



Stern School of Business – Undergraduate Division

MANAGING THE DEVELOPMENT OF CREATIVE CONTENT

Course: MKTG- UG.0004.01 FALL 2015

Thursday 2:00 – 3:15 pm

Classroom Tisch UC-21

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Course Background:

Writing a manuscript for a book or a screenplay for a film or mini-series all require solitary effort and single-minded focus accompanied only by one's muse and computer or yellow pad. However, the production, distribution and marketing of these and other products from within the Entertainment and Media Industries require considerable teamwork, with senior executives often working in tandem with other professionals who are peers. To make a movie, promote a home video, create distribution for movies, books, magazines, and music CDs all require an assortment of specialists working together, concurrently or meshing seamlessly at different points in a timetable, when their expertise is required. The foundation course Entertainment & Media Industries (EMI) course or Global Entertainment course is required as a prerequisite for this course.

The course is an elective for the Undergraduate student in the BEMT Minor. It will provide students with an opportunity to learn in great detail about the individual and collaborative services provided by professional managers both inside and outside the EMT companies. It develops a system by which to evaluate the quality of the service provided, the nature of the service and how these services are being implemented through collaboration with industry creative and business executives. Through discussions with and lectures by entertainment and media lawyers, accountants, talent and literary agents, studio executives, producers, publicity and advertising specialists, the student will understand the diversity of talents required to complete a project or product successfully. It is the role of various student executives to manage the process of creative development. In order to effectively manage the process, evaluate and select the team professionals, and coordinate their efforts for a successful end result, it is critical to understand how, why, and what each professional can contribute.

We will examine the roles of these specialists, and analyze the nature of the EMT industry sectors to develop a context within which to understand the value of various professionals, what should be expected, the pitfalls, the financial implications, and how they fit into the framework of the project.

Importantly as these teams of industry professionals surround a project, the overarching mission to maximize revenues, reduce risk whenever possible and build brands or facsimiles of branded

entertainment. The challenge is to launch these products or content on a world wide basis and maximize both the overall revenue at box office, or home video or Broadway, or within any venue, platform or distribution channel. We will create a framework for understanding the rationale behind “repurposing creative content” that has emerged as a major income producing opportunity for producers, writers, managers, talent agents, entertainment attorneys, and a myriad of others who have collaborated to enjoy the results of social communities in reducing marketing and distribution costs.

We will selectively cover movies, home video, network TV and radio broadcast, music and cable, and the importance of the professionals to these sectors.

Course Objectives:

To provide students with an understanding of the role of the executive in the entertainment and media industries who can assemble a team of creative professionals and manage their activities so that successful content can be the outcome.

To share an overview of the various disciplines and content genres/typology needed for the industry sectors that include movies, television, music, publishing, electronic games, theater, and related businesses.

To gain insights into legal and financial issues pertaining to the various entertainment and media industry sectors, including basic copyright, intellectual property and privacy issues.

To examine the roles and responsibilities of each of the members of the team assembled by the manager (producer, head of production, student head, manager/agent, manager/lawyer, business coach, management consultant).

To review and be capable of implementing business plans for funding entertainment projects offered through venture capital, limited partnerships, angels or other specialists in financial deal making. This will include investigating the practice of specialists such as Mario Gambelli, Allen & Company, Alan Patricoff & Co., and others from major banks who participate in financial support.

To learn from the experts using lectures, cases, film, texts and guest lectures.

To learn by doing, participating in a team that will require role playing in assembling a team that can produce content, either as an original idea to treatment and script, or as a repurposing of an idea that can be created in another, disparate venue.

GRADING

The class will be graded on the following basis:

Class Participation/Attendance	10%
Cases: Tom Cruise & MGM, Warner’s Harry Potter Case, Pixar vs. Dreamworks	10%/10%/10%
Treatment/Outline	10%
Team Creative Repurposing paper	25%
Presentation	25%

ASSIGNMENTS: CASES

- There are three Cases that must be submitted on time and will provide 30% of your individual class grade. The case packet must be purchased at the NYU bookstore on Broadway near Astor

place and contains two cases. The cases are an individual assignment and should be in written form, answering the question at the end of the syllabus. The case papers should be single spaced, 12 point type and absolutely no longer than two pages. They must be submitted in class as a hard copy.

