

**THE**

# **MICHAEL WILDE**

**GROUP OF COMPANIES**

## **Executive Business Summary**

**For**

## **Westgarth Global Entertainment**

**Prepared By  
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## **For Information Only**

This executive business plan describes the reformation and operation of a company to engage in the business of motion picture development services, business management of above-the-line film production talent, motion picture production services, and film financing.

The contents of this Executive Business Plan are confidential and are disclosed pursuant to a confidential relationship and may not be reproduced or otherwise used except for the purpose intended herein.

The investment interests described in this memorandum will not be registered under the Securities and Exchange Act of 1933 or any local securities law and are described as for investment only and not with a view to resale or distribution.

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# 1. EXECUTIVE SUMMARY

## **The Opportunity**

Westgarth Global Entertainment is a startup enterprise governed by The Michael Wilde Group and is engaged in providing film production business management, film development and allied services, the bringing together of investors to participate in the development and financing of motion pictures, and consulting to the international film industry. Our goal is to provide a strong and knowledgeable screenwriting base where investors will have greater faith in investing in the development of motion picture productions, and studios and distributors can present a markedly improved product to the global movie-going public. The company is dedicated to providing the advanced tools and services, in one place that filmmakers need in order to compete effectively in the global marketplace.

## **The Management Team**

At the core of Westgarth Global Entertainment is its founder who brings to the company 33 years of successful entrepreneurial experience and in-depth expertise in motion picture production and talent and business management. The team is complemented by a support group of consultants and advisers.

We have assembled a creative team from America, Australia, England and Ireland comprised of successful members with strong backgrounds in mass-market commercial films through Westgarth's former incarnation as WSAI/Virtual Studios and its stable of film industry professionals across the globe. Our production associates based in Los Angeles are well established in the craft and business of independent movie making and talent management. These elements make for a compelling combination designed specifically for this endeavor.

## **The Product**

The company will further exploit the under-serviced and neglected areas of development and preproduction, business and talent management services, and production office support staff training. Its products will include film funding, film production development services, management of above-the-line talent, (such as directors, screenwriters, actors and producers), production consulting and talent publicity. Our assistance and involvement in the production of motion picture and television programs and new media are designed to assist above-the-line staff, independent production companies and production services to procure financing, contracts, sales, strategic partnerships, and provide talent and related services and the teaching of advanced screenwriting methods, building significantly on an already established base.

## **The Industry**

The market for independent films continues its expansion globally. The worldwide market for independents doubled in the last ten years while the ancillary market for all films expects to double within the next 5 years, thus reaching an all-time high.

Within this framework, the independent film companies are alive and healthy. With this, smaller markets such as the Australian film industry is currently going through a growth

spurt, due to the influx of overseas film and television programs being produced in Australia, which we expect will continue.

## **The Market**

Development is that creative gestation precursor essential to motion picture production. Motion picture production services account for up to 45% of the cost of a film, with development and preproduction accounting for approximately 10% of a film's total cost. Development fulfills all the creative and business development of the pictures that are selected by producers.

Support services to above-the-line talent are also an essential element in the business of filmmaking. Talent and crew agents are restricted as labor market providers and do not have the resources or time to service the business aspects of the talent on their books. Personal and business managers within the entertainment and film industries provide a wider range of administrative services, which may include guiding the principal's total career and handling their business affairs.

## **Investment Opportunity and Financial Highlights**

We are seeking a variety of joint venture, equity financing and other relationships that would enhance the market penetration and increase the profitability of our client's film production, broadcast and management services, and bring to film markets new services designed to assist independent filmmakers, above-the-line staff and production service clients to procure financing, contracts, sales and strategic partnerships.

We are currently seeking your involvement of equity investment for our various clients' projects—ranging from \$20 million to \$500 million for motion picture projects and from \$1 million to \$20 million for ancillary projects.

As our current investors, from time to time, ask that we also assist them with non-entertainment related projects, we would be happy to also serve you in this capacity.

## 2. THE COMPANY

At Michael Wilde, we specialize in bringing together investors to participate in the development, production and financing of globally made motion pictures. Until recently, the industry has been controlled by the major studios, making investment opportunities in individual films generally unavailable to those investors outside the film industry. Due to the increased demand for films worldwide and the development of new markets including network, internet, mobile phone, pay and cable television, and the DVD market, there is a tremendous shortfall of quality product. The growth of all these markets has created a demand, which cannot be met by the studios alone. These major studios and distribution companies now rely on independently financed films to fill this void.

As an investor, we present to you the opportunity to take part in highly unique investment vehicles presented by our clients, which may have unlimited profit potential. We invite you to review our latest projects as they become available.

Under the Michael Wilde banner, we own and operate a number of entertainment and film industry companies that specialize and address specific areas in order to support the global entertainment industry as a whole.

**Westgarth Global Entertainment:** The function of Westgarth will be to gain finance for our client's filmed projects by acting as Finders/Executive Producers on those projects, provide managed production offices, and provide training for actors, screenwriters and directors. We have recently renamed WSAI/Virtual Studios, as Westgarth Global Entertainment, which will be our flagship company within the film industry. Westgarth will continue to provide production-consulting, production services, introduce production companies to Equity investors for motion picture funding, and provide educational services to actors, screenwriters and directors.

**Michal Wilde Management:** The function of this company is to provide personal and business management to those working within the entertainment and film industries worldwide. When actors, directors and producers begin to make regular income in their careers, it is wise for them to build their careers as a business and employ a manager to oversee the administration of their career-based business, to market themselves more effectively, and to provide assistance in honing their craft.

**Michael Wilde Productions:** is a self-contained motion picture production company created to finance and develop feature films for the worldwide audience. With exceptional partners and representation performing the tasks that require a presence in Australia, America, Europe and the UK, the management of the newly formed Westgarth Global Entertainment will focus on economy of costs and quality of product, thereby maximizing the company's return on its investments.

Westgarth Global Entertainment will have the advantage of accessing production talent in Los Angeles and the UK to solidify its marketability as well as generate inexpensive production budgets through the utilization of production services around the world, thus increasing profitability. The new company will be dedicated to providing the advanced

tools and services, in one place, that filmmakers need in order to compete effectively in the global marketplace.

Westgarth Global Entertainment and its sister companies, are self-contained business that were created to manage, finance, develop and assist in the production of quality feature films for a worldwide audience. With exceptional partners and representation performing the tasks that require a presence by way of a “Virtual Studio”, the management of Westgarth Global Entertainment will focus on economy of costs and advancing the quality of product, thereby maximizing the company’s return on its investments. Westgarth Global Entertainment has the advantage of accessing creative talent worldwide to solidify its marketability as well as generating realistic production budgets through utilizing its associate’s studio soundstages and services thus increasing profitability.

