

BUSINESS INSIGHTS

FOUR PRACTICAL TIPS FOR INDEPENDENT FILMMAKERS

A Behind-the-Scenes Look at Film Financing and Budget Strategies.

Independent filmmakers in all stages of their career are familiar with the challenges that come with creating a captivating and, hopefully, successful movie.

From start to finish — from finding the right script and actors and making the movie to marketing the project and getting it distributed — filmmaking is a process with a lot of moving pieces, and it's a difficult job.



Financing a film, whether an arthouse project or an epic is always at the heart of any major filmmaking endeavor and critical to keeping the project rolling along. There are many decisions involved in ensuring that a film gets produced within budget. While a loan from a bank or other source could come into play at some point, there are other behind-the-scenes decisions a producer and his or her team can make to positively affect the budget and costs.

Prepare for the unexpected.

Navigating the waters of independent film financing can be tricky. As you likely know already, nothing goes according to script, and advice such as “expect the unexpected” is particularly applicable to an industry notorious for its unpredictability. A film producer's ability to create a backup financing plan or strategy can be critical to the project's success. That's why it's important to choose a banking partner with industry expertise who can help you maneuver through uncertain times with strategic guidance and a problem-solving approach.

Strategize for a smooth production.

One of the key roles of a film producer is to secure funding, which helps set a project in motion and ensure there's enough in the budget to see the film all the way through. It's also important for the producer to be aware of nuances that can help save money, or even to acquire additional funding along the way. The better prepared a film team is heading into production, the greater the likelihood the project will go smoothly ... or, at least, as smoothly as any film can!

Here are some important tips from the members of our Media and Entertainment Banking team

Gleaned from extensive experience working with independent filmmakers and helping their vision come to fruition:



BUDGET REALISTICALLY

Hire and collaborate with a seasoned production accountant to establish a realistic budget. It might be tempting to cut corners, but unforeseen challenges and changes are part and parcel of filmmaking. Your contingency fund is a critical safety net.



EVALUATE MARKET INTEREST

Pay attention to pre-sales and market trends. It may be time to reevaluate your project if you're struggling to secure pre-sales or if market interest is waning. Trust the feedback of those who will ultimately exploit your film; they can offer valuable insights into its commercial viability.



STAY IN TUNE WITH INTEREST RATES

It's important to be aware of the economic landscape. For instance, keep an eye on interest rates, as these can fluctuate and impact your financing options. Develop a financial strategy that anticipates possible interest rate changes, particularly if you include the option of taking out loans.



CONSIDER LOCATION-RELATED INCENTIVES OR TAX CREDITS

If they work for your film, seek cost-effective locations that offer advantageous local incentives, such as tax credits. Taking advantage of such incentives may require extra time and effort from the budgeting team to understand what's involved and how to qualify. For example, incentives may require dealing with foreign exchange and ways to monetize incentives to cover on-set expenses. A bank with entertainment industry expertise can help a producer qualify for and possibly secure incentives and tax credits. In some cases, a bank might be able to offer funds against such incentives.

We empower success for filmmakers.

At Banc of California, our Media and Entertainment Banking team works closely with industry professionals, especially independent filmmakers. Our goal for our filmmaking partners, as for all our business clients, is to offer responsive service and keen insights based on our industry experience. We want our clients to succeed. For filmmakers, we strive to be an advocate for creative endeavors and to offer custom solutions for making movies, and dreams, a reality.

For more information on how our Media and Entertainment Banking team can help bring your vision to life on the big screen, visit:

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