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# **TRAINING STANDARDS FOR NEW ENTRANTS INTO THE FILM SALES SECTOR**

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## INTRODUCTION

### THE FILM SALES COMPANY

A film sales company (also known as a "sales agent" or "international distributor") deals with independent films. An independent film is not a Hollywood studio film. The Hollywood studios or "majors", the household names of the movie business for decades, normally produce movies within their own corporate divisions and distribute them through their subsidiaries all round the world. A film is described as independent when its financing, production or distribution occurs in whole or in part outside this vertically integrated structure. When a film is distributed independently, the sales company provides the crucial link between the filmmakers and financiers and the worldwide marketplace as represented by nationally-based companies handling cinema, video, TV and online distribution in their own countries. A "sale" is normally the licensing of a limited grant of rights in return for an advance payment on account of an expected share of the distribution revenue and if the film is successful the sales company receives sums in excess of the advance. The sales company takes a commission and the rest of the money goes to producers and financiers, although sometimes the sales company is also involved as a producer or financier.

A sales company: looks for good films to sell and helps filmmakers develop them; estimates for the filmmakers and financiers the prospects of commercial success for the film; evolves an international marketing plan often involving exposure at film festivals and markets (trade shows); negotiates the licensing of rights to local (ie individual country) distributors -a process involving numerous legally binding obligations; oversees and influences the local releases of the film; physically delivers the materials of the film to local distributors; manages credit control.

As digital distribution begins to disrupt existing channels to market, the sales company's evaluation and exploitation of new opportunities and its role launching the worldwide marketing campaign for an independent film has become even more important.

# **Final training standards for new entrants into the film sales sector**

## **FS1 ACQUISITIONS**

### **Unit Overview**

The life blood of a sales company is a flow of new films to sell. Acquisition Executives will track projects and talented filmmakers for the company to pursue. When the company has established a relationship with a producer they nurture it and provide a conduit for information and feedback regarding development of the script and the talent package. They will read scripts, treatments and other written submissions and provide coverage (reviews) and recommendations with specific regard to the commercial prospects of the package. They will be aware of the credits, reputations and career trajectories of filmmakers and actors producers and financiers (who's hot and who's not). They will also view films and report on their suitability for the company. A basic knowledge of budgeting and financing as well of the production process is always useful.

### **Level**

This unit covers the role of a New Entrant up to an Executive reporting to a Department Head.

## Final training standards for new entrants into the film sales sector

### FS1 ACQUISITIONS

<b>KNOWLEDGE AND UNDERSTANDING</b> <b>This is what you must know</b>	<b>PERFORMANCE STATEMENTS</b> <b>This is what you must be able to do</b>
a) How to read a script, treatment, or other source material, analytically with a view to its suitability and commerciality for transition to a film.	1. Consult with relevant departments about the kind of material the company is looking to acquire.
b) How to identify areas of strength and weakness in a script (eg dialogue, plot, characterisation) and recommend how they can be addressed.	2. Familiarise yourself with the style and genre of various productions already in the marketplace and the type of material your employers pursue.
c) The business relationships currently enjoyed by talented filmmakers (in order to identify opportunities).	3. Remain professionally objective about material while expressing an opinion.
d) The trends of consumers in the international entertainment market identifying forms and genres of films which are likely to become popular.	4. Communicate with writers and producers to relay notes and develop projects.
e) Your company's sales plans and objectives.	5. Nurture the company's existing relationships with film makers to encourage new collaborations.
f) Your company's structure and lines of decision-making.	6. Communicate clearly and considerately to Producers.
g) Ability to read/view and evaluate production schedules, progress reports and rushes.	7. Assess the likelihood of the film getting made. Evaluate marketability, budget, finance and creative package and the optimal time for the Sales Agent to get involved.
h) Ability to read and evaluate budgets and finance plans.	8. Identify availabilities, screen and ultimately acquire finished films.
i) Ability to read/view and evaluate production schedules, progress reports and rushes.	9. Presence at major markets and festivals to scout for finished product and establish new or renew relationships with producers.

# Final training standards for new entrants into the film sales sector

## FS2 SALES

### Unit Overview

Sales Executives negotiate a licence with the distributor (customer, buyer) for one or more films in one or more territories permitting commercial exploitation in one or more media (Cinema, DVD, VOD, TV) for a fixed period of time. These "rights" are licensed in return for a consideration which is normally a share of revenue and usually involves an up front advance against that share. Because the rights are normally licensed exclusively to only one distributor in a territory, a 'hot film' is often the subject of intense competition and the executive has to retain good relations with unsuccessful bidders.