Up to now, Westgarth’s former incarnation has provided services to above-the-line staff that most management companies neglect. We have kicked this into higher gear by creating Michael Wilde Management that will provide personal and business management services to film industry freelancers and independents such as basic accounting services, career advice, marketing and publicity, ancillary training, investment advice, and production labor market services, etc.

The objectives of Westgarth Global Entertainment are as follows:

1. To assist in the development of quality films and television that provide positive filmed entertainment with moral tales designed for both enjoyment and education.
2. To provide business management services through Michael Wilde Management to above-the-line staff, production companies and production services.
3. To develop screenplays with outside writers and assist them in selling to production companies around the world.
4. To explore overseas co-production and co-financing potential for the company and its clients.
5. To provide managed and virtual offices for production companies. This will give overseas companies a presence in Hollywood and give an overseas presence for a Hollywood company in whatever offshore country they plan to film. That would mean our clients would have a presence in any country that we would have a sister office.

## **Management and Organization**

We cannot make the previous claims about the services we can contribute to investors and the film industry without having the people, resources, and advanced technology to back up our claims.

The primary strength of any company is in its management team. Westgarth’s principals, Mr. Michael Wilde and Ms. Cyn Felthousen, have extensive experience in business and in the entertainment industry. In addition, the company has relationships with key consultants and advisers worldwide who will be available to fill important roles on an as-needed basis. We currently have 247 production companies, production services and film professionals from around the world on our books. The following individuals make up the current Westgarth Global Entertainment management team and key managers:

## **The Principles**

### **Mr. Michael Wilde, Global CEO and Executive Producer**

Mr. Wilde is an actor, screenwriter and production consultant with over 33 years experience in many areas of business and the entertainment industry. He created WSAI and Virtual Studios in 1996-7 while Creative Director, Story Editor, and VP of Development for Tri-Archer Film Productions, and from that time has assisted smaller independent filmmakers and screenwriters in the early stages of motion picture development, has managed and trained many up-and-coming screenwriters, producers, directors and production assistants, and championed the cause of many producers, production crews, investors, and above-the-line-staff against rogue and renegade filmmakers.

He is supported by a group of high profile professionals from Australia, Europe, Canada, and the United States.

### **Ms. Cyn Felthousen, CEO (US) and Co-Executive Producer**

Ms Felthousen, CEO of our sister company in Los Angeles, is a producer, publicist, promoter and business manager to many actors, producers, musicians and production crew in the United States. With extensive experience in both business and entertainment, she has consulted with many independent producers in the film and music industries. She is supported by a group of high profile professionals from the United States and the UK

## **The Management Team**

Our current management teams will make the smooth transition to Westgarth Global Entertainment, and will include a number of new additions:

### **Ms. Mandie Messenger: Producer, Production Manager.**

Ms Messenger is a current client that currently helms ScreenQuest (Australia) and brings with her extensive experience with commercial, corporate, film, television and New Media, and an exceptional ability to communicate on both the client and agency sides, having worked as a media consultant for both blue chip and film and TV production companies.

### **Mrs. Theresa Redlin: Casting Director, Talent and Crew Agent.**

Teresa Redlin is currently the CEO and owner of ATM, a Talent Agency with offices in both Queensland and Victoria. In addition, Theresa has held the post as Casting Consultant for such international films as Ghost Rider, The Pacific, and Pirates of the Caribbean.

We plan to hire producers and above-the-line staff that are currently on our books for individual projects as required by our clients' needs and production schedules. The office staff will be lean but will expand as the workload demands.

### 3. THE VISION

We will continue to operate on a shift to the traditional Studio model—but with a difference—we will be doing it on a global scale. Many companies have been built to make movies whereas we will provide film industry-based services to build the company as a global virtual studio.

As a result of constant advances in technology and a shift to the globalization of the motion picture industry, film companies no longer require committing all of their resources to Los Angeles. With internal development, decisiveness, managed risks, tactical mobility, and a constant hunt for untapped, professional talent and production services worldwide, we can create a less capital-intensive alternative model for our self-contained film production services.

Film industry support services such as talent management, development, studio facilities, and other production services are estimated to contribute \$12+ billion per year worldwide to the above totals. By utilizing the expertise and personnel in our network database worldwide, we have advanced the standard organization's capabilities that make our clients' and our products and services less costly, more efficient, more desirable, and more state-of-the-art than our competitors.

Our goal is to provide a completely centralized development and preproduction service for production companies, above-the-line crews and screenwriters that is comparable to those provided in Hollywood. By applying Hollywood production technologies and services to the global film industry, we believe this will not only strengthen the industry as a whole, but will provide a greater faith in global films by creating a new benchmark in the quality of films where investment risk is considerably lowered due to the bettering of storytelling technologies and production standards.

At present, in some countries such as Australia, the film industry is regarded as a cottage industry, not only by other film markets but also by its own government and private investors. Comparing our intended services to those already in existence in the Australian film industry, we believe that we can provide a more global perspective and raise individual standard box office grosses from \$12 million to comparable box office grosses by major markets through concentrating more on the business of filmmaking and advanced storytelling than "art". This will then create a ratio of 1:7 in association with our Los Angeles office, allowing Australia to then produce its own blockbuster films with or without the need for American co-productions or government financing.

Based on the present demand for centralized development and preproduction services, and services to above-the-line production personnel, we expect supply to catch up with demand within 18 months of operation.

Our goal for such markets as Australia is to provide a safer investment environment with lowered risk for private investors wishing to invest in film and television productions.

Motion picture investment entails a high degree of risk even when the picture is substantially packaged prior to financing. Recoupment of the investment and additional profits are largely a function of the film's cost of production and distribution in relation

to its public appeal. The extent to which a picture will appeal to the public is largely dependent upon unpredictable critical reviews and public taste.

The positive side is that there is potentially no limit to the amount of money a film can generate. However, if the film does poorly in sales and the production company is unable to secure enough distribution agreements, the investor(s) will lose their entire investment and will have no opportunity to recoup their investment by investment in, or cross collaboration with any other picture. The production company is not liable for any monetary loss incurred by investors as a direct result of investment.

## **Description**

Using Australia as an example, we intend to provide five major areas that have never before been introduced into the Australian film industry to this scope, but have been in effect and successful in America, England, and Europe for many decades, and even in the reformation of the film industry in Spain.

### **1. Private Equity Financing of Filmed Entertainment**

Up to now, the government has funded the majority of films, as many private investors have deemed the Industry too high a risk due to the extremely high failure rate of Australian films at the box office. In 2009, it was found that the box office gross for the film Happy Feet had provided 89% of the cumulative box office receipts for that country for the period of 12 months of its release.

