

Creating & Maintaining The Delicate Balance Between Producer & Distributor



Roxane Barbat

The worldwide business of international sales and distribution is peppered with a plethora of companies ranging from the traditional 'mom and pop' operations to companies that vary in size from 3 to 300 employees. On an on-going basis numerous changes have impacted this sector of filmed entertainment. Technology has enabled the companies to establish and execute quicker methods of delivery of materials to effect sales to the international buyers from scripts to the one sheets. At every market companies disappear and new companies emerge to join the mix of the 300-odd worldwide entities already in the arena. Increasingly, independent producers tired of inaccurate reporting on revenues are making a public statement. A perfect example on a major level is the recent press reports of Peter Jackson suing New Line for a product that generated \$600 billion in world wide sales. In the macrocosm of the 'international distribution marketplace' producers then try to self-distribute (mostly unsuccessfully), trying to recoup as much of the budget as they think they can or should get. For the select band of individuals who run companies in a 'fair business manner', the international sales and distribution business has been and continues to be about relationships. Unless an individual is extremely versed in the intricacies of finance, distribution, production and marketing, it is extremely rare and difficult for any one individual to wear all the hats needed to master the complex knowledge and experience demanded by the 'macro economics' of filmed entertainment worldwide. If it were 'simple' and 'easy' overall, many levels of the independent industry simply would not exist.

With the advent of technology the 'formula' is 'evolving', and it will continue to change as more independent producers bring their 'personal' visions to the screen through the availability and use of digital filming equipment. That aspect of 'independent filmmaking' is in many respects a different paradigm to the overall 'filmed entertainment business industry' that as yet does not constitute a 'completely viable and vibrant sector.'

From their LA base, Roxane Barbat and Fred de Wysocki – the team behind Fantastic Films – embrace 'globalization in the movement of product' and discuss their recipe for success at the international table: the rooted acknowledgment that the buyer is king.

Taking all factors into consideration, it is not surprising. As with the New Line Peter Jackson situation, producers (some justified, some not) are constantly suing the sales companies. This becomes all the more encouraging when we know, as an 'industry', that there is a group of well respected sales companies with 'game know-how' reporting fairly to producers that new sales companies are being formed with the specific modus operandi to work with and for the producers and distributors on a fair basis. It is on this axis that a truly 'independent' business model continues to rotate.

Fantastic Films LLC is one such company. Headed by Roxane Barbat, President, and business partner Fred deWysocki, CFO, Fantastic attends the Cannes International Film festival for the first time, having attended three previous American Film markets, and having built in a very short time a reputation for reporting fair and square to the producers on the initial projects the company represented. The company's Cannes line-up of product available to international buyers consists solely of projects that the company believes in and has a passion for based on recommendations from producers of the initial slate who were satisfied by the projections they had been advised could be recouped in sales. One of Fantastic's early successes was a very low budget independent picture that no one thought had any legs and other companies had passed on for which they recouped \$500,000 of sales via selected platform release and DVD. Roxane Barbat said, "The decision to establish the company started some ten years ago, when both of us were in different aspects of the business. When we opened the doors nearly three years ago, it was important to us to maintain low overheads. When companies that are licensing product, regardless of level, maintain a large staff, it puts the company in a position where it has to sell as much as it can, not necessarily for the right or adequate MG for that territory and at a price that is not necessarily right for that particular film. We felt that there is a need and a way to run the business more efficiently, because there are always more products available than there are

distributors. Another factor one sees when looking at the industry is that there is a certain degree of animosity between the producers, the sales agents and the buyers. Producers seem to be perpetually unhappy with the sale value of films and the way they are paid and when. In this environment we identified the need for a company that was able to sell individual films well and pay the producers on time to step into the marketplace. It was important to be authentic with our first titles (**The Lost Skeleton of Cadavra**, **Monsoon Wife**, and **Book of Swords**) that we can sell films, get the maximum for each individual film, pay the producers immediately and on time, and produce accurate producers reports. It's time consuming to put the reports together, but that business ethic was instrumental in those producers recommending us to the producers whose films are on the current line up for Cannes – **Thru the Moebius Strip**, **Dragon Blade**, and **Bloodrayne**. We feel we would never have been able to acquire this type of prestigious product, were it not for the recommendations from the producers who brought these titles to us."

Fantastic Films starts with tremendous respect for our buyers

Fred deWysocki added, "Through Roxane's exposure and experience in the business, we had a number of friends with their own films, who had put their life savings into creating a film and couldn't find distribution. Often films are completed without securing distribution, and if the end product doesn't meet the standards or needs of a distributor then that film will never be seen and the money invested is lost. I also believe that the lack of distribution for films revolves around the outdated quasi-creative way that Hollywood does business. Most business should be in business to make money, and the large majority of films aren't making money. Many investors are not seeing recoupment. If this were a standard business and investors were losing money, either the company would restructure or it would go out of business. In this business, there is always another batch of investors allowing the business to move forward because there is such a demand for the product. Looking at the current status quo, we are convinced there is room for improvement in structuring the film business model along the lines of regular business. Coming from business backgrounds, our priority was to set up our model under the strict generally accepted business structure: keeping overhead low, creating a brand for the company, delivering on our forecasts, and showing a return to our producers. We would look beyond the film to find

up-and-coming producers who hold a similar view for creating unique, top quality product. The budget level is almost irrelevant; the important factor is that whatever the spend, the film should look as if it is so much more – good writing, directing, acting, photography, the whole package. We want to represent to our buyers what we consider to be fantastic films and be in a position where we are representing their interests by providing them with value and a return on their investment.” Barbat continued, “Initially, when we brainstormed about a name to brand the company, we thought, ‘What are we as a company trying to do? What are we selling? Fantastic films. What sort of buyers do we have? Fantastic buyers.’ It was a simple idea to promote a brand for the kind of movies we are looking for. We feel that our Cannes line-up reflects that philosophy.”

