



Disney

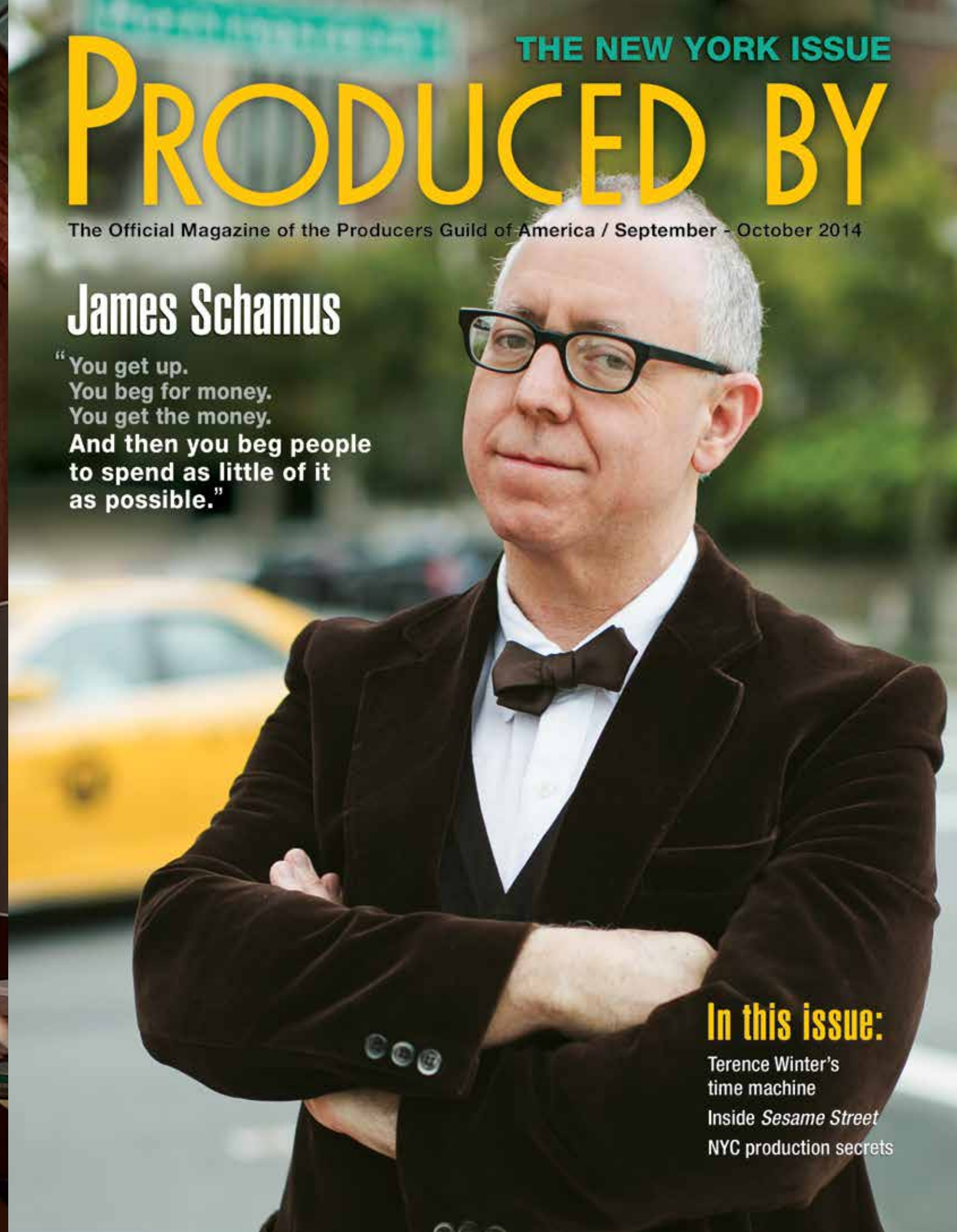
BIG HERO 6

FOR YOUR CONSIDERATION
BEST ANIMATED FEATURE

Produced by Roy Conli, p.g.a.

SEE IT ON THE BIG SCREEN
For our screening schedule visit us at
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THE NEW YORK ISSUE

PRODUCED BY

The Official Magazine of the Producers Guild of America / September - October 2014

James Schamus

"You get up.
You beg for money.
You get the money.
And then you beg people
to spend as little of it
as possible."

In this issue:

Terence Winter's
time machine

Inside *Sesame Street*

NYC production secrets

HBO
IS PROUD
TO SUPPORT
THE INAUGURAL

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10

Rats on NYC streets
walking away with
camera batteries are
probably just a rumor.

