

**"A POWERHOUSE. 'LONE SURVIVOR' LACES ACTION WITH MORAL QUESTIONS THAT HAUNT AND PROVOKE."**

Peter Travers, ROLLING STONE

**"EXTRAORDINARY! A SINGULAR TRUE STORY OF INCREDIBLE COURAGE WHEN IT COUNTS THE MOST. BRILLIANTLY ACTED AND DIRECTED."**

'Lone Survivor' is action-packed, unforgettable, tense and inspiring."

Pete Hammond, MOVIELINE

**"THE MOST EXTRAORDINARY WAR FILM SINCE 'SAVING PRIVATE RYAN.'"**

Bill Simmons, GRANTLAND



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BASED ON TRUE ACTS OF COURAGE

**LONE SURVIVOR**



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The Official Magazine of the Producers Guild of America / November - December 2013



**Jerry  
Bruckheimer**

**"The audience knows.  
We don't."**

**In this issue:**

Roven, Suckle, Ellison do the *Hustle*  
What Obamacare means for producers  
The 10-year road to *Nebraska*



“★★★★.  
ONE OF THE MOST  
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The best performance of  
Matthew McConaughey's career.  
Jared Leto is amazing. Fearless,  
funny and openhearted.”  
REX REED, THE NEW YORK OBSERVER

“IMPOSSIBLE TO FORGET.  
EXHILARATING.”

BETSY SHARKEY, LOS ANGELES TIMES

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“HUGELY ENTERTAINING  
AND DEEPLY AFFECTING.”

JOE MORGENSTERN, THE WALL STREET JOURNAL

“★★★★. A ROUSING,  
REALITY-INSPIRED TALE. TURNS  
THE FACTS OF A LIFE INTO  
DEEPLY GROUNDED  
EMOTIONAL TRUTH.

Matthew McConaughey delivers the  
performance of his career. Together with  
co-star Jared Leto, he personifies the kind  
of blazing, all-in commitment that defines  
screen acting at its best. Jennifer Garner  
deserves equal praise.”

ANN HORNADAY, THE WASHINGTON POST



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Cover photo: Andrew Cooper

# Naked

## Story to Revenue

### Using the

## Direct-to-Consumer Video

(Part 2 in a series)

by W. Vito Montone



“When anything is possible, what do you do?”

Wow, has it been two months already? Being committed to accelerate a project and to share everything with you in this PGA-exclusive year-long reality article series: “Naked: Story to Revenue Using the Direct-to-Consumer Video” is, well, exhausting and exhilarating! So thanks for sharing your time with me.

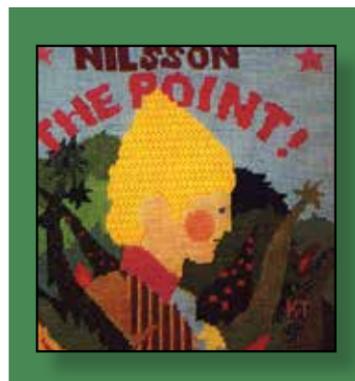
Last episode, we opened our minds to the digital landscape’s impact on audience behavior, the massive activity surrounding it and some top-line data points of YouTube. Since, I have been busy researching, interviewing, studying and working to make YouTube the creative entry point.

As I sat down to write this second installment, I was taken back to an article called “A Point in Every Direction Is the Same as No Point at All,” which I wrote for entrepreneurs some years ago.

Yes, it was inspired by Harry Nilsson’s album and video, *The Point!*

The gist being, you’re lost if you can’t pick a direction and stay on course, driving everything toward it. It is hard enough to create anything of quality, and when there are no rules it is even harder. Unless I set the project course, this article series will become just a missive on the future of entertainment driven by technology disrupting an entrenched industry. Nice, but not my purpose.

