

Boston University School of Management
Los Angeles Internship Program
SMG MG 435 – Management in the Entertainment Industry

Instructor: Jere Hausfater

COURSE OVERVIEW:

Management in the Entertainment Industry surveys the application of management concepts and principles to the film, television, video, new media and music industry. This course examines administration and finance, development, production, and distribution and introduces students to the organizations and people (such as studios, independent production companies, talent managers and agents) who manage, invest, and eventually profit in this creative industry. Much of the class time will be spent in discussion of current entertainment industry trends. Students will gain the skills to achieve their own entertainment goals.– Pre-requisite: SMG SM 323.

COURSE OBJECTIVES: In addition to providing the student with an overview of the Entertainment Industry's management structure, specific primary objectives of the course are to have each student:

- Acquire a full understanding of the mechanism by which motion pictures and other forms of entertainment content are conceived, developed, financed and distributed.
- Acquire an understanding of current events in the entertainment industry.
- Assess the viability of new media--the ideas and models of entertainment production and exhibition in an as yet uncharted realm of entertainment.
- Become literate with contemporary entertainment management strategies, tools, techniques, and terminology.

REQUIRED READING:

Harold Leslie Vogel, Entertainment Industry Economics: a guide for financial analysis Cambridge University Press 2001. ISBN 0521792649

The Hollywood Reporter and/or *Daily Variety*. In addition to specific assigned readings, it is imperative to be familiar with “the business.” Every entertainment industry professional reads these trades daily to get valuable information about the latest projects in development, up-and-coming talent, studio deals, and film acquisitions. (Copies of both can be found in the BULA library.)

Jere Hausfater Glossary and Industry Re-print collection – Ordered through BULA office

RECOMMENDED READING:

Peter Biskind, Down and Dirty Pictures: Miramax, Sundance, and the Rise of Independent Film. Simon and Schuster, 2004. ISBN: 0684862581

Dade Hayes, Open Wide Miramax Books 2004. ISBN10: 1401352006 ISBN13: 9781401352004

Frederick Levy, Hollywood 101: The Film Industry. Renaissance Books, 1st edition, 2000. ISBN: 1580631231 (to be read prior to arrival)

Tiiu Lukk, Movie Marketing: Opening the Picture And Giving It Legs Silman-James Press, 1997. ISBN10: 187950538X & ISBN13: 9781879505384

Jan LeBlanc Wicks, Media Management: A Casebook Approach. Lawrence Erlbaum Associates, 2004. ISBN: 0-8058-4715-4

GRADING:

Class participation, incl. weekly report presentation & analysis of current events:	30 %*
Mid-Term project	20% *
Term project presentation (15%) + written report (15%)	30% *
Final Exam	20%

*Feedback from the instructor on these items will be sufficient so the student can assess 50% of his/her grade by the time they take the final exam.

ATTENDANCE:

The class will meet once a week for 3 hours in the evening. Attendance at all sessions (lectures, guest speakers, excursions) is mandatory. You will be expected to be punctual. You will be penalized for unexcused absences or being tardy. Absences for documented legal, medical, or religious reasons will be excused at the discretion of the instructor, but communication, if at all possible, in advance of the absence is expected, and should be in writing.

ASSIGNMENT FORMATTING

All assignments should be typed, double-spaced and in 12 point Times New Roman font.

CLASS PARTICIPATION (WRITTEN AND VERBAL)

Your weekly writing assignments are meant to solidify your understanding of each week's assigned reading, as well as industry news obtained from the trades and from your internship. One page in length, the assignment should 1) report on what you learned at your internship that week and any questions you have; 2) report on news items of interest in the entertainment industry 3) address any questions you have about the deals reported. The assignment will be turned in at the beginning of each class. Late assignments will not be accepted; therefore, attendance and punctuality are doubly important. Your questions will then be addressed with a group discussion at the beginning of each class.

