PROFESSIONAL MANAGEMENT: 
TEAM BUILDING IN ENTERTAINMENT AND MEDIA
B70.2113  Wednesday 7:35 – 9:00 pm  Classroom KMEC 5-140
Fall 2009

Clinical Professor Marketing: Al Lieberman
Adjunct Associate Professor: Joseph J. Dapello, Founder, Schreck Rose & Dapello LLP

Office: Tisch Building Room 903
Hours:  Wednesday 12:00 - 3:00 PM & by appointment
        Phone: 212.998.0548
        Fax: 212.995.4855

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 Foundations of EMT or any other EMT course is required as a prerequisite for Professional Management.

This new course is an elective for the MBA student in the EMT Initiative. It will provide students with an opportunity to learn in great detail about the specialized 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.

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.

We will create a framework for understanding the rationale behind the recent mergers and acquisitions within the entertainment and media industries, and the value of the convergence between media and telephone companies.

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 a brief introduction to several distinct professional specializations through lectures, case studies, seminars, readings and discussions with practitioners in the Entertainment and Media Industries. These selected individuals will have both practical and teaching experience in a wide variety of companies within the EMT industries.
Students will have an opportunity to develop into teams, and through role-playing come to appreciate the
need for these specialists, as well as their relationship to the executives within the companies who are
ultimately responsible for the successful completion of the project. We will discuss and develop an
interactive model for managing the team of specialists, and then evaluate real entertainment case situations
against this model.

To gain insights into legal and financial issues pertaining to film, publishing. TV, music, sports and theater,
including basic copyright and contract law, we will examine the different roles and responsibilities required
in each of these areas. Exploration of net vs. gross participation's, production costs, royalties, residuals,
licensing and merchandising arrangements, amortization, income allocation, and financial structures will
also include current developments in the entertainment industry.

To examine business plans for funding entertainment projects through venture capital, limited partnerships,
and specialists in financial deal making, while investigating the practice of venture capital entertainment
specialists such as Veronis, Suhler, Mario Gambelli, Allen and Company, Alan Patricoff & Co., and T.Weisel Partners.

To learn from the experts, valuing media and entertainment companies for the public and private financial
markets, and the manner in which sub-rights and distribution agreements enable companies to reverse
negative financial positions.

**GRADING**
The class will be graded on the following basis:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Participation/Attendance</td>
<td>10%</td>
</tr>
<tr>
<td>Susan De Pass Entertainment &amp; Creative”</td>
<td>15%  cases to be distributed in class</td>
</tr>
<tr>
<td>Treatment/</td>
<td>10%</td>
</tr>
<tr>
<td>Pitch Proposal/paper</td>
<td>25%</td>
</tr>
<tr>
<td>Presentation</td>
<td>25%</td>
</tr>
<tr>
<td>Final Case HBS Oprah</td>
<td>15%  cases to be distributed in class</td>
</tr>
</tbody>
</table>

Total 100%

**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**.
Professional Management: Team Building in Entertainment & Media

SCHEDULE OF LECTURES  (FLEXIBILITY REQUIRED)

Required Reading: to be announced

1) September 22  
**Introduction to Team Building: Entertainment & Media**  
Entertainment Law (Music)  Ron Beinstock  
- Review syllabus, overview, discussion of the industry and readings  
  - Recoupment, Royalties, Advances  
  - Touring, Merchandising, Promotion  
  - Protection of Intellectual Property Rights  
  - International Sub-rights and Distribution  
  - Protection from Talent Malfeasance

2) September 29  
**Entertainment Law I: Joe Dapello**  
- Deal-Making Definitions  
- Gross deals, adjusted gross deals, net deals and Gross participation after break-even  
- The Contract: Negotiations and Play for 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?

3) October 06  
**Entertainment Law II: Joe Dapello**  
- Film Financing and Distribution, Types of Deals; PFD, negative pick-up, etc. Studio Vs. Independent Acquisitions  
- Role of Unions

4) October 13  
**Jamyn Edis, Vice President, HBO,**  
**New Enterprises, Technology, Convergence**
5) October 20  Independent Producer, Sharon Badal, Tribeca Studios
OPRAH CASE HBS due

6) October 27  Darren T. Campo Senior Vice President
Programming, Strategy and Research Court TV

7) November 03  Jonathan Kier, Acquisitions Director The Weinstein Company
or Patricia Kaufman, State Commissioner of New York Film and
Television agency

8) November 10  Talent Agent: TBA William Morris Endeavor
Or Craig Hatkoff, Co Founder of Tribeca Enterprises and CEO
of the Tribeca Film Festival

9) November 17  Jennifer Kranz Sr VP Women's Entertainment Cablevision or
Evan Shapiro President IFC and Sundance Channel