Our record of accomplishment in the United States as both film funding consultants and Executive Producers has given us a high standing with both investors as well as the film industry worldwide as assisting to provide a high ROI. We do not act as brokers for investors or production companies, we act to introduce investors to the best of financially viable motion pictures and our fee is included in the film's budget. Many times we will not only start with the production company's Executive Summary, we will start with the screenplay, before passing the producer's package onto investors. Within the last month, we assisted a Japanese-American co-production to iron out production problems by restructuring the screenplay.

### **2. Personal/Business Management Services**

A manager is similar to an agent only he or she many times will work with the principal's agent. The personal or business manager specializes in fewer clients but provides a wider range of services, which may include guiding the principal's total career and handling their business affairs.

In addition, they have the expertise to find and develop new talent and create opportunities for those artists they represent. Personal managers act as liaison between their clients and both the public and the theatrical agents, publicists, attorneys, business managers, and other entertainment industry professionals which provide services to the personal manager's clients.

When a creative person, loan-out company, or a production-related company has a steady cash flow and a strong predictable income, they may hire a business manager to act as their investment manager and general bookkeeper.

A business manager will connect up to necessary entertainment lawyers and entertainment accountants so that his client's best interests are served. A business manager will help his clients invest their money into securities and real estate and other investments. He will also act as an accounts payable and accounts receivable agency.

### **3. Development Preproduction Services**

Development and preproduction are very much a money, time, and labor-intensive part of the motion picture preparation process. Though the production company has already been created, they need to create a development business for the film project itself. This means finding a temporary building to house the production, set up the production office (leasing furniture and computers, stationery and office supplies, setting up phone lines and power, line up staff and crew, audition talent, and interview staff and crew), and so on.

The ability of productions to acquire short-term production office space is inherently difficult. By providing a managed office for development and preproduction, with office, workstation and casting space rental, we will lower much of the cost and legwork they have experienced in the past, as all the required contracts, forms, equipment and production contacts will be housed in one place.

### **4. Educational Services**

A motion picture begins with a screenplay. Many young screenwriters, script editors and directors entering the film industry are unaware of the structure and technology of motion picture storytelling, are easily swayed by new and passing fads, and are taught only the basics of writing a short story or novel and are expected to compete in an industry that uses completely different technologies and set of standards.

Australia, for instance, is completely unaware of any specific writing technology for motion pictures, as it is not taught as relevant to the film industry. Therefore, film schools there only teach creative writing as a consequence.

Our educational facilities not only teach storytelling that a Mendah would be proud of, actors, screenwriters and directors are taught the nature of the characters in stories; how to play them, how to write them, and how to make the characters real and archetype to the audience.

### **5. Virtual Offices**

Many small film production companies and other related services such as script analysts are too small to afford standard office space, so their services become a home-based business. Still others, from overseas, may not have an office in the country they are to film in to handle inquiries so require a presence to handle incoming mail, communications, and meetings, etc. Our current offices in both Los Angeles and Melbourne act as virtual offices for many companies around the globe.

We believe a virtual office for them on a daily, weekly, and monthly basis will assist them by providing rental of workstations and offices, an internet café for email and research, personal low-cost web page creation and posting, and low-cost spaces by way of classrooms, audition rooms and boardrooms will aid in catering to their needs.

Through networking with other motion picture-related services and our sister companies, we will also be providing:

- Notices of employment opportunities from production companies and production service companies.
- Contact with film industry publicists globally.
- Contact with entertainment attorneys for legal counsel.
- Provide accounting, investment, and other financial services.
- Executive producing of independent films and co-productions.
- Script and project development.
- Location and production liaison.
- Access to private production equity investment funding.

## **Technology**

### **New Technology Being Used**

We will continually introduce more advanced development, preproduction, screenwriting technologies and service standards to film industry personnel and investors that is generally standard in other countries.

The benefits this will bring will be a more professional film industry, allowing small filmmakers to grow to international standard and compete on the same level of quality and expertise as larger independent film companies.

### **Standards Being Adopted**

According to Morgan Research, the reason only ¾ of a percent of Australian audiences will watch an Australian films and the rest will watch American, European and UK films is that American-style films contain higher production values and the storytellers have the knowledge of what a story needs to win the hearts of audiences. This is why they have a wider audience appeal across the globe,

By respecting the storyteller, you respect the audience *and* the investor. Ancient Egypt held the storyteller and those that could write in higher regard than the Pharaoh, though no less important. In Hollywood, the storytellers are also held in such high regard. The comprehensive support services Hollywood gives to the storyteller (above-the-line personnel such as the director, actor, screenwriter and producer) make it easier for them to tell their stories and entertain the audience by providing new technologies and advanced methods, and respecting them as business people not just artists.

The benefits of providing a higher quality of storytelling technology and production support services, and the respect given to film personnel as business people in Hollywood, not only will this respect translate to Australian audiences but will translate to higher box office returns and higher pre-tax profits with comparably lower costs.

Only those companies providing advanced filmmaking and support services comparable to global standards will be recommended by the company.

### **Standards Specifically Being Ignored**

The term "independent film" is sometimes mistakenly believed to refer to a film's content or theme. In actuality, it is simply a description of who financed the picture, or

more accurately, who did not finance it: Studios. This confusion is not limited to outside the industry, where many independent financiers and other industry professionals consider independent films quirky and esoteric. This tactic immediately limits them to a small audience in both primary and secondary markets. When some of the surprising breakout successes of independent films are examined, something interesting appears...

Hollywood targets the opening weekend gross for the bulk of each film's theatrical revenue, thus maximizing each film's audience early and abandoning smaller budget films to esoteric art fare and low quality exploitation. This opens a considerable gap in consumer alternatives—particularly in the ancillary markets—for quality commercial product.

Australian storytelling technology, production standards, and support services for filmmakers are in the dark ages, and up to thirty years behind Hollywood. We will be introducing to the Australian film industry the high standards in use worldwide.

Australian Screenwriters are taught to write short stories, plays and novels using the three-act structure, which was not meant for the screen. It is okay for those entering the industry to get an idea of how to create a story, but writing professionally for the screen is a very different writing technology. We will be introducing professional standard screenwriting methods that have proven to gross \$100 million and more at the box office.

The screenplay format provided by Screen Australia is not accepted anywhere in the world; not even in New Zealand. We will be introducing and teaching the standard screenplay format in use globally.

Up to now, Australia has fostered amateur filmmakers who believe they do not have to be formally trained in global-standard film technologies to make a movie. They have made the financially unsuccessful mistake of putting art before the business of filmmaking. This has opened the door to untrained and poorly trained filmmakers and screenwriters, therefore limiting profit margins and the audience.

By putting business before art, we believe we can slowly turn the film industry around to the point where it can fully compete in the global marketplace and even Australian films can be financially successful.

The growth of the company and its values must always come before any personal ambition. It is through the company that we accomplish collectively what cannot otherwise be accomplished by individual industry services.

