Hot bodies or cool heads?: Actors versus producers in feature film deals

by

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The movie business seems glamorous on the outside, but on the inside, it can be as cutthroat as any other, especially because deals run into the tens, if not hundreds, of millions of dollars to produce one movie. The drivers of most movie deals are producers. The conventional wisdom is that one needs a well-known actor – a “star” - for a successful deal. However, many of the biggest box office flops in Hollywood had stars, and many successful movies starred people who were relative unknowns at the time.

This paper sheds light on the movie business and how deals are made using social science research methods. It analyzes deals using quantitative data (interviews) from movie deal participants, and then analyzes this data using a technique called Centering Resonance Analysis to determine who is more important to movie deals – the actors or the producers.

KEYWORDS: deals, deal-making, movie business, reputation
INTRODUCTION

Perhaps nowhere in the world are deals completed in a more public arena and a more uncertain environment than in the movie business. In order to make a movie, many individuals take part - actors, directors, producers, agents, financiers, studio executives, and lawyers, among others.

The conventional wisdom (see Lazerus, 1985) is that a movie needs a name actor – a movie “star” – to make a movie financially successful, though other researchers (De Vany & Walls, 1999; Ravid, 1999) state that having a star in a movie does not insure financial success. There have been many movies where top name actors have starred and the movie has flopped, and other movies where there were no top actors and the movies were tremendous successes financially.

There is much research on the movie business; however, most of it is qualitative; little quantitative research has looked at the importance of various social actors in the making of movies. Although decision-making has received much scrutiny in business and social science literatures, deal-making, a specific type of decision-making, has not.

The goal of this paper is to understand how two types of people – movie actors and producers - impact movie deal-making. Eighteen interviews of individuals who have participated and are currently participating in the movie deal-making process were conducted. Their interviews were subjected to a method called Centering Resonance Analysis (CRA). This method calculates influence values of noun pairs in texts. It will quantitatively illustrate who is more important to getting the deal done – the hot actor or the cool-headed producer.

DEAL-MAKING LITERATURE REVIEW

The literature on decision-making is voluminous and multi-disciplinary; however, the literature on deal-making is primarily limited to the business arena like deal networks (Pollack, Porac, & Wade, 2004), deals between workers and their organizations (Broschal & Davis-Blake, 2006; Hornung, Rousseau, & Glaser, 2008; Rousseau, Ho, & Greenberg, 2006), and especially mergers and acquisitions (Haspeslaugh & Jemison, 1991; Very & Schweiger, 2001). There is very little social science literature on deal-making. What does exist is literature on limited aspects of deal-making, such as trust and reciprocity (Braun, Gavey, & McPhillips, 2003).

Deal-making is a type of decision-making, and most deal-making literature assumes a rational decision-maker. Keys and Schwartz (2007) describe rule-like principles of rationality - invariance, dominance, and sunk-cost. They describe invariance as meaning that changes in the descriptions of outcomes should not alter one’s decision. Dominance in rationality means that one should always choose an option that is never worse than any other choice and may be better. The sunk cost principle is that people should always choose a future-orientation (see Colman, Pulford, & Rose, 2008, although Wong, Kwong, & Ng, 2008, discuss how even rational actors can be irrationally biased toward escalating commitment to a previous
decision). Nooraie (2008) claims that organizations are much better off strategically if their decisions are based on rationality because the decisions are of better quality. Elbanna and Child (2007) state that the rationality upon which strategic decisions are made may be influenced by the characteristics of the decision, the environmental, or the firm characteristics, as well as cultural concerns and assumptions.

This rational or cognitive information processing is seen as very different from the experiential or automatic processing system from which intuition comes from (Epstein, 2008), especially in dealing with the uncertainty behind decision-making (Hall, 2002). Lahno (2007) discusses rational choice and rule-following behavior, believing that these choices are based on rational deliberation, but implying that such behavior comes from experiential knowledge.

However, the world is a complex and uncertain place, which makes it impossible for rational actors to gather all the information that is necessary to make a rational decision. This is the basis of the concept of “bounded rationality” discussed by March and Simon (1958). They maintain that bounded rationality explains that even rational actors are cognitively limited when it comes to obtaining, sorting, evaluating and even remembering information that is important for making a particular decision. Bounded rationality is why decision-makers often satisfice, which means making a decision based on limited information that is good enough for the decision-maker. However, the concept of bounded rationality has its detractors. For example, Glöckner and Betsch (2008) take issue with the concept of bounded rationality, stating that the definition of rationality is too limited.

March and Simon also maintain that decision-making often has an emotional component to it as well (see Morgan, Stephenson, Harrison, Afifi, & Long, 2008). This can be seen when people buy a car. Many people buy on impulse, which is not usually rational. If a decision is made based on emotion, it is often seen as irrational. Bechwati and Morrin (2003; 2007) discuss how consumers and voters will often make sub-optimal decisions based on irrational feelings, such as vengeance. Yet, Keys and Schwartz (2007) state that basing decisions on emotions is not necessarily irrational, and therefore not necessarily sub-optimal. According to them, some decisions may be based on emotion and be entirely appropriate. Isen (1993) proposes that positive affect promotes “creativity and flexibility in problem-solving and negotiation, as well as both efficiency and thoroughness in decision-making” (p. 417).