November 24  NO CLASS -- THANKSGIVING

10) December 01  Aldo Scrofani, former President & CEO Columbia Artists
Management (CAMI), President of Own Company Live
Theatrical Producer

TERM PAPERS DUE

11) December 08  Team Presentations 12-15 minutes each
Please bring in hard copy of slides

12) December 15  Team Presentations 12-15 minutes each
Please bring in hard copy of slides
LECTURE ISSUES

Lecture 1   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 I, II, III   Entertainment Law Issues

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]

**Lectures I, II, III**

**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]
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 & 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 formulas 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/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 & 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?
Issues for the Advertising Executive & The Publicist

1. To what extent does an 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?
ASSIGNMENTS -- CASE QUESTIONS

OPRAH HBS CASE QUESTIONS

1. Explore the reasons underlying Oprah’s phenomenal success as a talk show host. What personal and inter-personal skills made her the “Queen of Souls”? 
2. Examine Oprah’s growth as a businesswoman and discuss her entrepreneurial and leadership skills. Do you think the gut based decision making style of Oprah is appropriate in the present business scenario? Do you think Oprah would have been more successful as a businesswoman if she based her decisions on sound reasoning and analysis? Describe and explain your answer. 
3. Describe the initiatives taken by Oprah to serve society. How far did Oprah’s popularity help her succeed in her philanthropic ventures? To what extent was Harpo’s performance influenced by Oprah’s service initiatives? 
4. Briefly comment on the criticisms leveled against Oprah. In light of the fact that the Oprah Show was Oprah’s flagship product, do you think her decision to retire from the talk show will be a good move for the Harpo group? Justify your answer. 
5. Today, If you were Oprah’s manager what would you recommend? 
6. Today, Who are Oprah’s major competitors. Can she compete effectively in this new media world? 

SUZANNE DE PASSE HBS CASE- QUESTIONS 
1.a) What were the core competencies of Motown when Suzanne de Passe was hired? 
 b) Why was she hired? 
 c) How would describe her achievements during her early years at Motown 
 2. a) Was the decision by Ally Gordy of Motown to move toward movie production good or bad 
 b) Provide a rationale for your choice 
 3. a) What were the problems she faced when she first joined motown? how did she overcome them? 
b) What was DePasses’ team building orientation? 
c) How did Ms. DePasse utilize professional management skills to accomplish the goals of motown productions 
 d) Describe her team building process, and also how she handled the inevitable crises of "creative management" 
 e) Was there anything you learned in the professional management course that would have been helpful to Ms. DePasse in accomplishing her goals?
BUILDING THE PROFESSIONAL MANAGEMENT TEAM:
ENTERTAINMENT & MEDIA FALL 2005

FINAL GROUP PROJECT

OBJECTIVE
- To outline a marketing plan for a new entertainment “property” or media “product through the cooperative efforts of the professional management team.

The project is designed to simulate the shared responsibilities of the professionals studied during the semester towards developing the property/product and overseeing the ultimate successful launch. Since most teams will not have entertainment lawyers, accountants, talent agents, the students will focus on identifying the myriad of interrelated considerations and issues raised by the scenarios provided (see attached) and depicting a realistic portrayal of the team dynamics as the project evolves.

ASSIGNMENT
The students will form into teams of five (5) or maximum (6) each to work on the development of an intellectual property or treatment into a cohesive program for presentation to gain approval. The team will submit a 20 page paper developing one of the scenarios described in the attached. Alternatively, if the team has come up with an independent idea, they can submit their one page proposal to the Professor by the third class, if they are convinced they have an idea for a product category (film, cable, music, sitcom, magazine, etc.) that can be turned into a saleable project. The finished papers are due in class # 10. Exact date TBA.

PURPOSE
The over-arching strategy for this class and the purpose of the assignment is to build on the class lectures from the guest speakers as a means of examining all the details and interchange required to take a creative project to fruition. The students will have an opportunity to role play during the presentation of their idea in the class #12, #13, as a means of demonstrating their understanding of how the professional team works together in the Entertainment industry. Therefore the effort will be required to understand the roles of each professional, what they can contribute, and how some of the roles overlap or at times seem to duplicate each other. The ability to negotiate positions and to contribute to the end result is what determines the success or failure of the team projects, goals or objectives.
Hopefully, there will be an opportunity for one or more of the team members to bring some work experience into the interaction and add some special experience or skill to the ultimate project shape.