Throughout the semester, you will be required to participate in class discussions concerning current industry developments and sample "case-studies" either from the

industry trades or assigned reading. Your successful participation in these discussions depends greatly on your preparation. Completion of assigned reading and remaining up-to-date with trade magazines is essential and only serves to prepare you for the mid-term project.

MIDTERM PROJECT

This is a five page case study and Powerpoint presentation, which should provide a brief analysis of the case facts and address each discussion question put forth in the assignment which will be distributed two weeks before the due date. While case facts are important, a good analysis will go beyond these basic facts and include your personal observations and concepts from readings, class discussion, and outside cited sources. Your interim report should include all of these items, and requires at least one source from outside the case such as a recent article, an interview or a text.

TERM PROJECT - FINAL PRESENTATION

The final group presentation will consist of an in-depth strategic analysis of a media company, studio, network, production or distribution company, or facility of your choice. In the second week of class, students will be assigned their group (2 or 3 students) and will then choose the firm the group's presentation will analyze. This early selection will allow your team to follow company developments over the course of the semester and to provide a more comprehensive analysis. Your presentation should place your company in the industry as a whole, giving a brief history, evaluating its strengths and weaknesses, any competitive advantages or disadvantages it may have, and the validity of its business model and plans. Your presentation should also include a plan to continue, or begin, a positive market performance in the future, and outline the steps necessary to implement that plan. The presentation can include visual aids, handouts, or Powerpoint slides, but must be presented to the class in a brief (15-20 minute) presentation as well as a written summary of no more than four pages.

This presentation is more than a superficial overview of your selected company and requires in-depth research and a complete understanding of its operation within the industry. Grades for the final presentation will include both a team-wide and individual component, the individual grade based on feedback from team members which will be emailed to the Professor the day of the presentations.

FINAL EXAM The final exam will be based on required readings, lectures, field trips, guest speakers and industry news. It will consist of multiple choice questions and short essays. To adequately prepare for the exam you should attend each lecture and field trip and read all assigned readings. Anything covered in class meetings or in the text throughout the semester is fair game for this exam.

ACADEMIC CONDUCT

Academic integrity is an essential component of your education and future career, and honesty in your work cannot be overemphasized. Every member of the Boston University School of Management is responsible for becoming familiar with the School's academic conduct policy as described in the Academic Conduct Code booklet.

Make sure you fully understand citation rules for your work on papers, presentations, and projects to avoid being called before the Academic Conduct Committee. As a reminder, plagiarism is the act of representing someone else's creative and/or academic work as your own, in full or in part. It can be an act of commission, in which one intentionally appropriates the words, pictures, or ideas of another, or it can be an act of omission, in which one fails to acknowledge/document/give credit to the source, creator and/or the copyright owner of those words, pictures or ideas. Any fabrication of materials, quotes, or sources, other than that created in a work of fiction, is also plagiarism. Plagiarism is the most serious academic offense that you can commit and can result in probation, suspension or expulsion.

COURSE SCHEDULE:

Session 1

Course Overview; Why are you here?

Review the syllabus, the assignments, the rules, the goals and expectations. Learn more about the background and interests of the instructor and the students and form of study groups.

The Entertainment Industry is the most profitable American export after aerospace and agriculture.

READING: Pg 3-33

Session 2

Overview of "The Business"

Opening discussion (15-30 minutes) of weekly internship/trades assignment. The term "show biz" is just that. While there's fun and celebrity to be had in Hollywood, it is the center of a big business. We'll look closely at the structure of studios and other companies in entertainment. We will also examine the corporate and creative individuals who make up this complex web and how they profit from and influence the culture of the world.

*Selection of teams for project

READING: Pg 39-52

Session 3

Development and “The Deal”

Opening discussion (15-30 minutes) of weekly internship/trades assignment. From Development to Production to Distribution, the agents and managers guide the process. Who is a principal? Who is a “power broker”? We’ll review the key players, how they all relate to one another and what skills do they possess. We’ll determine how a project becomes a reality and how might the parties involved agree to move forward in the creation of content.