## **Core Ideology**

### **Values:**

**Respecting the audience by respecting the storytellers.** By creating a safe environment where creativity can grow, this will take much of the pressure off the creation of mechanical production-line storytelling that is germane to amateur filmmakers entering the industry. No one value shall come before another. We consider a constant adherence to these principles as a competitive advantage, which will insure a consistency in quality, vision and direction regardless of the company size.

**Purpose:**

First, we are here to assist investors, storytellers, and entertainers. Our purpose is to deepen the shared human experience through the stories they tell. As a result, the marketing of their product will be a promise of what each story delivers, not a ploy for short-term gain.

Profit is our lifeblood, a glorious necessity, and the vehicle for the security of our futures and the growth of the company. Put simply, it is one of our most important objectives; however, it will not be the company's sole reason for existence.

## **Global Integration of the Film Industry**

The ways in which corporations and companies operate vary considerably, and they may informally be classified in several ways:

- When two companies directly competing with each other merge, the process is called horizontal integration; when suppliers and customers merge, the process is vertical integration.
- Vertical integration characterizes companies that engage in the different stages of manufacturing or marketing a product, absorbing them into one corporate structure that retains its original identity. Studios involved in the production, distribution, and exhibition of films in their own theatres and TV and cable stations demonstrate this vertical integration. This differs from a consolidation, in which several concerns are dissolved in order to form a completely new company, or a takeover, which is a purchase of a company against its will.

Horizontal integration embraces companies engaged in the sale of the same or similar products. Absorption into a single firm of several firms involved in the same level of production and sharing resources at that level. A conglomerate, such as Sony and Technicolor, is where a holding company controls other companies conducting diverse types of business, ranging perhaps from financial services to motion picture equipment manufacture to special effects houses to talent management to production to distribution.

Up to now, we have been aware of the multinational corporate model where a company duplicates itself in different countries. Many of the studios such as 20<sup>th</sup> Century Fox and Warner Bros apply this multinational business model. Therefore, no matter what country you are in, the company is identical to the parent company down to the last detail, but they use different suppliers in the different countries. But is the 20<sup>th</sup> century multinational business model on its last legs, doomed to dissolve into the history books?

As an industry, we are now more global—Hollywood is a global industry—so we need to apply globalization methods to the way Hollywood works and integrate independent contractors and independent companies into the model. Hollywood is not vertical integration. It is not horizontal integration. It is not a company; it has become a style and technical method of storytelling that even Bollywood is now using.

## **Global Integration**

Driving growth globally in the film industry today requires companies to leverage the skills and capabilities of a global workforce, integrate operations and successfully manage their business globally. This is what I mean by Global Integration. Through global integration, not labor arbitrage, we can capitalize on emerging talent pools and integrate them with our local expertise to drive value for audiences and investors. Moreover, we should be using our technology to automate processes for continuous productivity gains and driving fundamental change in the way we manage our operations. When we do this—transform the processes and integrate globally—two things happen: costs go down and service levels go up. In addition, this creates unique capabilities for the film industry to drive growth.

Globalization is a concept that encapsulates the growth of connections between people on a planetary scale. Globalization involves the reduction of barriers to trans-world contacts. Through it, people become more able—physically, legally, culturally, and psychologically—to engage with each other in “one world”. People experience global consciousness, inasmuch as we define the realm of our lives in trans-world, planetary terms.

To us, global integration is having the ability to assemble the right skills, in the right place, at the right cost and being able to harness them along with our expertise and experience on behalf of production companies and production services.

It is about global integration, the ability to integrate vast capabilities globally to innovate, and this should be our strategy. Innovation and integration are key drivers and they underpin the three elements of the new business model—growth, productivity and effective use of cash.

Global integration supports the new Independent film business model. It is how we are developing capabilities our businesses can leverage to drive growth. Moreover, the power of this approach boils down to three things:

- The film industry has unmatched global capabilities.
- We can all globally integrate these capabilities to enable growth and provide competitive advantage.
- We can be more confident in our ability to deliver on a sustained basis three points of Earnings Per Share (EPS) growth from production.

Westgarth Global Entertainment has a portfolio of businesses and unique capabilities:

- Breadth and depth in services.
- Unique capabilities in research, intellectual capital, business relationships, deep local roots and industry insight, and global experience.

We are using some of the savings from productivity to:

### **1. Help Reinvent Service Delivery**

We are pairing film production professionals with services delivery experts to create a virtual global delivery platform to unify the film industry’s entire network of production

delivery centers such as Hollywood and Bollywood. Standard processes and automation will allow us to distribute work seamlessly, globally between centers, providing unprecedented levels of reliability for our clients with automatic back-up and fail over capability.

In addition, the automation of service delivery will allow us to scale without adding as many new resources, dramatically lowering costs by reducing the dependence on labor for low-level services.

## **2. Assemble Global Teams**

In global production services, the scale of our global capabilities is an advantage. To make it easier to leverage them, we have created a professional marketplace. It is a unique resource-staffing model that lets us and you quickly assemble and deploy global production teams based on skills, availability and cost that meet the requirements and price points of an engagement.

Because our approach is transformational—not simply helping you cut costs—our ability to deliver three points of EPS growth from productivity is sustainable.

Through global integration we are addressing nearly all of the film industry has cost structure.

Some are the benefits we have seen include:

### **1. Integrated Supply Chain**

- Significant annual cost takeout on procured talent and services—optimized sourcing, vendor advantage, production design efficiencies, and disciplined processes.

### **2. Global Support Functions**

- Integrating IT, Finance, HR, Sales Operations, Real Estate, Production, Communications, Marketing, and Legal.
- Targeting 10-15% film productivity annually;
- Establishing Centers of Excellence to streamline and optimize specific production processes.
- HR globalizing employee service centers, talent management, and learning.
- Introducing the utilization of IT and recommending the deployment of low-cost VOIP and e-mail offerings, shifting to global delivery centers.
- Deal Hub centers of expertise to optimize pre-sales support—demonstrated improved win rates.

### **3. Service Delivery**

- Created Global Competencies—75% of resources are now optimized globally to reduce costs, capture best practices, add flexibility in delivery, invest in tools and enabling technologies.
- Improving services margins.

These capabilities individually are impressive, but integrated they provide a significant competitive advantage.

We all can use the process discipline demonstrated effectively in the production service supply chain and apply it to more processes across the company. We are:

- a) Gaining access to talent and skills wherever they are in the world; and integrating them globally to develop new, distinctive capabilities to enable growth.
- b) Transforming business and production processes—componentizing, simplifying, standardizing and globalizing them to ensure a consistent and high-quality experience for clients. We are doing work where it can be most effectively and efficiently done.
- c) Infusing film, advanced story technology, and process transformation, automating workflows to improve speed, eliminate latency and improve responsiveness to the products of production companies and production services while dramatically lowering your cost structure.