Television content is well classified into dozens of genres and formats, even if we do mix them up to keep it fresh — e.g., dramedy, docudrama, reality-doc, etc. Since the YouTube platform allows virtually anything, development of sellable show format must balance the creative and economic opportunities along the entire exploitable spectrum. So I started



by searching the creative content on YouTube and scouring any YouTube guidance including its “Creator Playbook.” This is no small feat, and I’m not sure I’ll ever be done since 100 hours of video are now uploaded to YouTube every minute.

While there are many examples of TV/cable properties repurposing their content and promoting on YouTube, at YouTube’s core it is just like TV... you tell a story and get paid based on the audience you reach. Every genre is represented digitally — scripted episodics in short and traditional lengths, socially woven stories, films, docs, talk shows, news... the list goes on and on.

But there is a chasm between the traditional and direct digital platforms. To summarize:

- Traditional media is platform-centric (broadcast or cable) with a high financial barrier to entry and well-established economic rules, using a one-to-many communication path enabling an “implied” control of the audience, i.e., the audience is assumed/projected and has no voice.
- The digital space is relationship-centric (audience) via social interaction with a low financial barrier to entry with no mature economic methods, using a many-to-many communication path providing a real-time connection and metrics directly from the audience.

My goal is not to live by one versus the other, but to embrace both using a creative path to leverage it all. I will start with digital direct to reverse-engineer it into traditional.

As investors and venture funds (and studios, I might add) swoop in, successful direct digital producers (creators) on YouTube are quickly becoming fully-functioning studios unto themselves. They are fueled by the staggering and measurable audience engagement, ownership (YouTube does not interfere with IP ownership) and inherent or developed talent. Some of them have the single-proprietor feel of a contemporary Desilu Production. Look up Freddie Wong, for example. He has 6.6 million subscribers and nearly 1 billion views and owns and manages Overcrank Media, a Los Angeles-based

media company specializing in feature film and online video content. He produced the film *Bear* and has his own portal, [www.rocketjump.com](http://www.rocketjump.com).

Others feel like a burgeoning Paramount, Sony or Viacom. They are aggregators or Multi Channel Networks (MCNs) with studios attached. Think Maker Studios, which reps 60,000+ channels, leverages 4 billion views and according to ComScore has an audience of 20.4 million viewers a month... fourth in all of YouTube behind music-video contributors Vevo and Warner Music.

Digital has direct consumer spending power over television, so brands are embracing YouTube because it enables them to work directly with creators... lowering the cost, enhancing message integration and leveraging social media.

Perhaps not surprisingly, it is beginning to mirror the early days of TV.

So worse case, YouTube will be a “pilotless” development process and audience development vehicle, and best case, will generate revenue out the gate. However, it is clear that to be financially successful in this direct digital landscape, you need to have equal parts content creation, production savvy and business development.

So my development process must simultaneously address:

- Content Creation
- Production Methodology
- Business Development

### Content Creation & Production Methodology

At the start, the first two will go hand-in-hand. As the format refines, there will be more details to cover each area separately.

While every storytelling genre is represented, the easiest way to create content on YouTube is talking straight to the camera or using a daily video blog (Vlog). The longest-

### The difference in creation culture is glaring:

#### TV/Cable

1. Gate-keep the platform to fulfill previously successful formulas with an army of agents, executives and lawyers.
2. Use deep pockets or proven financial history to fund development.
3. Buy the copyright of content from the previously recognized best.
4. Cover the production costs with an initial display license fueled by advertising.
5. Compete for an audience, but keep it at a distance.
6. Compete for platform promotion with thousands of shows.
7. Develop spinoffs or new shows with standout stories and talent.
8. License, license, license until the cash cows come home.

#### YouTube

1. Produce whatever you desire for next to nothing.
2. Retain the copyright to control the revenue.
3. Access audience directly at no cost.
4. Collaborate with others to grow audience.
5. Share in platform revenue without lifting a finger.
6. Sell sponsorship, appearances, product integration and merchandise directly.
7. Develop multiple channels and other forms of media based on standout stories and talent.
8. License, license, license until the cash cows come home.