READING: Pg 74-100

Session 4

Entertainment Company Orientation & Administration

Opening discussion (15-30 minutes) of weekly internship/trades assignment. We will review of the organization of media companies as well as who runs the conglomerates and independents that make up the industry. We’ll examine what skill sets are required of these managers. Planning ahead in a business that is far from predictable is difficult. We’ll discuss how you ensure that you always have a new product and a constant flow of business plus how to profit on large and small budgets, with and without distribution, in film, TV, music, and new media

*Final company selection due

Session 5

Financing – Part I

Opening discussion (15-30 minutes) of weekly internship/trades assignment. Content creation is a business like any other—you need investment, financial savvy, and creative accounting. Film is an investment for all involved, but someone must pay the initial costs. We’ll discuss “Mez” Financing, Gap and SuperGap, and the implications of each.

READING: Pg 66-68

Session 6

Financing – Part II

Studios and major labels vs. the independents The golden age of studios is over and the primary source of film and television financing has changed. We will examine the creation of independent film divisions and the acquisition model rather than in-house production. (1.5 hours)

READING: Pg. 164-208

*MidTerm Project Due (Presentations 10 minutes per student, 1.5 hours)

Session 7

Production – Part I

Opening discussion (15-30 minutes) of weekly internship/trades assignment. We will examine the structure of a production team and who provides management and oversight. The physical production of a film, show, record, or any project takes great patience and a complete understanding of how the mechanism of production works. We will also discuss “Above the line” vs. “Below the line.” Lastly we’ll address facilities and equipment ownership and management.

Spring Break

Session 8

Production – Part II

Field Trip: Visit a film/tv set This excursion will offer direct observation of the organization and manufacturing of entertainment, noting the mechanisms of efficiency (and inefficiency) in an artistic business. Visits with key production personnel such as executive producers, line producers, production managers, show runners, or directors.

Session 9

Marketing and Publicity

Opening discussion (15-30 minutes) of weekly internship/trades assignment. We will examine the effective sale of entertainment products. We’ll discover why promotional expenses can be extremely high, yet are easily justified. We’ll determine how to connect directly with the target audience. As a business, the entertainment industry sometimes sells “winners” and a sometimes sells “losers.” We’ll review the differences between the promotional campaigns of each, as well as the impact of the Internet social networking revolution.

READING: Pg 114-138

Session 10

Distribution/Exhibition – Part I

Field Trip: NRG Service and Screening or focus group We’ll examine how a film is sold and what determines the size of its release as well as the “Green Book” and how to interpret it. Who actually profits from a theatrical release? Opening discussion (15-30 minutes) of weekly internship/trades assignment.

READING: Pg 267-289

Session 11

Distribution – Part II DVD Distribution, Pay-per-view, and basic cable

Opening discussion (15-30 minutes) of weekly internship/trades assignment. We will address the differences between theatrical distribution and DVD distribution. “Straight to video” productions can sometimes be very profitable. We’ll discuss why as well as the promotional differences between the latter and big-budget theater blockbusters.

READING: Pg. 304-324

Session 12

New Media

Opening discussion (15-30 minutes) of weekly internship/trades assignment. New Media is the fastest growing area of the creative industry, but also the riskiest and least profitable. We will examine who has been successful, who has not and why. We will also address the theory that interactive mobile phone content is boom and bust segment of the industry as well as who will profit first.

READING: Pg 493-501

Session 13

Don’t take “No” for an answer—Practical skills for Hollywood Survival

Examination of the practical skills it takes to thrive in Hollywood. Although the industry is a business, it should be approached differently than standard corporate America. (1.5 Hour)

*Final Presentations due (Each group takes 15-20 minutes, 1.5 hours)

Session 14

Final Exam