Globalization is the trend whereby these various kinds of global relations emerge, proliferate, and expand. As a result of globalization, social geography gains a planetary dimension. “Place” comes to involve more than local, provincial, country, regional, and continental realms. With globalization, the world as a whole also becomes a social space in its own right.

Thus, global connections in the film industry entail a different kind of geography. Whereas other social contexts are territorially delimited, global relations transcend territorial distances and territorial borders to unfold on planet Earth as a single social space. In this sense, globalization might be characterized as the rise of “supraterritoriality”.

Of course, globalization does not signal the end of other social spaces. The rise of supraterritoriality does not eliminate the significance of localities, countries, and regions. Nor does the spread of trans-world connections abolish territorial governments or dissolve territorial identities. Global integration means the coexistence and interrelation of local, national, regional, and other dimensions of geography when working with filmmakers and production services on a global basis.

More advanced storytelling technologies mirror this global culture. Culture is now expressed as the land, people and technology in use and the social systems and stages of the character world and the particular cultural stages that go with them.

We were one of the very first companies (in 1997) to use a globally integrated enterprise model. This model provides production companies with actual people or services in different locations around the world that have the expertise that you may require. These people are independent. Their companies are independent. Therefore, we do not own their companies and they are not on staff. Therefore, we are not a vertical or horizontally integrated company, but a globally integrated network.

Global integration is the promoting of an open business environment and identifying, developing, and capitalizing on individual expertise on a global scale and integrating them into a business model. Nevertheless, you must be open-minded to be globally integrated. The difference is that there is a global relationship connection to those

companies or people that have the expertise in their particular field that you can utilize to carry out any element of your production.

eBay is a good example of a globally integrated network. Created by the Bank of America, eBay's core activities are the provision of a global portal (website) where sellers can display and market their wares and service providers can promote and sell their services and by providing a global payment system (PayPal) anyone can use.

They provide a network for thousands of retail and service providers around the world to be connected with customers and clients from diverse countries. They created PayPal as a single payment point that can be accessed readily by anyone, and distribution is made easier for all because instead of using hundreds of different transport companies for sellers to get their wares to their customers halfway around the world or next door, they can recommend the choice of just a few of the better international ones.

In the same way, Westgarth Global Entertainment provides a portal (crew list) of experienced above and below-the-line crew from around the world along with their resumes, linking the world to you, and you to the world. Our other core activities are the provision of development, production, and consulting services to the film and television industries.

What global integration means to you as a producer is you have a global—not just local—connection thanks to the internet, email, and broadband, etc. It also means, since the film industry is global, you can have office staff from three or three hundred handling your core activities and a potential production team of up to fifty thousand, operating in almost any city in the world. It also means that you can pay or receive salaries and fees across the Internet by use of PayPal straight into your or their bank accounts. And it also means you have an instant connection to advanced technologies.

### **Forces Behind Globalization**

What generates globalization? What makes it happen? Different social theories offer different interpretations of how and why trans-world connections have grown. For example, liberal economics of the film industry stresses the role of unfettered market forces in a context of technological change and deregulation.

Technological innovation in the film industry has contributed to globalization by supplying a new infrastructure for trans-world connections. In particular, developments in means of transport, communications, and data processing have allowed global links to become denser, faster, more reliable, and much cheaper. Large-scale and rapid globalization has depended on a host of innovations relating to coaxial and later fibre-optic cables, packaging and preservation techniques, semiconductor devices, computer software, and so on. In other words, global relations could not develop without physical tools to effect cross-planetary contacts.

Next to technology, regulation of the film industries has also played an enabling role for globalization. Supraterritorial links would not be possible in the absence of various facilitating rules, procedures, norms, and institutions. For example, global communications rely heavily on technical standardization and advancement. Global film finance depends in good measure on a working world monetary regime. Global film production and trade are greatly promoted by liberalization, that is, the removal of

tariffs, capital controls, and other state-imposed restrictions on the movement of resources between countries. Tax laws, labor legislation, and environmental codes can also encourage (or discourage) global investment. In short, globalization requires supporting regulatory frameworks.

### **Consequences**

What, then, are the consequences of integrated globalization? I have already noted the most direct impact, namely, that globalization changes the contours of social geography. However, since geography is intertwined with other dimensions of social relations, it is not surprising that globalization also has wider implications—among other things—for economics, politics, and culture.

In terms of economics, for example, global integration of the film industry substantially alters the organization of production, distribution, and consumption. Many production companies and studios still “go global” by duplicating themselves across the planet as a multinational. This is fast becoming an outmoded business model because, in many cases, the left hand does not know what the right hand is doing.

For example, an American Citibank credit card holder may be paying 6.45% interest on their gold card. If they moved to Australia, Citibank Australia will charge them 19.7% on their account without the knowledge or authority of Citibank America, refusing point-blank to honor the parent company’s agreement with the customer.

Many enterprises are now forming trans-world alliances with other companies and individuals through global integration, and this allows the creativity of the staff because they are not locked in to a regimented hierarchy structure. This means there is creative advancement and the opinions of even the mailroom boy mean something. IBM is currently restructuring the lateral business model it created in the period 1970 – 1972 in order to make way for global integration of their products and services.

In IBM’s lateral business model, the head of each division was answerable to that divisional head of the country’s head office, and in turn, answerable to the divisional head of IBM’s world headquarters, and each department head was answerable in like terms. The left hand KNEW what the right hand was doing... while it was doing it.

In standard multinationals, such as Citibank, only the CEO is answerable to their world headquarters and can be answerable to anyone in the company, even the mailroom boy, because they are not interested in technological or business advancement, just the bottom line.

In an unthinking reaction to globalization, countless mergers and acquisitions occur as business adjusts to global markets.

Questions of competition and monopoly can arise as a result.

As a result of this globalization reaction, studios relocate many production facilities as globalization reduces transport and communications costs. Globalization also expands the “virtual economy” of information and finance, sometimes at the expense of the “real economy” of distribution and production. All of this economic restructuring in the face

of globalization raises vital issues of human security related to employment, labor conditions, poverty, and social cohesion.

The future extent of global integration above globalization is unclear. In one scenario, the 21st century will experience a continuation—if not a further acceleration—of recent high rates of globalization. In an alternative account, globalization will slow down and stop once it reaches a certain plateau. In another forecast—for example, if globalization is a cyclical trend or succumbs to traditionalist opposition—the future will bring a process of de-globalization (centralization) that reduces trans-world connections.

The first step made into the global integration of the film industry was made when Melissa Gilbert—during the time she was president of the Screen Actor’s Guild—created and instigated Global Rule 1, which also includes the “better rates principle” which means if the production originates from a country that has a superior agreement protecting performers, that superior agreement will apply to that production as the offshore agreement.