If this looks familiar, you've seen a Vlog.

running Vlog is reported to have been started May 1999 by Adam Kontras. A typical Vlog is made up of personal stories shared as if there is one-on-one conversation... a break of the fourth wall in the room of a person's life, allowing the viewer to see in. They share their trials and tribulations and the audience watches them grow as people. While certainly cathartic with some wonderfully inspiring stories, it is a slow method to finding an audience. That said, the list of successful Vlogs is quite long.

It was now time to dig on the inside with my talent, Kim Castle. You were introduced to her briefly at the end of our last episode. She has a history in performing, hosting, interviewing and standup. I believe, and I'm told, she has presence, accessibility and vulnerability... all spiked with



A "boot camp" setup doesn't have to be elaborate.

humor. She has interviewed quite a few noteworthy talents — Joseph Barbera, the Hughes Brothers, Kathryn Erbe, Timothy Hutton, Mario Van Peebles, Wesley Snipes, Travis Tritt, Alfred Uhury, Richard Zanuck and Joe Sugarman to mention a few.

She has formal theatre training and confesses to an early career TV crush on Merv Griffin. Because of that, she loves a meaningful talk show; thanks to the theatre and standup experience, she loves dramedies as well. She even has improv skills and street-theatre experience, so sketches also can be

in the mix. Together, we determined that a variety/talk show hybrid will be the ultimate goal.

After consulting with an up-and-coming YouTube star, it was agreed that the Vlog route would be an arduous one. The counsel given was to use do-it-yourself (DIY) demonstrations, advice, reviews and solutions to get better traction based on the audience behavior. Basically, to allow the audience to search for what they want to watch versus pushing it on them.

#### But what shall the subject matter be? And the format?

We will keep initial production at a minimum with quality image and sound, but simple and direct shooting without it being scripted to start. Because stripping away the process a professional uses to perform a role would be unnerving, I knew Kim's self-generated voice would need to be supported and developed.

So I went down two roads... exposing the core essence of "Kim" (you might say her brand essence), and exploring the subjects of meaning to her in her life, past and present.

To discover her core, we utilized a brand-creation process to allow her to uncover and articulate her essence. Having some experience in this area certainly helped. I created a process used by hundreds of small business owners worldwide, designed to guide the user through the creative process of defining and owning the core essence of a project or business. The most impactful part of the work is done before the audience is involved, i.e., what is driving her at her source? There are four simple yet crucial questions that I posed to lead her to define her own "why."

1. What do you want to express?
2. What have you overcome in your life that drives you to express it?
3. Why do you feel it is important to express it?
4. What do you want to change by expressing it?

The answers are blended into a personal statement used to guide the traditional external communications tools of character, keywords, symbols and colors... manifesting in names, tag lines, content inspiration and promotional copy.

It was a successful exercise and provided her the power and confidence to move forward. She had to know her "why," and now she knew.

#### But YouTube?

She thought I was nuts. I shared with her everything that I shared with you, just with more passionate conviction and she warmed to it. But what would that be like?

I fashioned a private, week-long boot camp to explore subject matter and to work out the starting format for a show.