This paper must include:

- 2 – 3 pages  Full description/ development of the Property /Product.
- 3 – 5 pages  Marketing Plan / Budget
- 1- 2 pages  Scope of the Management Team
  - Who needs to be on board and why?
  - This may include more “players” than those represented by the actual team members.
  - What are you asking for and who should provide it?
- 3 pages each  Individual assignments (e.g. Talent Agent, Producer
- 1- 2 pages  Conclusion
  - Analysis of success/failure of team dynamics
  - Key interdependencies discovered.

The presentation will take place in the last two class sessions and should include:
2 slides per professional’s role on the team, bullet points only
* discuss the product, and contributions of each involved to achieve success

All of the above will be discussed in detail during the first few classes.

Presentations on Power Point  :15 minutes for each Team
TEAMS EACH WITH A MINIMUM OF 4 - MAXIMUM 6 STUDENTS PER TEAM

1. **A MOVIE INTO A BROADWAY/ OFF BROADWAY PLAY**

   The best analogies exist on Broadway now with examples such as Beauty & The Beast, LION KING, The Full Monty, Saturday Night Fever, The Producers, and now Hairpray etc. This will test your creativity as well as your team organization. Pitch it up to the following major organizations: Nederlander, Schuberts, Disney or the Dodgers.

2. **LIVE THEATRICAL SHOW INTO A MOVIE**

   The best analogies exist in the recent past with Chorus Line, all the Agatha Christie plays, Equus, etc and current plan for The Phantom of the Opera. This will test your creativity as well as your team organization
   Pitch it to Warners or Paramount

3. **TV SERIES INTO A MOVIE**

   This have been many examples of this genre that have been both successful, The Fugitive, Mission Impossible 1,2, Untouchables, and unsuccessful, The Uma Thurman as Emma Peel failure This will test your creativity as well as your team organization.
   Pitch this to FOX or SONY Entertainment, or surprise us.

4. **A UNIQUE THEME PARK IDEA**

   Why does Disney or Universal have to own everything. Ever heard of Busch Gardens, or Sea World, or Silver Dollar City, or MGM Grand, or Atlantis on Paradise Island. Pitch this to a foreign government, a city or state, or last but not least an Entertainment company without a theme park.

5. **A COMIC BOOK HERO INTO A MOVIE**

   Batman, Superman, Spiderman, The Hulk are just the beginning. Dig out your old DC Comics, the Mad Magazines or any street corner vendor’s collectables and you will have more ideas than Warner Bros’ and SONY Entertainment combined.
   Pitch this to Mirmax or Revolution studios or Dreamworks.
6. CARTOON OR A CARTOON MOVIE OR A COMIC STRIP, I.E. DILBERT INTO A TV SHOW

Let's look at Popeye, Dick Tracy, Casper the Ghost, Dagwood and Blondie and any other hot property and let's see if we can't create a 13 week schedule. Here is the problem, the creator is dead—the estate is owned by a bohemian family who refuse to deal or negotiate and your team needs this property to keep your production company from closing down. How would you proceed? Pitch this to NBC or CBS.

7. A SOUNDTRACK/MUSIC GENRE INTO A MAGAZINE IDEA

Vibe, Spin, Rolling Stone, even Billboard are all magazines about the music industry or a music idea sometimes by a genius like Quincy Jones, Jann Wenn, etc. Here is an opportunity to act like a publishing mogul and pitch it to Time Life magazines, Conde Nast or Gruner & Jahr.

8. A MAGAZINE INTO A CABLE TV SHOW

Pick any magazine that exists in fashion food entertainment design home furnishings and pitch this to USA Cable, Bravo Cable or House & Garden TV, or even the Food Network. The success of this venture may depend on the celebrity you select, the section of the country or the world you target. Whatever you do or wherever you go it's your choice—make sure the team has all the facts and develop the team approach.

9. A BOOK OR A SHORT STORY INTO AN INDEPENDENT MOVIE SCRIPT IDEA

This one should be easy and lucrative since so many authors have become very wealthy with their multi-book into movie deals. That is what makes it so hard now to sort out from among the obvious authors like Clancy, Patterson, Turow, Sheldon, Collins—it to find the hidden gem and make it shine in a new format. Will take a visit to Barnes & Noble, Amazon, or Shakespeare & Co. among the new or old and undiscovered fiction or biographies—since it can be a documentary as well. This should be pitched to WE, A&E, or History Channel.

10. A RADIO SHOW INTO A MOVIE

Imus, Howard Stern are the current day radio shows. There are so many old time hits that will stir the creative juices. The Jack Benny show (before your time) George Burns and Gracie, Amos & Andy (perhaps not politically correct but really funny), The Green Hornet, all available, through the Museum of Radio & Television in the mid-town museum location with opportunities to view or listen to anything as far back as the original radio was invented. Need to think of modern day star equivalents, which is where your talent team member becomes critical.