

Technology Wave Drives the Screen Content Explosion

A Million + New Screens are Coming to the World Market Every Day [i]

Earlier this year Steven Spielberg and George Lucas predicted the collapse of most megabudget movies and the end of Hollywood as we know it. These film icons aren't alone in forecasting major changes to the entertainment industry in the next few years.[ii] What gets less attention, though, is *HOW* motion picture production is being turned upside down. A convergence of new capabilities—some technological, some economic and some organizational—is rapidly making high-quality, inexpensive films possible. The shift to a new paradigm is more momentous than is generally recognized. And it is setting the stage for a new, decentralized cast of characters, companies and investors that will “make it big” in what might be called the era of the “screen-buster.”

By “screen-buster” I refer to the way that the makers of motion pictures increasingly will not worry about attracting huge crowds to physical theaters—the original meaning of “blockbuster” in the entertainment world. Already, movies are going directly to DVD. And there's a nascent push to distribute content simultaneously to a wide variety of screens—tablet computers, phones, cable TV channels. In the next few years, this trend to make a splash on multiple platforms at once is poised to explode. The driving force is basic market demand. A million new screens are coming into the world every day--how can the industry fill them with content worth viewing?

If industry players rely on traditional production methods, the result will be good content that is too costly for the media. And if they cut costs in conventional ways—skimping on writing, directing and acting talent, minimal production budgets, and reducing post-production enhancements—they will produce films of such poor quality that no one will want to watch them.

But there's another way forward. A host of disparate new capabilities are emerging that, taken together, are disrupting the entertainment industry. The capabilities encompass everything from financing, story development, new subsidy incentives for film production, distribution systems, platform targeting strategies (including traditional outlets such as theaters and emerging ones like mobile phone networks) and new international audience segments. Inside of each component of content production are enormous cost saving economies, production enhancements, and revenue broadening strategies. For instance, a film using the new techniques, with a cash budget of \$500,000 can end up producing a product that would equate to a \$5,000,000 production using traditional means **AND** generate an income stream from all platforms and distribution channels that can potentially generate 3 to 5 times the gross income of traditional productions.

While there are a number of organizations that are employing several of the new wave capabilities, the leader of the movement, the Ford Film Group is working virtually all of them and refining some of the critical components. The Company has tested and worked out each of the techniques on its films and integrated the efficiencies across all aspects of production. The company currently has 7 films in various stages of production. The new wave capabilities include each film launching with different teams of international partners; where each film is subsidized by a state or a sovereign country; where talent casting is executed with players familiar with the Ford Film Group process; where distribution worldwide is structured and pre-sold by its in-house distribution company, and where the target countries, languages, and platforms for each film are planned and marketed long before the first call for “action” is ever heard. A very critical component of the new capabilities model is the way the films are financed, as well as the relationships created with investors. Rather than financing individual productions or groups of films using traditional film financing, Ford Film

Group finances film slates where the first films are returning capital to financing partners while the balance of the slate is in various states of production and distribution. Each film is pre-sold and structured to retire all production costs in its initial release be that TV, DVD, Digital, etc. Subsequent platform distributions build profit and gain marketing push from social media, and word-of-mouth hype. The ultimate, worldwide distribution capability the company will soon employ, will be the “one day” all platform release of theatrical, DVD, TV, pay for view, and phone/tablet content --- all releasing on the same day. While single day theatrical release has been executed internationally and “one day” theatrical, pay-for-view, and DVD have launched simultaneously in the United States, Ford Film Group “one day”, multi-platform distribution can produce incomparable profitability and virtually eliminates “piracy” of the film. The Company’s strategy is to fill as many blank screens as possible with quality content. The company already has action, documentary, and animation films underway. In the very near future Ford Film Group will produce slates of content that target specific audience interests such as sports, children’s topics, Sci-Fi, and fantasy. Specialty targeting also allows the company to acquire digital hardware, software and skill capabilities directly related to each specific film genre.

Large traditional entertainment companies are very much aware of the empty screen phenomena. Many of the mega entertainment firms have capabilities identified in this article, but will have a great deal of trouble moving fast enough or of producing lower cost quality content. A number of majors have acquired smaller, independent film organizations but most of these firms, at least today, do not operate in an integrated or holistic method which can efficiently feed the global screen market. Recognition of the need to fill screens is affirmed in the recent announcement that NetFlix is going into the production business and the rumors that Amazon.com will also enter the market.

The “screen-buster” era is occurring right now. It will be very interesting to see who will grasp its impact and become the “major studios” of the future.

[i] *Eric Schmidt: Google now at 1.5 million Android activations per day.* Engadget by [Donald Melanson](#) posted Apr 16th, 2013. <http://www.engadget.com/2013/04/16/eric-schmidt-google-now-at-1-5-million-android-activations-per/>

[ii] *Movie of the Future*, The New York Times, Sunday Review, Frank Rose, Published June 22,2013. <http://www.nytimes.com/2013/06/23/opinion/sunday/movies-of-the-future.html? r=0>.

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