Cultural Daily

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Is Love Real? or, How Do I Get Money For My Movie?

Adam Leipzig · Thursday, February 16th, 2012

This weekend I trained two workshops of creative people and entrepreneurs in the steps that get one's best work into the world. One of the questions that came up in both workshops was, "How do I get money for my movie?"

The answer applies to every creative or innovative endeavor, where outside financing is required, and it requires a shift in thinking. When you're working on any creative project, you have to believe in it strongly and sustain yourself through the development process. You have to shield yourself from doubt, and you must cradle your project with love and support. You have to fall in love with it.

But when it's time to take your project to the outside world of investors, you need to make a case for its existence in financial terms. Your love won't matter. You need to prove the likelihood that an audience or market exists.

Luckily, there's process you can follow right now. You have to show there are "comps" – "comps" is a term-of-art for comparative products or services, for example, comparable books, plays, movies, iPhone apps, etc… Finding comps is free (my favorite price) and you can do it right now (my favorite time).

To be true, a comp must be the same thing. It must compare apples to apples. Let's take movies as a case study. A comp movie must be the same genre, the same language, the same budget, the same level of recognizable casting, the same age and gender protagonist, the same rating (I'd lump PG and PG-13 together), and within the past 5 years. (Older than 5 years is no longer relevant for today's market.) You'll want to make sure you have at least 5 comps, because fewer than that and you won't be able to make a convincing argument to potential investors.

Let's say, for example, you have a great female-lead romantic comedy screenplay about a woman who's always the bridesmaid, never the bride, and you want to attract investors. How do you find comps? Amazon makes it easy. Go to amazon.com, and search for a romantic comedy, say *27 Dresses* (2008).

Down below the information on *27 Dresses,* you'll find a bunch of other movies, under the heading "Customers who bought this item also bought…" Most of them will be romantic comedies. This is your initial list of possible comps.

But they are not all comps. If *500 Days of Summer* (2009) comes up, it would not be a comp. Why not? Because *27 Dresses* was made for $30 million, and *500 Days of Summer* was made for $7.5 million. Because when *27 Dresses* was made, Katherine Heigl was a bona fide star, and when *500 Days of Summer* was made, Zooey Deschanel was not yet a star. Comps must be like-for-like-for-

like across the board.
(How did I know the budget of those movies? I Googled it. That's what you would have done, too.)
Let's say you have assembled a list of recent romantic comedies that are comps, including *Bride Wars* (2009), *Leap Year* (2010) and *The Proposal* (2009). No the budgets are not all the same (they are in the range of $20-$40 million), but they are in the range of studio movies, not indie movies, and that's what you're comping in this example. Now you want to find out how much money each movie made. There are 3 good databases you can use: the-numbers.com, boxofficeguru.com and boxofficemojo.com. They each may have slightly different information, such as budget, international performance and home video results, so it's worth checking them all – your investors certainly will.
Based on these comps, you can begin to figure out the plan for your movie – the plan that may attract investors or studio financing. If you don't have a recognizable star, you'll soon discover you can't make your movie for more than a certain budget-level, if at all. If you do have a star, you'll discover there is a maximum budget that makes sense, given the likely box office returns.
Generally, when I have worked at companies that finance films, we don't use the highest-grossing or the lowest-grossing comps, because those are "outliers" – we're looking for the middle-of-the-road, reasonable expectation of what might happen to our money if we make an investment.

Finding comps works for everything – not just movies. You could do the same with books, websites, hair care products, software applications. Amazon remains a great search engine for many kinds of comps, and of course your own experience will supplement Amazon's suggestions. For some industries, the amount of sales may not be as easy to discover as movie box office numbers, but nearly every industry has an industry association that collects data and reports it annually. If you can't find it easily (or if it isn't free), check with the business desk of your local public library. I have found business librarians to be savvy and inventive when it comes to ferreting out numbers, and often public libraries subscribe to databases that would cost money for you to join. All this service is free with your library card.
Yes, finding comps takes some work. It is important for two reasons.
First, this is what your investors are going to do. (A studio, or a publisher, or a distributor, are all investors: anyone who will have to give you money or spend any money on your work is an investor.) You need to turn yourself inside out, become outward-facing, and think like an investor for a moment.
Second, it pulls you out of yourself and forces you to engage in evidence-based decision-making. When we're working on a creative project, we must believe strongly in it. We convince ourselves it will be great. Over time, that conviction becomes sanctified, even religious, to the point where we cannot imagine that other people won't value our project as much as we do. But they won't. We have to prove its value to them.
That's *The Ugly Truth* (2009). (Not a comp: it was rated R.)
Images: 500 Days of Summer; photo from our weekend workshop.

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