

Book Review for 5/25/03 by Phil Little

Title: "Producing, Financing, and Distributing Film"  
Author: Paul Baumgarten, Donald Farber, and Mark Fleischer  
Publisher: Limelight Editions  
Length: 242 pages  
Reading time: 15 hours  
Reading rating: 5 (1 = very difficult; 10 - very easy)  
Overall rating: 3 (1 = average; 4 = outstanding)

The Asheville area has long been considered a prime location for making movies. Given the recent addition of Blue Ridge Motion Pictures, a top quality film studio, and the wealth of creative talent in the area, filmmaking could become one of the most significant industries in Western North Carolina. However, like any other business, there are certain principles of that business which must be understood in order to transform a good idea into a commercial success. This book is an excellent primer for the beginning filmmaker in that it deals with the three significant areas of the business: producing, financing, and distributing. In addition, the book also provides some necessary legal guidance.

The old saying that "there is no business like show business" certainly holds true in the film industry. As stated in this book, a lack of understanding about the film industry can be deadly for the novice filmmaker. The film industry is driven by contracts. Accordingly, it is necessary to understand the industry specific terminology that will be an integral component of the many agreements that must be a part of any film project. This book explains the true meaning of the most important terms contained in film agreements. Given that the terms of the agreements can have many alternative meanings, it is important that key terms be carefully defined in the agreements.

The book layout provides a chronological sequence for a film project. Concerning the critical development stage of the film project, the book provides valuable information about the acquisition of literary rights and screenplay agreements. For the production phase, the book contains guidance for the development of cash flow projections for investors, investor financing options, completion bonds, and basic agreement language for producers and directors. For the distribution phase, the book discusses the various arrangements for distributing and exhibiting the film and provides important warnings as to the pitfalls that must be avoided. Details are provided on the important income streams for a film such as the domestic and international box office, video sales, and music and soundtrack sales.

Over the past three years, I have been involved as a business consultant for some of the local film production companies. In the beginning, this book would have been very useful in my learning process for the business operations of the film industry. The main criticism I have of this book is its lack of illustrations of forms and agreements. The book contains only descriptive material with no exhibits. However, the details that are provided are excellent. Even if you are not interested in being an active participant in the

filmmaking industry, I believe that you will find this book and the industry to be fascinating.

Philip L. Little is head of the department of accountancy, finance, and entrepreneurship in the College of Business at Western Carolina University.