Identifying the "best deal" may require a high degree of knowledge of the territory in question, about the bidding companies, their expertise, credit-worthiness, future plans. Also a knowledge of distributor's plans for marketing and releasing the film. This is always important particularly to the producers. Often the sales person ensures that required approvals for the deal are obtained from producers and/or financiers and prepares a preliminary deal memo for the distributor to sign. They normally become the customer's "account manager" – their first point of contact when they need anything from the sales company.

#### OTHER POSSIBLE TOPICS:

- MANAGE SALES RELATIONSHIPS WITH DISTRIBUTORS
- PROVISION OF AFTER SALES SUPPORT
- EVALUATION OF SALES ACTIVITIES (AFTER EACH MARKET)

### Level

This unit covers the role of a New Entrant up to an Executive reporting to a Department Head.

## Final training standards for new entrants into the film sales sector

### FS2 SALES

<b>KNOWLEDGE AND UNDERSTANDING</b> <b>This is what you must know</b>	<b>PERFORMANCE STATEMENTS</b> <b>This is what you must be able to do</b>
<p>a) Negotiating skills:</p> <ul style="list-style-type: none"> <li>• The importance of effective planning</li> <li>• The components to consider when identifying strategies for different customers</li> <li>• Questioning techniques</li> <li>• Typical queries and objections that can arise during negotiations</li> <li>• Key variables and trade-offs that might be considered</li> </ul>	<p>1. Make appropriate preparations for markets (such as emailing line-ups and scripts, announcing any festival or market screenings, getting on the phone to distributors to go over pricing and line-ups before the market)</p>
<p>b) The story and genre of films you are selling plus the credits of all the significant talents involved including awards and commercial successes.</p>	<p>2. Tell the story of a film in a very succinct but engaging way. Present information clearly, concisely and accurately. Perform swiftly and efficiently under pressure (eg. at sales markets).</p>
<p>c) Your company's sales plans and objectives.</p>	<p>3. Identify and communicate all aspects of the film and talent package which particularly recommend it to the specific customer.</p>
<p>d) Your company's structure and lines of decision-making.</p>	<p>4. Negotiate: rights, territory, license period, advances, royalty splits, payment schedules, marketing budgets, materials to be supplied.</p>
<p>e) Any and all restrictions (media, territory, "holdbacks", windows, etc.) which limit rights which can be granted, including other sales.</p>	<p>5. Listen effectively and confirm understanding. Respond constructively during negotiations.</p>
<p>f) Factors to consider when assessing the negotiating power and position of clients. (eg. In territories for which you are responsible intelligence about customers: their companies, their genre expertise, credit-worthiness, future plans)</p>	<p>6. Manage effectively typical queries and objections that can arise during negotiations.</p>
<p>g) Legal, regulatory and cultural requirements impacting upon negotiating.</p>	<p>7. Contribute to sales estimates to evaluate the commercial prospects of potential projects.</p>

## Final training standards for new entrants into the film sales sector

<b>KNOWLEDGE AND UNDERSTANDING</b> <b>This is what you must know</b>	<b>PERFORMANCE STATEMENTS</b> <b>This is what you must be able to do</b>
<p>h) How to communicate in an articulate, literate and numerate way particularly with people for whom English is not a first language. Foreign language knowledge an advantage.</p>	<p>8. Calculate, agree and manage media exploitation "windows" within which one or more clients may exploit a film in a territory.</p>
<p>i) Your level of responsibility within the negotiations and the limits of your authority.</p>	<p>9. Calculate the implications of different media profit splits ("the back end").</p>
<p>j) Rights, territories and clearances available for distribution, including definitions of:</p> <ul style="list-style-type: none"> <li>• Media rights</li> <li>• Territory rights</li> <li>• Physical film materials</li> </ul>	<p>10. Draw up and execute a deal memo (short form agreement) covering a sale.</p>
<p>k) Latest film news. The general awareness of films "coming soon" and celebrity events which might be expected from a film fan.</p>	<p>11. Build relationships with Distributors</p>
<p>l) Market Intelligence such as latest film business news. A strong grasp of developments and changes in the film industry at large. Competitor sales activities etc.</p>	<p>12. Feed the "market view" into the process to complement the opinions of acquisitions colleagues</p>
<p>m) Global entertainment trends plus local variations in terms of favoured genres (especially in territories responsible for).</p>	<p>13. Travel widely with confidence (eg. passport should be capable of being granted visas).</p>
	<p>14. Stay connected. Handling communications in order to be contactable and able to seek approvals from eg. producers and financiers while in market or on the move.</p>

# **Final training standards for new entrants into the film sales sector**

## **FS3 PUBLICITY & MARKETING**

### **Unit Overview**

Responsible not only for the image and positioning of films, Marketing Executives also ensure the sales company itself is presented in the best light.