40

FEATURES

Case Study: James Schamus
*In which our subject says the exact
opposite thing you expected him to say.* **10**

Winter in New York
*How the Boardwalk Empire showrunner
found Atlantic City in Brooklyn.* **26**

How to Get to Sesame Street
The iconic show doesn't look a day over 44. **34**

The Word on the Street
Pro tips from NYC's sets, streets and stages. **40**

Doing It from Scratch Every Time Out
*On the front lines of New York's
indie distribution scene.* **44**

The Truth, Only Better
*Morgan Spurlock wants to give you
the non-fiction stories you deserve.* **52**

The Guiding Principals
East Coast Edition! **60**

Naked: Postscript
*Story to revenue using
the direct-to-consumer video.* **66**

CONTENTS



73



52

DEPARTMENTS

6 From the National
Executive Director
Thanksgiving Comes Early

68 Going Green
Producers on the March

72 New Members

72 Member Benefits

73 PGA Bulletin

76 Mentoring Matters
Ryan Lewis

78 Marking Time

Cover photo: Katie Osgood

Naked



Story to Revenue Using the Direct-to-Consumer Video

by W. Vito Montone

I've had a month or so to reflect on the last year. The "Naked: Story to Revenue Using the Direct-to-Consumer Video" journey has been an eye-opening roller coaster.

A year ago, I was motivated by this article series and my desire to move from a focus of entrepreneurial education and support into full engagement in development and production. I dove full-force into digital media. I started with a vision, applied some skills, acquired a talent relationship, focused my time and hardware, and added a little money. While many factors had my plans moving slower than expected, the speed of adoption and acceptance of my approach is now increasing exponentially, and I see my goals taking shape.

So where am I now?

- There's a library of 30+ hours of "naked kim"¹ HD videos that are being used in the paid-subscription service and can be cut into a reality series;
- The "naked kim" paid-subscription service is relaunching with new sizzle and marketing campaign with a number of educational bonuses to boost sales;
- kimTV¹ signed with Maker Studios in its accelerator program;
- kimTV has 86 shows to date;
- kimTV viewing demographics are right on target, 35-54;
- kimTV has started driving "naked kim" paid-subscription sales from YouTube;
- kimTV distribution is expanding off YouTube including full shows on Facebook;

- We have already shot 20+ hours of footage for *Aging Ungracefully*¹;
- The crowd-building campaign for *Aging Ungracefully* is launching this month;
- I have a few shows with other talent in development;
- Kim has begun taking network talent meetings, and just began a network development deal exploring what could be the next generation of lifestyle programming.

I guess that's a pretty good year!

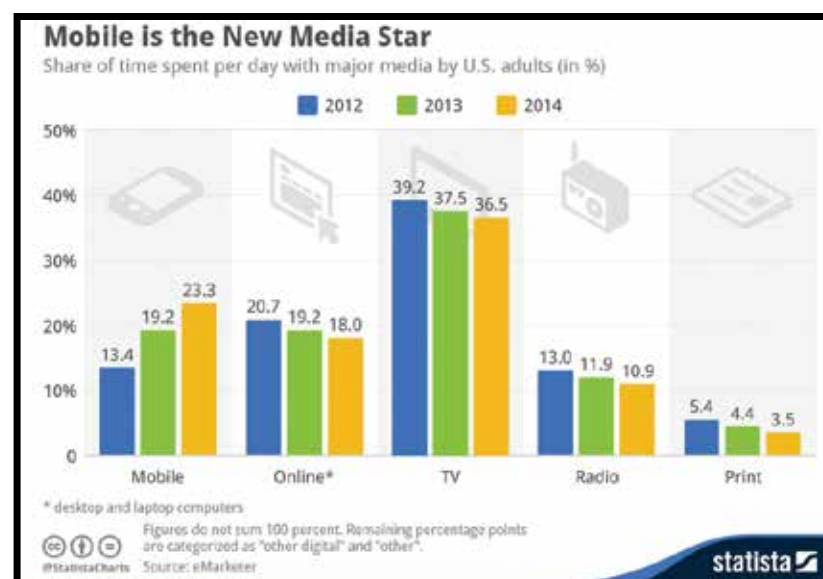
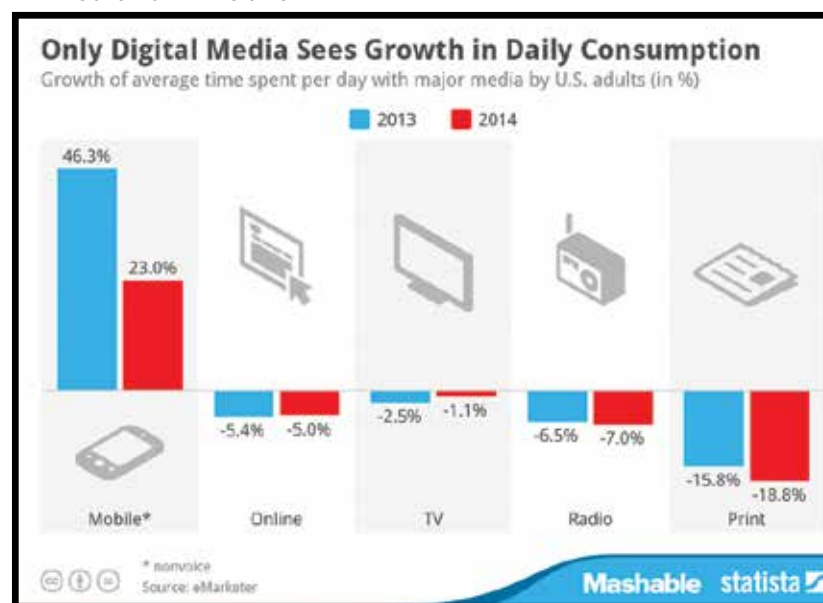
It's been enlightening experiencing digital media grow up from the inside as the predicted shifts materialize. Ad dollars are flying into online video at an unprecedented rate.