This means—using Spielberg’s “Pacific” as an example—all Australian actors on the project are subject to the SAG Agreement and USD fee rates and Australian Extras are subject to Australia’s Actor’s Equity Extra’s Agreement and AUD fee rates, because they are the more superior Agreements.

The global integration of Hollywood using an extended version of the Global Rule 1 to include crews as part the model would mean that crews would work under the superior agreement no matter what country the originating company is producing.

Now, this does not mean that you will be paying everyone on the globe in US currency rates based on American crew Agreements. A Canadian script supervisor is still going to be paid \$29.77 per hour Canadian (negotiable), if the agreement in Canada says that is their minimum fee and it may even be the superior Agreement. An equivalent Script Supervisor in the US might get \$45.00 per hour, so you would not only be saving \$15.23 an hour; you are making a double saving because Canadian money is cheaper than American money. Even \$45 Canadian is cheaper than US currency. On the other hand, a production service in Madrid that sends you a bill for eighty thousand Euros is still going to cost you a little over \$100,000 US dollars. What I am saying here is that it generally balances out or is cheaper, so you can still have your production manager in Los Angeles budget to US dollars for your investors, but they will, of course, know the rates of a good location manager in London based on that country’s production crew Agreement.

That is only a small part of global integration. Global integration also means that you have global reach. The world is your studio. If a script calls for your hero to briefly go to and be attacked in New Delhi and the cost of creating identical sets in your location is prohibitive, you can call on a production team there to do the filming and send the completed shots back to you for editing or you can use the facilities there, saving you money and heavy logistics.

With global integration, a production company can be in Canada, acquire a UK-written script, develop it in Italy (with the director in Los Angeles, Director of Development in Melbourne Australia, script editor in Oklahoma, and Production manager in New

Zealand), get funding from Germany, do pre-production in Los Angeles, film in Omaha, the Ukraine, and Ireland (simultaneously), do post-production in Sydney, have the CGI done in Singapore, have the music and re-recording done in London, and still be regarded as a wholly Canadian production because your core production activities are there. What would've cost \$60 million to produce if completely done in Saskatoon, might only cost you \$37 million in the end, based on the differing currency rates, but also depending on the "better rates principle".

With global integration, "Runaway Productions" is not a problem but the name of a US production company.

Even though global integration is still in its early days and still being tweaked by us as well as IBM and others, if global integration of the film industry was applied, as well as an extension of Global Rule 1 to crews, negotiation would be less taxing and less heated when filming in other countries, because everyone would know the score (and that country's crew and performer's Agreements) before they go there.

Each of the organizations and people in our crew list, and their corresponding best practices, are recognized on a worldwide basis as the standard guidance for practitioners in their respective fields.

### **Global Integration: The Framework**

The Global Integration framework brings together industry standards, integration best practices, formal modeling techniques, and other initiatives to create a prescriptive approach to integration.

The global integration practice in the film industry is coming of age. The film community has been integrating production in some way, shape, or form ever since Hollywood's golden age. In the mid 1980's, the integration field exploded with the introduction of independent middleware technology (set building, editing, special effects and visual effects houses) as discrete industries. What followed was the rapid development of myriad production solutions by hundreds of integrated production software, production services and consulting companies and the introduction of many new proposed standards. That market has since consolidated, matured, and middleware technology has demonstrated that it is here to stay; although it will continue to morph into new forms as innovations drive new solutions to complex production problems.

With the maturing of the global integration of markets and services, comes a new demand; the need for consistent and proven practices that will carry the film industry forward for a long time and compliment them with a number of additional elements to create a holistic framework for integration activities.

1. A vendor-neutral reference architecture,
2. An integration methodology including prescriptive templates and standards,
3. A central registry of production personnel and companies,
4. An education program, and
5. A certification process to validate the skills and knowledge of individuals, the conformance of film industry-related products and standards, and the maturity of organizations.

A global integration network is intended to be prescriptive in nature. In other words, it is much more than the typical guidelines, principles, connections, and heuristics. Its purpose is to provide specific integration solutions to specific production problem scenarios. This is not to say that there are not other ways to be successful, but the value of global integration is that it is based on real-world scenarios that have been proven to work; follow the prescription and you will be successful.

One of the reasons for the success of the Internet is that it has achieved, in some respects at least, the “holy grail” of continuous innovation while retaining a low-cost shared infrastructure. When everyone plays by the “rules” of the film industry, then everyone can use it and improve it, but it continues to operate efficiently. The vision of the global integration of the film industry is to achieve the same level of utility for application and data integration as the internet has achieved with the ubiquitous browser. Specifically, this will define non-functional production requirements such that vendors can build highly modular production components that can be assembled flexibly and easily. Furthermore, the standards will be sufficiently proven and ubiquitous that production companies will mandate it.

The vision is not unique in some respects. It can be described as a boundryless information flow. The fact that many organizations have a similar vision is good.

There are many dimensions to making global integration easy and it will require broad-based industry support to make it a reality. The vision is not to duplicate the work of other organizations, but rather to use what works from different groups and assemble it into a holistic solution.

Hollywood will support global integration because it allows it to focus on solving business problems rather than technical integration problems. A few years ago, many production companies and production service’s production strategy still had a strong proprietary emphasis, which resulted in a double-edged sword of competitive advantage and vendor lock-in. The focus has changed in recent years and the majority of vendors have embraced standards and open systems given the reality of needing to interact with products from other vendors and in the interests of efficiency. However, a key challenge remains: which standards to adopt and how quickly? Global integration of the film industry will help answer this question.

A further motivation for production vendors is that global integration will enable the creation of an entirely new category of tools to support the production framework. Those vendors that are early pioneers and leaders in its development will have a time-to-market advantage in developing the new tools.

Production service companies will support global integration because they also want to focus on business problems rather than technical issues and because fundamentally it will lower the cost of production. Production companies can and should demand that production services conform to a specific set of standards. But doing so by “boycotting” products that don’t conform to the standards the production company likes at any given point in time is a backhanded way of achieving compliance. Production companies will participate in the global integration development in order to “earn the right” to demand that their production services conform to the specification.

### **Room For Discussion**

The process by which the Hollywood will achieve the global integration vision is an open collaborative process that involves all film industry members that are willing to participate. Elements of the global integration framework may be contributed by any member. Once submitted for consideration, it is debated at workshops, refined in discussion and practice, and may be combined with other elements. Once accepted by the film industry, it becomes an official proposed global standard.

A frequently asked question would be, “Why the extra work? Aren’t the standards as delivered good enough?” The trouble is that the standards are often put together by differing subcommittees, and while in theory the film industry standards bodies should reconcile all such differences, the reality is that this doesn’t always happen. There are production service agendas at work, and the elimination of one alternative in favor of another sometimes is politically impossible, or technically undesirable.