This unit involves preparing information for the trade and press, in the form of B2B websites, press kits and materials that distributors can use for local markets.

It is about commissioning, preparing, editing and occasionally writing material for publication and knowing what information to issue and how best to present it according to the priorities of your company and its partners. It also involves contributing to the briefing of designers and trailer makers.

It involves demonstrating an awareness of the legal, ethical and cultural considerations surrounding the release of information, especially where sensitive or contentious issues are involved.

### **Level**

This unit covers the role of a New Entrant up to an Executive reporting to a Department Head.

## Final training standards for new entrants into the film sales sector

### FS3 PUBLICITY & MARKETING

<b>KNOWLEDGE AND UNDERSTANDING</b> <b>This is what you must know</b>	<b>PERFORMANCE STATEMENTS</b> <b>This is what you must be able to do</b>
a) How to work with and move graphics files. How illustrators use programmes such as Photoshop.	1. Identify and agree the need for and requirements of the company project.
b) The various worldwide outlets for film advertising and publicity including transport, press, TV, internet.	2. Identify with decision makers the resources and timescales needed to produce the material.
c) The various demographic groups and their genre preferences and film consumption tastes. Local variations to these in foreign territories.	3. Discuss and agree with Acquisitions and Sales the style, intended audience, content and quality of the material required.
d) How to work with talent (and the representation) to ensure the best co-operation and coverage for personal appearances, interviews, etc	4. Work with creative suppliers to develop static marketing materials such as key art (poster) images, brochures, ads, screening cards etc.
e) The purpose, scope, style and formats for material.	5. Work with creative suppliers to develop audio visual marketing materials such as promos and trailers.
f) The implications for selecting material.	6. Deliver on time and within a budget to the highest quality level.
g) The timescales and resources needed to produce the material.	7. Liaise with Business Affairs to ensure that contractual obligations are observed regarding approvals and the presentation of talent names and likenesses.
h) The process of publishing on the web.	8. Prepare drafts of all materials and discuss/review with decision makers.
i) How to identify and remedy errors and omissions in the proof.	9. Arrange premieres, press junkets and market/festival functions. As well as be pro-active in submitting films and planning screenings for sales purposes

## Final training standards for new entrants into the film sales sector

<b>KNOWLEDGE AND UNDERSTANDING</b> <b>This is what you must know</b>	<b>PERFORMANCE STATEMENTS</b> <b>This is what you must be able to do</b>
j) Your company's sales plans and objectives.	10. Plan the company's stand and displays at markets (trade shows).
k) Your company's structure and lines of decision-making.	11. Liaise with Sales to gather information on all worldwide releases (theatrical, video, TV, etc) for each film.
	12. Liaise with producers and agents to deliver talent to screenings and junkets

### **FS4 BUSINESS AFFAIRS**

#### **Unit Overview**

A pivotal function because the film sales business involves a lot of documents and agreements that lack a consensus on "standard terms and conditions". This extends to definitions of media rights to be granted (eg new digital media) and territories granted (eg satellite footprints) even before hard commercial and financial points are reached. Business Affairs executives will be involved in many contract negotiations which involve a high degree of contention (whatever the value of the deal). Among the transactions and relationships they will cover are: Co-production, agreement to jointly finance and/or produce; Acquisition, agreement to obtain rights in films from producers or financiers (eg Sales Agency Agreements); Sub-licenses granting exploitations rights to distributors (sales); what should be covered in negotiations on terms and conditions of use of copyright materials.

#### **Level**

This unit covers the role of a New Entrant up to an Executive reporting to a Department Head.