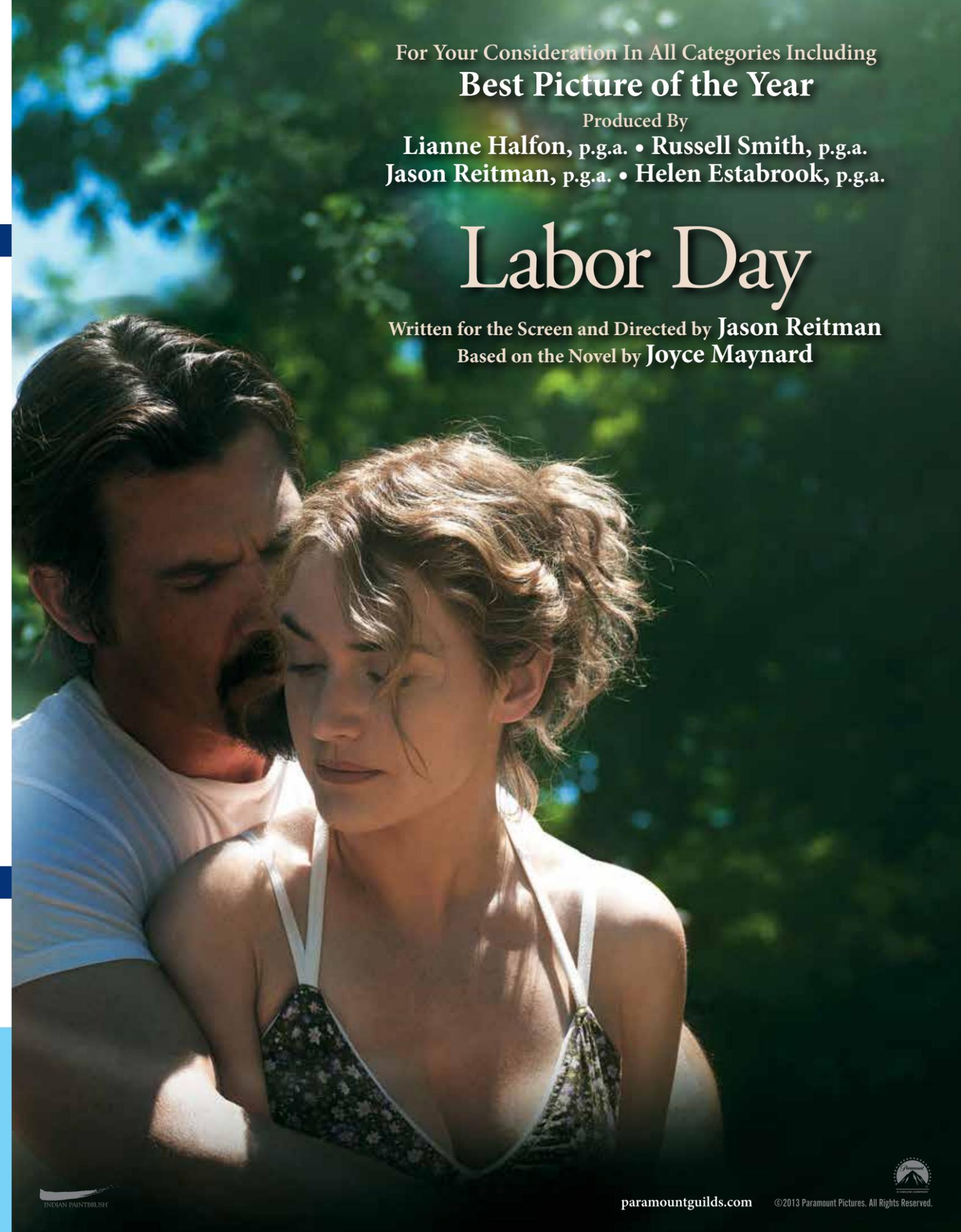


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# Labor Day

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CHRISTMAS DAY



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Kim Castle at boot camp



Kim Castle's first episode

I set up a workspace equipped with lights, camera and sound, so Kim could get the feel of quick turnaround content creation and taping. I wanted to foster the security of familiarity since she is stronger when she can extemporize. That's one thing that is clearly different in direct digital — think it, record it and distribute it... all in the same day. It's an exciting way to produce!

I had her write about her chosen subjects that were in harmony with her core essence so she could hone a viewpoint and find her comedic twists around them. We worked the subjects both off and on camera. It became clear they could be organized into potential segments, so titles and log lines were developed. Knowing the goal was a daily-strip variety/talk show, there could be recurring segments on particular days, or some in rotation with in-studio and man-on-the-street interviews, sketches, and more. By the time we were finished, we had created a solid creative path. We picked the strongest five and kept some in reserve. The audience would help refine the subjects and reject others.