## 4. Industry Overview

The motion picture industry is a multi-faceted business, consisting of two principal activities: production and distribution. Production involves the development, financing, and making of motion pictures; distribution involves the advertising, publicizing, licensing, promotion, and physical reproduction, delivery, and exhibition of a completed motion picture. The following is a simplified overview of a complex process for the purpose of describing how the film industry business works.

There are six phases, or stages, involved in the production of a motion picture or television production.

### 1. The Development Stage

At this stage, the role of a development executive is that of both a sieve and an editor. As a sieve, the executive filters through scores of submitted screenplays to find the few that are actually worthwhile. When they find a project, he or she (or, more often, a hired reader overseen by the executive) writes coverage—a one or two-page synopsis and commentary on the script. If the project seems especially inspiring, the development executive will give the script and the coverage to the producer. Development begins when the production company options or purchases a literary property from a script, novel, newspaper, film, or treatment, and continues through the commissioning of successive screenplay drafts, determination of the budget, and ends somewhere around casting or preproduction. As an editor, and during development, the development executive works with the writer to make the script stronger, funnier, more dramatic, or simply more appealing to the interested producer, director, and/or studio.

For many producers the earliest opportunity to begin financing a film project is at the acquisition/development stage. The term ‘development’ refers to the extremely important initial stage in the preparation of a film. Development comprises those activities that relate specifically to taking a concept or idea and turning it into a finished screenplay. The development process involves formulating and organizing the concept or idea for a film, acquiring the rights to any underlying literary work or screenplay, preparing an outline, synopsis and/or treatment, and writing, polishing and revising the various drafts of the screenplay.

The development process is initiated either by a writer, director or producer, or by a film studio in conjunction with one or more of such people. The development deal typically begins with the pitching of an idea or film concept or submitting a synopsis, treatment, outline or draft screenplay to creative executives. If a creative executive is interested then the next step will be some form of a development deal. In most cases, executives will not commit themselves to production financing until a substantially developed package exists. This usually includes the first draft of a screenplay as well as a budget and the commitment or interest of a director and/or actors to the project. Once the production company has decided on a project and legal paperwork is taken care of, the next step is to break down the script into its respective parts in order to ascertain the budget considerations for principle photography (shooting the movie).

## **2. The Preproduction Stage**

Once a film has been given the 'greenlight' or the funding has been raised, the preproduction process begins. Preproduction is arrangements made before the start of filming. Pre-production, which is also a critical part of making a film, can take up to four months, and can include script editing, set construction, location scouting, story boards, production boards, production schedules, getting permits, setting the budget, the director, producer, editor, production designer, art director, costume designer and screenwriter all sitting down together and making sure they all have the same vision for the film. Rewrites and more rewrites. Purchasing film stock. Getting a film crew together, hiring a caterer. Renting sound stages and equipment. Casting the parts. Rehearsals. Everything but shooting the film and editing it.

## **3. The Production Stage**

This stage involves the actual filming of the major or significant components of a movie, which involve lead actors. In the production stage, all elements of planning come into effect. If preproduction was properly done, all involved will carry out their individual portion of the plan, creating a synergistic machine that functions organically.

## **4. The Post Production Stage**

The post-production phase involves editing the film, enhancing sound, adding sound effects (Foley), dubbing the voices into different languages, re-recording the actors voices to make them clearer, deeper or richer or adding subtitles, adding special effects such as buildings, people, animals or landscapes (enhancing background ambiance), including incidental music or songs, lab work, enhancing the color of the film, creating the beginning titles and end credits, trailers, ads, etc. This is the most pressured, most expensive and most complex part of the filmmaking process.

The postproduction stage is where the project either sinks or swims. The goal of postproduction is to blend all the components together in such a way as to hide, overcome, or repair, the flaws or deficiencies that inevitably occur in the other stages, to add needed elements, and to do so in a way that is ever mindful of the original intent of the writer and developers.

If all the stages were done well, the result will be exactly what was intended, or perhaps even something greater. This is why the postproduction process needs to be included and considered during in the pre-production stage.

Those responsible for the various postproduction processes should have been part of the pre-production phase in order to ensure that the film's components were created in a way that will allow postproduction to run smoothly and efficiently. In addition, in order to take advantage of any technological improvements, specialized equipment or new techniques.

## **5. Marketing And Promotion**

This stage of the project will have been addressed in the development stage. The writer and developers would have already established the ultimate intent of the project, whether the project was strictly experiential, headed for a specific use and application, or was intended to be mass-marketed Hollywood style. Therefore, at this stage the team simply carries out the original plan.

## **6. Distribution**

This stage is obviously married to the marketing and promotion stage, which will have been established in the development stage. This stage is a simple matter of assembling all the elements and formats required by the buyer(s). Some of these can be very specific, time-consuming, and costly.

### **Talent Agents and Personal and Business Management**

In order for an actor, director, producer or screenwriter to obtain regular work, they must first sign with an agent. When they start to earn a regular salary, they might employ a manager who advises and counsels talent and personalities in the entertainment industry. Managers have the expertise to find and develop new talent and create opportunities for those artists they represent. Managers act as liaison between their clients and both the public and talent agents, publicists, attorneys and other entertainment industry professionals that provide services to the manager's clients.

A manager is responsible for everything and anything that enhances the development of a creative artist's career and their business requirements from marketing to business administration. From simple staging suggestions, to complex negotiations, to long-term career plans, a manager lives the artist's career every day behind the scenes. The manager's commitment to and involvement in the artist's career is one hundred per cent. The manager is the driving force breaking through the barriers of frustration and difficulty so often encountered in the entertainment industry. A manager is the person who believes in and keeps fighting for a client when all others have given up.

A business manager is responsible to the creative artist by providing accounting, legal council, taxation, administrative services, and employing a publicist to generate continuing publicity for their client, etc. In short, to provide the business administration aspect of their client's career.

With responsibilities like that, it is a prerequisite that a personal or business manager must have the broadest of experience in the entertainment industry. Professional managers are also well informed on industry practices, standards, and regulations. In addition, managers are alert to the constant changes affecting the entertainment industry. Only with experience and up to date knowledge can a manager benefit their clients.

### **Distribution of Revenues and Allocation of Profits & Losses**

Revenues from the production company's projects you invest in will be derived from domestic and foreign markets, etc.

Gross receipts will be subject to operating costs and overheads. After the foregoing deductions, the balance of net receipts shall equal distributable cash for the project financing, and is generally distributed 50 percent to the investor until their initial investment is recouped. Thereafter, distributable cash shall be distributed 50 percent to the investor and 50 percent to the production company until the end of the financial life of the motion picture.