## Final training standards for new entrants into the film sales sector

### FS4 BUSINESS AFFAIRS

<b>KNOWLEDGE AND UNDERSTANDING</b> <b>This is what you must know</b>	<b>PERFORMANCE STATEMENTS</b> <b>This is what you must be able to do</b>
a) How to operate word processing software at an advanced level including red-lining, indexing & renumbering features.	1. Translate the wishes and priorities of colleagues and managers into a successful negotiating position in the contracting of deals.
b) How to communicate efficiently employing business, legal and commercial vocabulary with colleagues, customers, producers, media lawyers and industry bodies.	2. Protect the confidentiality of the company's documents, dealings and Intellectual Property.
c) What the different types of copyright are, and what sort of materials they will apply to. For example the latest definitions of (and issues surrounding): <ul style="list-style-type: none"> <li>• Media rights</li> <li>• Territory rights</li> <li>• Physical film materials</li> </ul>	3. Process the negotiation and exchange of a variety of agreements including those concerning: Acquisition; Co-financing; Letters of Assignment; Sales and Distribution Licences; Collection Agents; Employment.
d) How to organize work flows in a methodical but prioritised manner.	4. Ensure colleagues in the company know the obligations and implications of agreements (eg. billing obligations for Marketing; available rights for Sales; deliverable materials for Technical)
e) How to identify copyrighted material as well as source and ownership of materials.	5. Register product with the collection agencies that disburse fees levied on retransmissions etc.
f) Rights, territories and clearances available for distribution.	6. Efficiently manage the expiry of licensed rights, notifying customers, obtaining certificates of destruction for unwanted materials.
g) The 'Chain of Title' of the film.	7. Identify how copyright regulation affects the use of materials
h) The laws of copyright and intellectual property.	8. Ensure that accurate records of licencing are kept.
i) Your company's sales plans and objectives.	9. Supporting Sales staff when negotiating Deal Memos at markets.

## Final training standards for new entrants into the film sales sector

j) Your company's structure and lines of decision-making.	

# Final training standards for new entrants into the film sales sector

## FS5 TECHNICAL & SERVICING

### Unit Overview

Responsible for the physical materials necessary to exploit the film, including film and digital, video and audio, foreign language tracks, marketing elements, documentation. All this flows from obtaining the correct elements from the production. This includes preparing all the necessary paperwork and keeping accurate records. Because irreparable defects or omissions in these elements can terminate agreements, meticulous care is needed in their gathering, duplication, storage and shipping. Servicing Executives develop in-depth technical knowledge of different (and proliferating) formats and interact with laboratories and distributors to ensure the timely and cost-effective provision of all necessary materials. They will manage supplier relationships in order ensure that the company's time-sensitive communications are reliable including material shipments, couriering of legal documentation, delivery of marketing materials to trade shows and other events.

### Level

This unit covers the role of a New Entrant up to an Executive reporting to a Department Head.

## Final training standards for new entrants into the film sales sector

### FS5 TECHNICAL & SERVICING

<b>KNOWLEDGE AND UNDERSTANDING</b> <b>This is what you must know</b>	<b>PERFORMANCE STATEMENTS</b> <b>This is what you must be able to do</b>
<p>a. Understand the legal significance of acceptance of delivery of the film between producers, sales companies and distributors.</p>	<p>1. Liaise with producers to ensure that all film materials are supplied to the sales company are of top quality, in a timely fashion. Take delivery of such items, quality control as necessary. Log elements as they are received.</p>
<p>b. The name(s) and function(s) of all physical elements prepared in connection with a film, whether film or video, analogue or digital including the documentation required to exploit them.</p>	<p>2. Lodge delivered elements in laboratories and control access to them, manufacturing such duplicate copies as are required for exploitation.</p>
<p>c. The time and material priorities of customers preparing foreign language dubbed or sub-titled tracks.</p>	<p>3. Assemble and keep all film materials safe from loss, damage or unauthorised copying (piracy). Where possible, insure against such risks.</p>
<p>d. The timing of markets &amp; festivals.</p>	<p>4. Ensure, through liaison with Business Affairs, that the company receives all materials necessary to exploit the film.</p>
<p>e. Local customs duties, import regulations and freight issues in international territories.</p>	<p>5. Deliver such elements as are required by customers to exploit rights which have been granted to them. Control all payments in connection with this including payment terms of the distribution agreement.</p>
<p>f. The best freight methods to use for different territories and shipments with regard to cost, timeliness and security.</p>	<p>6. For markets &amp; festivals: obtain from producers film or promo footage material to screen; prepare and deliver to the festival screening authority; ship marketing, screening, and other materials to the sales office at the festival.</p>
<p>g. Your company's structure and lines of decision-making and when to refer upwards.</p>	<p>7. Refer upwards if anything is unclear, or if elements are still missing.</p>