Prior to Cannes the company entered into a distribution relationship with Uwe Boll. Through Boll's Fonds in Germany, Boll is directing, producing, and financing his latest slate of projects and is currently in the process of forming his own independent mini major studio. Fantastic Films is representing **Bloodrayne**, **Alone in the Dark**, and **Dungeon Siege** (presales). Boll is best known for focusing on video-game based movies, recognizing that when a contemporary video-game franchise sells thirty-five million copies the marketing inertia for a cinematic tie-in is enormous. Jean “Moebius” Giraud created the story, characters and visual designs for **Thru The Moebius Strip**, a state-of-the-art, 3D animated feature science fiction/fantasy story. Giraud's visual design credits include **Alien**, **Tron**, **Masters of the Universe**, **Willow**, **The Abyss**, and **The Fifth Element**. Produced in China by GDC Entertainment Ltd., it has taken Mr. Ray Neoh CEO and his company of talented Chinese animators four years to develop and make the film. The cost scale economics for creating CGI animation in China renders an extremely high production value coupled with superb visuals and a precision level of detail and execution of Jean “Moebius” Giraud's vision. **Dragon Blade**, produced by Wendy Choi, is the first full-3D CG animated feature film entirely developed and produced in Hong Kong by the Hong Kong-based Company DCDC Limited. **Butt Ugly Martians** was the company's successful 3D animated children's series.

In moving forward, Barbat and deWysocki acknowledge that not all films can be sold and sold well, and that is not contingent on how much the film has cost. One of the quirks of ‘projects’ in the production at both the major and independent levels is that very often a film has spent ‘relatively’ less and yet has the look and feel that it's ‘more’. Conversely, films that are presented as ‘more’ often have ‘less’. The company's business model dictates three important guidelines. Spending time with the

buyers to know and understand what their needs are, not only on specific genres, but also picking up better product for what is needed in the marketplace. Being very selective and handling a small amount of product. Getting behind that choice, with the passion and the individual attention that the product needs to maximize its potential when presented to the buyers and the marketplace. They are discerning in their choice of product by being straightforward with the projects presented to them, and they turn down the films they feel there is no market for and that

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they cannot recoup on for the producers. Fred deWysocki commented, “Generally, when we looked at the marketplace we saw business models where companies just acquire product, with apparently no selection process, so the company has a mix of good and not so good films, thereby not creating any differentiation, with no opportunity to properly improve or market the individual films. They acquire more films each market, which requires more people to feed the machine. The persons selling the product are not the owners of the company the producer has entrusted the film to in the first instance. They often don't have a vested interest in the films, and they become order takers not sales people. They don't know the producers and the history behind the films, so they can't get passionate about the film and convey that to the buyers. That is where we felt that with our clear objectives Fantastic Films had a unique opportunity.” Barbat continued, “Fantastic Films starts with tremendous respect for our buyers. So much is said in the marketplace about the producers, and I don't think enough is said about the buyers. In this business, the most important relationship is the one with the buyers. We travel extensively, because it's important to spend time with the buyers outside the mayhem of the markets. On these trips, our small selection of films allows us the opportunity to show a promo or a full film and discuss the producer's vision of the film, discuss what we and the buyers think each film can do in that territory. We can relate to each other as human beings. We are not just selling a slate of films. We are perpetuating an on-going relationship. It's important to that relationship that we stay true to what a particular title or genre can do in a particular territory. It's a difficult balance to keep the producer happy and the buyer happy. There are sales companies that aggressively get the highest price for the producer and that is great for that one time, but if the buyer

cannot recoup on that film and isn't happy with the film's performance, you can't sell to that buyer again. Our mantra is that it's essential to maintain balance and find a middle ground where both the product buyer and the producer can be happy with the deal Fantastic Films negotiated. That's where it all comes down to the product. We believe if we select the right product we will achieve that balance. We work very closely with the producers; we try to get involved at the earliest possible stage, because often producers will cut corners where they should not and visa versa. Often unknowably producers cut out elements that would be the most help in selling and marketing the film. Sometimes, due to any number of constraints, films are not ready when they're brought to market. Thru The Moebius Strip is a completely new film from the project Senator International was selling. We saw the project and felt that with a number of added changes it would have theatrical potential. The production value of the CGI animation is outstanding, and when the project was first in the market place it was nowhere near being a finished film. That makes it more difficult for us to sell the film, but we have spent a lot of time with the buyers repositioning the film. We have put our resources, expertise and passion for the project behind it, and we believe it's now a very good film.”

As relative newcomers to the international film and distribution arena with their own fresh individual approach, Roxane Barbat and Fred deWysocki know they have to prove themselves not only with product they believe in, but by delivering for their producers. Barbat concluded, “It's just a business, and the regular laws of business in every other industry should apply, which are integrity, and putting effort and knowledge behind a project. There is no substitute for it. I don't think that in Hollywood, selling or producing films or doing anything else that has to do with the business side of films should be any different than business in general. It's a business of relationships across the board, but so is every other business. When you look at our slate, not all of our films will be homegrown US product. We have two films from Hong Kong and two from Germany. Over the last six years, globalization has shifted the movement of good quality high-budget films. That is one of the positive effects of this global movement regarding acquiring films. Our mission statement is that we want to be perceived as a young company that has a flair for hip product that carefully straddles the line between commercialism and quality. That's our definition of a fantastic film. How can it be a fantastic film if it's just an art house or indie affair that you can fall in love with but will never be able to sell to a global audience? A film needs to be entertaining, have quality, educate and stimulate your intellect and appeal to a worldwide audience. ‘That's a Fantastic Film.’