- Any late submissions or email submissions will be penalized.
- Required reading: *Difficult Men*, written by Brett Martin and published by The Penguin Press HC. Available in the College Bookstore in paperback.
- The three cases which are required for submission are as follows:
 - Tom Cruise & MGM September 17, 2015
 - Warner Bros Harry Potter October 15, 2015
 - Pixar vs Dreamworks November 05, 2015

ASSIGNMENTS: FINAL PAPERS AND PRESENTATIONS

- The final project will be in teams and represents 50 % of the grade.
- Outlines for the papers are due on October 01, 2015
- The term papers are due on November 19, 2015
- Final presentations will be done in groups of 5-6 students. We will distribute a list of topics. Presentations should be approximately 15 minutes each.

Instructor Policies:

Lateness:

Late assignments are not accepted. If you miss any assignment deadlines, i.e., at the start of a class period on the due date, you forfeit a grade on that assignment.

Absences/tardiness will lower your class participation grade significantly.

Managing the Development of Creative Content

SCHEDULE OF LECTURES

(SPEAKERS' SCHEDULES CHANGE AND FLEXIBILITY IS REQUIRED)

Required Reading: to be announced

- 1) Sep. 03 **Introduction to Team Building: Entertainment & Media Entertainment Law (Music)**
Review syllabus, overview, discussion of the industry and readings. Review the Cases and explain the final Assignments
Distribute Team Cards

- 2) Sep. 10 **Speaker: RON BEINSTOCK, Entertainment Attorney specializing in music and Talent contracts**

Music Law: Contracts and Provisions
Recoupment, Royalties, Advances
Touring, Merchandising, Promotion
Protection of Intellectual Property Rights
International Sub-rights and Distribution
Protection from Talent Malfeasance

- 3) Sep. 17

Lieberman review of the Case #1 due Sep. 17: Tom Cruise & MGM
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How does Creativity become part of an organization's DNA.
Who are the most creative executives in Film?
How do they maintain their standing?
What about relationships: Jon Peters & Peter Guber,
Jerry and Don, Michael Eisner & Katzenbach,
Dream Works trio SKG
Oprah, Dr. OZ, Dr. Phil, Paula Dean(meltdown)

- 4) Sep. 24

Speaker Richard Leibner, Talent Agent
How does the Talent Agency package creative content and help the industry in repurposing content across all media platforms

- 5) Oct. 01

Talent Lieberman Lecture
Article from Variety on Creative Management
Discussion of Treatment Development
Selection, Recruitment, Compensation, Review of Talent

- 6) Oct. 08 **Speaker Joe Dapello Entertainment Attorney for Film: Ang Lee, Al Pacino, directors and producers**
 Deal-Making Definitions
 Gross deals, adjusted gross deals, net deals and
 Gross participation after break-even
 The Contract: Negotiations and Play or Pay
 Basic copyright and Contract Law
 What are the implications for both sides when talent wishes to get out of their contract?
 What is the value of multi-picture contract, multi-record deal, etc?
 How do entertainment attorneys move up in the corporate structure?
 How do they get compensated?
 What are the basic components of a contract for protecting the rights of talent?
 Are there different agreements depending on the level of compensation the talent is getting, i.e. different rules from normal union talent versus superstars?
- 7) Oct. 15 **Warner Bros Harry Potter HBS Case**
Discussion of The Potter Franchise, the writer's gift, Potterdam, Susan Jurvics and Skype discussion
TREATMENTS due
- 8) Oct. 22 **Scott Collins, EVP, AMC Cable**
Difficult Men – Breaking Bad, Mad Men, Walking Dead, The Show Runners
- 9) Oct. 29 **Jeff Filiberto CAA New Enterprises at the Leading Talent Agency**
- 10) Nov. 05 **Pixar vs Transformer case due**
- 11) Nov. 12 **Aldo Scrofani former CEO Columbia Artists Management, Independent Producer**
- 12, 13, 14) Nov. 19, Dec. 03, Dec. 10 15 minute presentations by Teams (alphabetical order)
- ***Nov. 26 **No class - Thanksgiving Holiday**

