



Indie pics face tough tests at Cannes

Sales agents' work even more critical

By RACHEL ABRAMS *Wed., May 11, 2011, 4:00am PT*

While the Cannes market looks healthier than it has in the past few years, the tough conditions that indie producers face -- lower minimum guarantees, a globally depressed DVD market and a drop in prices -- has made the work of sales agents even more critical to determining the fate of many projects.

Producers need realistic budgets based on a realistic estimate of what their projects will gross, and that sometimes means re-evaluating which elements (writer, director, star, concept, etc.) are under consideration for a film.

"There has to be a continued realignment of budgets with realities," said Stuart Ford, the head of international sales at IM Global. "Independent producers are still auditing films at 2008 levels ... It's a different climate out there."

Producers must now take into account distribs' cautious attitude and the fast-shifting economics of the homevid market as streaming and VOD options become bigger players and DVD sales fall. Such assessments have been taking place earlier in a project's life, more often in pre-production, as sales agents and filmmakers strategize to maximize the commercial potential of a project.

"Producers, or savvy producers, are consulting with the sales agents at an early stage often," echoed Nick Meyer, CEO of Sierra/Affinity. "And that's a smart way for them to run their businesses."



Ford



Basner

Coming in early means the sales agents won't just weigh the individual components of a project but how they'll gel together as well. "Assembling those pieces together with the producer -- that's our job," Meyer said.

While credit has loosened up a bit, banks and other financiers are much more cautious now about projects they'll commit to; even gap financing is making a comeback, but on a much smaller scale.

"Because it's so hard to get the financiers get to say yes, (producers have) been coming to the sellers earlier," FilmNation's Glen Basner said. "They want us to give them information that will lead to a yes from a financier." But, Basner added, it's not his job to be heavy-handed with the creative critique. "We're not here to tell them to change the dialogue on page 23," he said. "They want to know how much they should be making the movie for."

While budgets must take into account a film's potential, certain general rules apply -- big action movies are more attractive; comedies can be a tough sell. And Ford says films that fall in the \$5 million-\$15 million budget range can tread dangerous water without a star "because they're unlikely to be properly commercial." Yet Ford and Basner agree that having a big-name star, which usually increases a film's marketability, does not always boost a pic's prospects.

"Sometimes it's director-driven and not about stars, sometimes it's a genre-driven movie and that has certain valuations. Sometimes it's a function of budget and pricing," Basner said. "Distinctive material," he added, has the "most value."

"Paranormal Activity" producer Jason Blum, who said he sold rights to the horror pic "in every foreign territory before domestic," knows better than most the importance of knowing who's buying what. Most recently, Blum was a producer on "Insidious," which is being recognized as the most profitable movie this year. "It's more important than ever to be sensitive to what works overseas," he said.

And with overseas buyers purchasing fewer films, Ford says it's up to sales agencies to get to know the market even better so they can properly advise clients about what will sell. "We more than ever want sales agents to be involved at an early stage in the process. Otherwise, projects that at first might look commercial ... are finding it hard to sell on a worldwide basis right now," he said.