## 5. The Market

All Independent and studio films, documentaries, television shows, television commercials and corporate films go through the same process from development to post-production. In this case, development and preproduction are the most essential in planning the production of any film. The reason films succeed or fail can be directly attributed to the time, technologies and resources allocated to them in development and preproduction.

Directors, writers and producers have found the need for a more advanced approach to visual storytelling, realizing the 3-act structure does not work, creates stories without substance and has no strength at the box office. The ancillary training we provide directors, screenwriters and readers in storytelling provides a deeper structure to the story being told and has proven box office success as shown with Happy Feet, Titanic, the Star Wars and Indiana Jones franchises , ET, and The Lion King, and the genres most popular with audiences.

In addition, the business aspects required by above-the-line talent need to be addressed. We will be merging the activities of both the creative artist's personal manager and business manager into a single entity, effectively providing a complete business service to creative talent.

Every film must go through development before it is greenlighted, but many production service providers only focus their services on the latter part of preproduction, production and post-production. The services we provide for the development stage of the creation of a motion picture, such as providing continual development and production office support. This includes help in the creation of development packages that will lessen much of the cost of development and assist investors of motion pictures to gain higher faith and less risk in investing in the chosen vehicle for their investment allocations.

Though the provision of a development service is new to the film industry, we feel that our projects and services will create a new kind of writer and filmmaker, thereby providing the investor with a vehicle that has a greater chance of giving a return on investment and give the producer a product that is known to have box office appeal before one frame of the film is shot. As many screenwriters and international films such as Crocodile Dundee and Happy Feet have found their home in Hollywood, so will the universal development services and storytelling technology, we offer to filmmakers that are used presently in the motion picture industry around the world. In addition, independent filmmakers, screenwriters, production services and above-the-line staff will give us a chance to prove the popularity and success of our services domestically and internationally.

## 6. Competitive Advantage

We have several market advantages.

### Competitors

Since there has not been a service for filmmakers and industry-based personnel in Australia to this extent, we can only regard those boutique companies specializing in individual aspects of what we will provide, as indirect competitors. As we will also be acting as a networking company, we may bring some of these production service companies into the fold, effectively working *with* them rather than treating them as competitors.

### Strengths

Our strengths are as follows:

- The ability to provide a centralized managed production office, thereby lowering production startup costs.
- The ability to provide advanced training of production office staff, screenwriters and development personnel.
- The ability to provide global support services and international production companies and production support services, and provide up-to-date information on production services and support to overseas productions wishing to film in a country such as Australia.
- The ability to furnish greater services to production companies, screenwriters, above-the line staff, and production service providers than have been available in the past.
- The ability to access American, European and English film professionals that are willing to support production companies so they can present to global audiences a greatly improved product, resulting in higher box offices grosses for motion pictures.

Many of the standard required services will be housed in one location.

- The company will act as an information center, providing contact details of recommended service providers and contract templates, etc.
- By utilizing the expertise and personnel in its support base, we have advanced the standard organization's capabilities that make us and our products and services less costly, more efficient, more desirable, and more state-of-the-art than our competitors do.
- The management understands and will exploit our competitive advantage, especially in the current environment.
- Our competitive advantage is quality, cost, speed, differentiation, and creativity.
- Our competitive advantage is the proper exploitation of our services, our advanced technology, and our people.

However, the ultimate competitive advantage is in our ability to learn new technologies and to rapidly transform that knowledge into action.

## **Weaknesses**

As the services we intend to provide have never been conducted in Australia to this scale, we expect that the transition to a more professional film industry will take time to fully establish. Many of the services and standards of product we will deliver will be alien to many of the smaller film companies and people we will service, though they are the same services and standards used globally in other film markets.

## **Market Indicators**

As this is a specialized market, and due to prior market testing, this industry is vast in that it encompasses the whole of the motion picture entertainment industry on a global scale. The ramifications for the film industry are globalization of its product, requiring more universally advanced entertainment industry services.

## **Product/Service Range**

### **Development Services**

We will provide complete development and pre-production office services, equipment, and space to production companies, with access to entertainment attorneys and international production service providers and co-production opportunities.

### **Talent And Company Business Management**

By creating Michael Wilde Management, we will provide business management services to entertainment industry freelancers, and independents such as basic accounting services, career advice, marketing and publicity advice, ancillary training, investment advice, and production labor market services.

### **Virtual Production Offices**

With our resident Production Manager, we will provide script development, packaging, production budgeting and scheduling, standard production office support, and contract and screenplay vetting.

### **Training**

We will provide global standard training of screenwriters, readers, and production office staff.

### **Virtual Offices**

We will provide virtual offices for local and overseas production companies and production services. This will give local companies a presence in Hollywood, and give a presence for an overseas production or production-based company in Australia. That would mean they would have a presence in any country that we would have a sister company or office.

### **Retail Sales**

We will provide for sale; production software, film industry-based textbooks and audio courses, and production forms.

## **Pricing Policies**

Many, if not all of the prices for services provided, are industry driven within the entertainment industry. Those service prices we have introduced as a new benchmark are

based on global industry pricing for these services, and not outside the industry pricing as is rife in some countries. Terms will be 30 days, or on delivery of product depending on client.

## **7. FINANCIAL PROJECTIONS**

The financial projections for Westgarth Global Entertainment assume a conservative level of success for each project we assist. Our company is continuing commercial appeal to the film industry, despite having a new name, is undoubtedly the single most significant factor in determining its continuing financial success.

This section contains Westgarth's relaunch projections for five years. The projections are based on the history of similar services as well as current trends in the film industry. The following are significant elements of our forecast:

### **The Relaunch – Years One and Two**

With the construction of the infrastructure and business system, Westgarth will have a negative cash flow until the end of year two.

### **Growth – Years Three To Five**

In year three, we envision the company to realize regular profit and return on capital through increased service load and consistent income. At that time, Westgarth will be fully established, overlapping the expenses with consistent income. We are confident that our past revenue will be considered modest projections compared to most start-ups. Westgarth is an ambitious company with an ambitious idea in an under-serviced market.

### **Projected Cash flow Years 1-5**

Any projections would contain forward-looking statements concerning the company's business and future prospects and other similar statements that do not concern matters of historical fact. Forward-looking statements relating to product development, business prospects and development of a commercial market for the company's productions are based on the company's current expectations. The company's current expectations are subject to all of the uncertainties and risks customarily associated with new business ventures including, but not limited to, market conditions, successful product development and acceptance, competition and overall economic conditions, as well as the risk of adverse regulatory actions. The company's actual results may differ materially from current expectations. Readers are cautioned not to put undue reliance on forward-looking statements. The company disclaims any intent or obligation to update publicly forward-looking statements, whether as a result of new information, future events or for any other reason.