LECTURE ISSUES

Lecture I Introduction

1. Where are the Centers of Influence in the Entertainment and Media industries?
2. Who are the power brokers? What are their levels/titles? What are their roles?
3. How (and why) does power vary across Film, Music, TV, Cable, Print, etc.?
4. What is the value [to MBA students/future business executives of various industries] in understanding the nature of the professionals that wield authority and influence in Entertainment and Media?
5. Where are there career opportunities? What are the required skill sets? What are the pitfalls and advantages of a professional management career path in Entertainment and Media?

What are the dynamics of creating the professional management team around a particular property, product or “talent”?

Lectures II, III Entertainment Law Issues

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1. What is the role of an entertainment lawyer vs. an agent vs. a business manager? When can these roles converge? When must they remain separate?
 2. How can the law help to mitigate the risks for all parties involved on either side of creating an entertainment product?
 3. How does a law firm perform due diligence on the execution of a client’s contract? How does a lawyer ensure compliance?
 4. How have contracts and compensation trends changed in the recent past? [DreamWorks SKG]
 5. What are the various types of contracts, their advantages and disadvantages?
 6. What is the lawyer’s role in a client’s claim to compensation, credit and control?
 7. What are the legal and financial implications of when either talent or the company wishes to exit a contract?
 8. How does the law protect real-life personalities portrayed in historical dramas while providing filmmakers with appropriate freedom of speech rights?
 9. Are there laws that protect personalities from inclusion or disclosure in so-called “tell-all” or “kiss-and-tell” books, which proliferate in Hollywood?

10. What are the laws that govern copyrights? How do the many types of rights differ? How does an individual (vs. a studio) come to retain certain rights (e.g., screen characters, sequels)? What can be copyrighted? [Characters, performances, titles, visual images, graphic art, lyrics, techniques]
11. How are plagiarism claims handled in the music world? [“My Sweet Lord”/ “He’s So Fine”; “Ice, Ice Baby”/ “Under Pressure”]
12. How does the law protect screenwriters, over-the-transom scripts, story ideas (vs. scripts)? [Art Buchwald/ Coming to America; Groundhog Day]
13. Is there legal involvement when studios vie for the same subject matter? [Volcano - Dante’s Peak; Outbreak - The Hot Zone; Rosewood; the upcoming asteroid/meteor movies]
14. How does the law help/hinder/protect the transfer of ideas/material between media? [novels, plays or articles to the screen; the screen to the stage; TV to film, film to TV]

Lecture IV Entertainment Finance Lectures & Issues

Profit Participation: Landmark case studies

Current Trends in Profit Participation Agreements

Which are the major firms in the industry? Who are the major players in the entertainment & media sector? Why? Who are their clients? What is the relationship between client and professional?

Distribution Revenue: Theatrical & Non-Theatrical

Television: Network, pay and syndication

Product packaging, home video, merchandising and music

Distribution Fees and Expenses

Residuals, prints and advertising, and other costs

Direct cost, overhead fee, Over-Budget Penalty, and Interest

What are the implications of high salaries, big budget films, special deals on personal wealth and studio survival? How do the after-markets get projected, and where do the profits kick-in?

Buyouts and profit Projections

Audit and Legal Function

Financing the Movie: the Role of the Venture Capitalist

Profitability in the Mega Merger Era

How do the outside firms, leading Accounting firms interact with the Corporate Financial people?

What is the motivation for some of the major mergers, profits, efficiencies, revenue stream, survival, or ego?