They are:

- Born Again Foodie\* - healthy cooking demonstrations
- Escaping Karma - reviews
- What's Up with Women? - advice
- Aging Ungracefully - women wellness solutions
- Better Home and Gardens Syndrome - do-it-yourself (DIY)

I wanted the channel to start in a way that would feel organic to YouTube... polished, yet not over-produced. As professionals entering this arena, this is the risk. The YouTube audience knows when the content is simply transplanted and

not saying to true to the high intimacy they are expecting. So there would be jump cuts and outtakes and humor, performance and images and sound. The shows would be 5-10 minutes. I followed a three-act structure for the content, wrapped with audience attraction and building techniques:

1. Cold Open
2. Channel Open
3. Act 1
4. Act 2
5. Act 3
6. Button
7. Close with Call-to-Action (CTA)

We selected one subject, developed a rundown and worked one show until it felt natural and repeatable.

We choose the "I'm a Born Again Foodie" segment to allow Kim to expose some back story, show her unique humorous twists, while setting in motion her healthy cooking segment. Food preparation is particularly popular and highly searched on YouTube.

You can see the first kimTV channel show at:  
<http://www.youtube.com/watch?v=cNCi0JyQ03A>



\*Born Again Foodie, Escaping Karma, What's Up with Women?, Aging Ungracefully, Better Homes and Gardens Syndrome, Naked Kim and kimTV are trademarks of Castle Montone, Limited.



BEST PICTURE  
 PRODUCED BY SAMUEL GOLDWYN, JR.  
 JOHN GOLDWYN, STUART CORNFELD,  
 BEN STILLER

THE SECRET LIFE OF WALTER  
**MITTY**

**Business Development**

This subject is huge and will continue to unfold over the coming months. In the last episode, the previously identified revenue sources are:

- Crowd-funding
- Sponsorships
- Appearance
- Hosting
- Merchandise
- Advertising
- Subscriptions

And, oddly, one was overlooked:

- Licensing

Quite an omission considering the range of options in the digital space alone: Yahoo, AOL, Netflix, Amazon, Hulu, Blip, Logo, Crackle, etc. This revenue stream is especially viable, especially since Netflix's profits quadrupled as original shows proved a hit with subscribers, AOL's investment in original programming resulted in a 55% increase in views, and it's a safe bet that original programming will increase Prime memberships for Amazon.

Plus, just recently, the Securities and Exchange Commission (SEC) moved one step further in enlarging the pool of capital available to media entrepreneurs by unanimously voting to propose regulations to allow unaccredited U.S. investors to invest in startups and small businesses. I've got to explore crowd-funding more seriously.

Business development will be guided by the belief it is possible to craft Kim and her content into a number of forms and formats that will maximize economic exploitation. And once audience development starts advertising rev share, sponsorship and merchandising won't be far behind.

There will always be a form of Kim's content on YouTube for audience relationship, content development and promotion. We will watch for a particular subject or segment with high audience engagement that aligns with a society issue, so a series can be created that would live on digital platforms other than YouTube.

**Bulletin: Here's the first unexpected twist.**

You may remember that I was counseled not to use a Vlog format from the start. What went along with that advice was, once Kim is popular, the Vlog will be sought by the super fans. That gave me an idea, to move the future to today, and reverse that part of the journey. I could use Kim's current following of female small business owners and entrepreneurs to market and sell a private subscription Vlog series documenting the "making of" Kim's YouTube channel. It will demonstrate brand development, content creation, and expression techniques using video that can be used to market businesses. The content captured could also become a special, series or documentary.

The monthly and annual subscription called "naked kim" has been launched, so the first revenue has begun to come in. I will be consulting a documentarian to advise, so the content can be strengthened for leveraging in other formats.



YouTube image

The next installation of "Naked: Story to Revenue Using the Direct-to-Consumer Video" should tackle production realities, MSNs, content licensing, sponsorship opportunities and audience development, with excerpts from interviews with digital industry players that I didn't have space to cover this time.

If you have questions or suggestions of what you think I should do or research for all our benefit, please let me know — vito.montone@whycom.com

See you next time...

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