According to Tubefilter, Omnicom Group, which works with major brands like McDonald's, Apple, Pepsi and Starbucks, is advising its clients to shift between 10% and 25% of their advertising budgets to online video. They tout online video as a flexible and easily measurable platform, especially when compared to its TV counterpart. This advice comes on the heels of food conglomerate Mondelez's (aka Kraft Foods) decision to sign a \$200M upfront deal with Google.

So what else did this year bring?

- According to [statista.com](#), digital media use of American adults will surpass TV use for the first time this year and I'm not sure they are even tracking app use on smart TVs yet. And, only digital media sees growth in daily consumption.
- A new report by comScore shows how far along we are in the ongoing shift toward mobile media

usage. In many categories, digital content is consumed almost exclusively on mobile devices. [statista.com](#) confirms the only viewing growth of media is in mobile.



- eMarketer's latest media spending forecast says by 2018, there will be more digital ad revenue than TV revenue. The Internet would become the largest single medium in the US advertising world.
- Endemol created Endemol Beyond with \$40+ million war-chest, DreamWorks bought Awesomeness TV and Big Frame, Disney bought Maker Studios, and Chernin and AT&T bought FullScreen.
- Discovery, Ron Howard and Brian Grazer created New Form Digital to create a digital film slate.
- Every week there is another multi-million investment into digital media plays.
- Agents and managers have swooped in, and every established agency now has a digital practice.

The behavior continues to shift and the money IS on the way!

Time for a Cautionary Tale

As the MCNs have evolved, they have simultaneously become agents (negotiating deals), managers (fielding and placing sponsorships) and studios (financing and producing shows). They can wind up representing all sides of a transaction — clearly a conflict of interest. Transparency will soon become a big deal. Each of us will need a manager to help hold the MCNs accountable and watch out solely for our interest. Producers may be dreamers at heart, but we also need to develop good entrepreneurial habits to support long-term financial security. Our view shouldn't be just about what we're doing today, but also about what it will take to stay profitable as digital storytelling enters the next phase.

Every morning I consume media using YouTube... on my smartphone, smart pad, smart TV or desktop. Just this morning, my attention was drawn to a TED Talk from YouTube's suggestion algorithm. I watched, "Joi Ito: Want to Innovate? Become a 'now-ist.'"

This year, I have experienced firsthand what his beautifully observant and on-point TED talk describes. While Joi spoke in terms of software and consumer product development, he illustrates exactly what is happening to the entertainment industry right now, and why YouTube is the catalyst at the center of it all. YouTube democratized video along with the hardware and communications companies reducing the barrier to entry and increasing distribution enabling permission-less innovation.

As it becomes ever more difficult to get a film or TV program green-lit traditionally, the opportunity to create and sell IP with digital roots is rapidly expanding. It is the rebirth of the entertainment industry within a paradigm driven by the Internet. It is not opposed to traditional institutional structures; it just doesn't have any intrinsic need for them. And right now, it is driving budgets down and opportunities up.

Thank you for reading and thanks to all those that supported me with interviews and advice! 🙏

If you have questions or would like to explore the digital landscape, please email me at wvitom@gmail.com or connect on LinkedIn <http://www.linkedin.com/in/wvitom>.

¹ *Aging Ungracefully*, "naked kim" and kimTV are trademarks of Castle Montone, Limited.