1. What are the fiscal motivations behind buying/creating a studio [NBC Universal; Paramount, DreamWorks], building a TV network CW, vertical integration [Disney – ABC - ESPN, consolidation of music labels, etc.? What are the trends and the forecast for the future?
2. What are the current trends in independent financing of films? Why does the trend exist/succeed? When did it begin? How is it changing? What will ensure its continued success? How do independent filmmakers find private financing?
3. What are the pitfalls and advantages of private investing in entertainment products or media companies?
4. Are limited partnerships still prevalent to financing small films?
5. What is the future of the mid-level cost (\$20MM-\$40MM) studio picture?
6. How are the various players in a film/TV production typically compensated? What are current trends? How do performers, producers and other talent receive compensation?
7. What is profit participation? Explain gross vs. net and why net is not a realistic expectation. [Forrest Gump]
8. What are the major accounting firms in the Entertainment and Media industries? What is their competitive advantage and how do they sustain it? Are there barriers to entry for this specialization?
9. How is compensation/royalties handled on programs in syndication, licensed products (character representation), sequels, etc.?
10. How have changes in contracts and guild agreements and recent credit recognition affected the compensation of past performers? [Blacklisted writers, directors; animation voice performers; syndicated series]

Lecture V Issues for The Business Manager

1. What is the role of a business manager vs. an entertainment lawyer vs. an agent? When can these roles converge? When must they remain separate?
2. To what degree is a business manager responsible for the acquisition/development of product/material/properties for a talent?
3. Under what circumstances is a business manager dedicated to a single talent or able to manage a stable of celebrities?
4. How does a relationship develop between a business manager and talent?
5. What is the greatest leverage opportunity a business manager can control for a talent?
6. How is a business manager compensated?
7. What are the financial risks faced by a business manager? How can those risks be mitigated?
8. What skill set is required to be an effective business manager?
9. How does one become a business manager?

Lecture V (continued) Issues for The Talent Agent

History, Major Firms, Sub Specialties

Power Broker

Packaging the Players

Managing Mergers/Consulting: New Role for Senior Agents

The Talent Scout

How do Talent agents prepare for their careers?

How is a talent agency organized/ What are the main specialties?

Are there any good books about the business?

Who is the most important talent agent today?

Why? Is there a trade magazine on the business other than Variety?

What is the compensation formula for the agencies and the individual agents?

1. What is the role of a talent agent vs. an entertainment lawyer vs. a business manager? When can these roles converge? When must they remain separate?
2. To what degree is a talent agent's job pro-active?
3. How does a talent agent solicit, persuade and secure talent?

4. Who are the players in the talent agent's circle of influence who represent opportunity?
5. How does a talent agent manage conflicts of interest in handling similarly talented or similarly categorized talents?
6. How does a relationship develop between a talent agent and talent?
7. Why would a talent agent seek a single relationship vs. growing a stable of talents?
8. How is a talent agent compensated?
9. What skill set is required to be a successful talent agent?
10. How does one become a talent agent?
11. Besides the Ovitz power play, how do lesser talent agents leverage their connections and experience to move into production and other careers?

Lecture VI Issues for The Producer

1. What are the ways that a producer obtains a property?
2. What are the financial advantages to purchasing/optioning a property outright?
3. In movies, what are the varying producer titles and what do they typically signify?
4. How much influence/control does a producer have on a project backed by a studio? On an independent?
5. What is the preferred way a producer assembles a package of talent?
6. When is a producer's role strictly financial, as a broker for investors? When is a producer involved in physical production?
7. Does a producer's job, influence and responsibility stop when production starts?
8. To what degree, is a producer involved in post-production?
9. Is it common (and practical) for a producer to develop multiple projects simultaneously?
10. How is a producer typically compensated on a studio movie? On an independent?
11. What skill set is required to be a successful producer?
12. How does one become a producer?

Lecture VII Issues for The Literary Agent

Explanation and Vocabulary

Advances and Royalties

Hard/Soft Deals

Worldwide Sub-rights

Books to Movies and Back Again

Superstars/Branding Authors

Famous Cases

Who are the main players, and where do you find them?

Are there bibliographies, articles, trade magazines, associations seminars for these professionals and their business?

Are there any literary agents inside of the publishing houses?

Whom do they interface with at the publishing house?

Tell us about the Joan Collins case and why such a situation is allowed to exist?

Does this in any way contaminate the other famous sister's reputation as a writer of blockbuster fiction?

