment of possibilities for the future. We will focus on technology's role as a fundamental driver of strategic change, based on the following framework:

- The technology itself: Is it real or vapor? Can it be produced economically? Can it be easily replicated? What are the hurdles to production / adoption?
- The consumer: Do consumers want the technology? How are consumers filling the need right now? How strong is the inertia for the incumbent competitor, technology and / or consumer behavior?
- Execution capability of relevant actors: Basically, can the companies "pull it off"?
- Impact of legal and contractual rights issues on the outcome
- Competitive response from those affected by the change: How will they react? Can they slow or prevent disruptive change?
- What will be the impact of the technology on incumbents, consumers and new players, including economics, social impact, leverage across industries, other?

Course style will be powerpoint-guided lecture, with hopefully 4 or 5 guest speakers (subject to change).

Grading:

- Class participation – 25%
- Papers (suggested topics to be distributed)
 - Paper 1 (20%): due October 27th
 - Paper 2 (20%): due December 8th
- Final exam – 35%

Course Requirements

Final grades will be based on four aspects of student participation:

- ❖ **Class Participation:** Since we would like to make the class as interactive as possible, a high level of class participation will be expected. Students are expected to bring their name plates (or reasonable facsimile) to each class meeting.
- ❖ **Papers:** There will be Two Papers. Papers should be 5-6 pages in length and done individually
- ❖ **Examinations:** On December 8th, there will be a closed book final examination.

The final grade will be allocated according to the following formula:

Class participation	25%
Papers (suggested topics to be distributed)	
- Paper 1	20% Due October 27
- Paper 2	20% Due December 1
Final exam	35%

The expected grade distribution will correspond with finance department guidelines for advanced electives, viz.:

As	10 - 25%
Bs	35 - 60%
Cs (or worse)	5 - 25%

Course Outline

Session	Topic
1. Sept. 22	<ul style="list-style-type: none">• Introduction and overview• The macroeconomic status of the Music Industry• Industry Basics• Overview –Michael Weissman (Strategies, Mergers, & Acquisitions; Viacom)

2. Sept. 29	<ul style="list-style-type: none"> • NO CLASS
3. Oct. 6	<ul style="list-style-type: none"> • The Entertainment Value Chain • MTV – Impact of Digital / Issues and Opportunities – Guest Speaker Courtney Holt – EVP Digital Media MTV Networks
4. Oct. 13	<ul style="list-style-type: none"> • Two Guest Speakers • Quincy Smith – President CBS Interactive • John Harrobin – VP Advertising / Marketing Verizon Wireless
5. Oct. 20	<ul style="list-style-type: none"> • Digital Revenue Streams • Music Products
**** PAPER DUE OCTOBER 27TH ****	
6. Oct. 27	<ul style="list-style-type: none"> • Introduction to Film – Andy Kim
7. Nov. 3	<ul style="list-style-type: none"> • Introduction to Film Finance – Andy Kim • Independent Film Finance – Guest Speaker Daniel Bigel (Bigel Mahler Films)
8. Nov. 10	<ul style="list-style-type: none"> • The Digital Film industry – Guest Speaker Thomas Geweke (President Warner Digital Distribution)
9. Nov. 17	<ul style="list-style-type: none"> • Social Networks and their impact on Media Guest Speaker Dan Rose – Head of Business Development Facebook
10. Nov. 24	<ul style="list-style-type: none"> • Piracy - How technology has magnified both physical and digital piracy and how it impacts the balance of power between content and distribution
**** PAPER DUE DECEMBER 1ST ****	
11. Dec. 1	<ul style="list-style-type: none"> • Contract Renegotiations • Guest Speaker – Larry Linietsky – VP Digital Clear Channel
12. Dec. 8	**** FINAL EXAMINATION ****