1. What is the role of a literary agent vs. an editor? When do conflicts of interest arise and how are settled?
2. What is the hierarchy of publishing opportunities and how do they differ as businesses?
3. To what degree is a literary agent's job pro-active?
4. How does a literary agent solicit, persuade and secure talent? How is a literary agent involved in the development of a writer's product?
5. What are the key contacts within the publishing industry and in other related areas (film, television, etc.) that represent opportunity for further product development and distribution?
6. Are there conflicts of interest when commerce clashes with artistic pursuits?
7. How does a relationship develop between a literary agent and talent?
8. How does a literary agent develop a stable of talents?
9. How is a literary agent compensated?
10. What skill set is required to be a successful literary agent?

Lecture VIII Issues for the Advertising Executive & The Publicist

1. To what extent does advertising influence/control a marketing campaign for a product (movie, album, book, etc.)?
2. At what point does an ad exec get assigned to developing a campaign? What is the ideal or preferred opportunity?
3. What circumstances prevent an ad exec from being optimally effective?
4. How often must an ad exec balance the direct input of “talent” with the intuition of his/her own skills? (Schwarzenegger’s direction of the ad design for “Last Action Hero”)
5. What are examples of ad campaigns that have hurt products ... and what went wrong? Conversely, what ad campaigns have raised a product’s consumer-attractiveness beyond the quality of its offering?
6. At what point does a publicist get involved with a marketing campaign for a specific product?
7. What amount of control or influence does a publicist have during a campaign?
8. How does a publicist become attached to a single talent? Do publicists seek to represent a stable of talent? What are the advantages/ disadvantages of multiple representation?
9. How is a publicist compensated?
10. What skill set is required to be a successful publicist?
11. How does one become a publicist?
12. Is there a typical career path that begins with public relations?

Questions for the Managing Creative Content Development course

Tom Cruise case

1. What is it about Tom Cruise that caused Sumner Redstone to fire him?
2. How and why did UA become the first studio to be created and owned by four Hollywood stars?
3. What has changed since that time specifically regarding talent?
4. What was significant about MGM's involvement with UA?
5. Why did Harry Sloan call this new arrangement with Cruise and Wagner an experiment?
6. What is the content creation component of this case?
7. What is your opinion of Tom Cruise as an actor, as a Scientologist, and as a family man?

Pixar versus DreamWorks case

1. What is the nature of animation and what does it contribute to the movie industry?
2. Who is the major audience for animation movies? Has that changed or expanded in recent years?
3. Who are the major companies within the US in the animation sector? What is the core competency of the top two?
4. What is the supplementary revenue driven by animation content?
5. How will new technology enhance or add to the viewing experience by consumers for animation content?
6. What is the reason for the decline and bankruptcy of VSFX. Companies like Digital domain, Hue and Blue, etc.?
7. Why does this case on Pixar and Dreamworks include a discussion on India?

Warner Brothers and Harry Potter: Dilemma

1. What are the major milestones of Warner Brothers' history in the 1990s and currently 2012/13?
2. What was the literary history of JK Rowling that launched the Harry Potter book series, the most successful brand in publishing history?
3. How and why did WB develop the movie series as a line extension and repurposing of the successful book series?
4. Why did James Sirius think Paramount was a major competitor to WB and the Harry Potter movie sequels?
5. What were Paramount's milestones in its recent history in the 1990s and 2012/13?
6. What was the history of the movie Transformers and how did this concept evolve?
7. What was the impact of the Transformers movie on Paramount Studios' success?
8. What was the decision making process that led to incorporating 3-D into Harry Potter and Transformers? Was it successful? Was it a worthwhile experience for viewers/audience?

Managing Creative Content Development (MDCC) TEAM PROJECTS

1. MOVIE INTO A BROADWAY SHOW
2. DRAMATIC THEATER INTO A MINI SERIES FOR TV
3. RADIO SHOW INTO A MOVIE
4. SPORTS MAGAZINE INTO A CABLE PROGRAM
5. BROADWAY SHOW INTO A MOVIE
6. NEWSPAPER ARTICLE INTO A MADE FOR TV MOVIE
7. THEME RIDE INTO A FILM DIRECT TO DVD
8. FASHION SHOW INTO AN OFF- BROADWAY PLAY
9. TAKE ANY MOVIE AND CREATE A SEQUEL
10. HARRY POTTER'S ADULT LIFE WITH CHILDREN