Much of the literature looked at how individuals reacted in real situations. Does the same concept of rationality apply to groups?

Many deals are the result of a group making a decision. Not only are the boundaries of groups permeable and impermanent, so may be the outcomes of the decision-making process. Indeed the decision itself, such as “greenlighting” a film, is a process. Using Martin’s (2002) concept of liminality, the decision itself may exist in a “liminal” state, neither really firm nor weak, but suspended, waiting for all of the uncertainties it was based upon being resolved at a later time, if at all. Just as the luminal state is a “pivotal point for understanding blurred, permeable, and fluctuating boundaries” (Stohl & Putnam, 2003, p. 409), the decision to greenlight a film and the deals necessary to reach that decision, as well as the deals necessary to complete the
film is a pivotal point in the process of producing a movie. In that process, the various parties involved in the greenlight decision hold relative, and probably different, certainty values as to whether or not the decision surrounding the actual production of the movie has eliminated or simply reduced the uncertainty that the movie actually is made and distributed to manageable levels.

An underlying assumption in decision-making is that once a decision is agreed upon, the group proceeds to the next implementation point, expecting that the decision is the end of a process. However, many decisions and deals are discussed even after they are made, and some decisions and deals are rescinded, as the group membership changes or the external environment changes. In addition to a group’s decision-making based on current boundary permeability and their interdependence with their current environment, their decision-making processes and communication are based not only on previous interactions and communication, as well as the individual members’ perceptions of the efficacy of those interactions, but also with the group members’ anticipation of potential future interactions with current or potential group members in the constellation of potential future contexts.

The process of how the executives decide to initially greenlight a movie underscores the uncertainty of anticipating the public’s taste in movies as well as the executives’ own desire for success and self-aggrandizement. It also shows how decision-making enacts and reifies group identity and is impacted by history and relational development (Tracey & Standerfer, 2003). It illustrates how institutionalized and standardized these practices are insofar as they are the same in all major studios (Liu & Buzzanell, 2004; Jepperson, 1991), and it also shows how deviation from these practices are rarely seen.

THE MOVIE BUSINESS

The feature film industry in the United States, and indeed globally, is dominated by six to eight (depending on the author) major studios: Paramount, Disney, Fox, Warner Brothers, Sony, and Universal (Corey & Ochoa, 2002 include DreamWorks SKG and MGM in this category, although Vogel, 2001, does not). These companies produce, finance, and distribute their own films, generally, though they may do the same for other organizations’ films, depending on the financial arrangements (Vogel, 2001). That is, these studios will pay for some of the production cost and will distribute these completed films for a fee. The movie business also has mini-majors like DreamWorks SKG, the studio recently started by Steven Spielberg, Jeffrey Katzenberg (long-time Disney executive), and David Geffen and New Line Cinema (best known for the “Lord of the Rings” trilogy) owned by Time Warner. MGM is not really considered a major studio anymore (Vogel, 2001). Corey and Ochoa (2002) include Miramax (a subsidiary of Disney) and Polygram as mini-majors.

Having the backing of a studio is important for contracts to be cut and for major actors to be hired. “…the studio’s theatrical commitment is the central element that affects the picture’s pre-production sales, financing, and global earnings power”
(Lee, 2000, p. 9). Although former Disney executive Thomas Wilhite believes that “studio executives get the blame if a picture bombs, and filmmakers get the praise if it succeeds” (Litwak, 1986, p.65), most movie studios are depending less and less on the volatile movie business as they diversify into other avenues of business or they are acquired by other businesses (Goldstein, 2004). For example, Sony Pictures Entertainment, which produces motion pictures, is a subsidiary of Sony Corporation of America, which, in turn, is a subsidiary of Sony Corporation, which is headquartered in Tokyo. Sony Corporation also markets music, games, electronics, financial services, and information technology worldwide (http://www.sony.net/index_text.html, retrieved 3/29/2009).

The U.S. studios receive thousands of ideas every year. A former Twentieth Century-Fox executive estimated that Fox receives thousands of submissions of screenplays, books, treatments or pitches each year, although between only seventy and one hundred projects were put into development, and twelve movies were actually made (Litwak, 1986). A studio will have a number of projects in different stages of development at one time. It is not unusual for a major studio like Fox to have more than a hundred projects in some stage of development at one time, and perhaps 10 percent of those will actually make it to production. While all these projects are in development, the studio absorbs all costs of running the studio as well as the costs for the staff who work on the projects (Resnik & Trost, 1996)

Relationships among the individuals involved in deals are also very important, as nearly all of the people interviewed stated that the movie business was relationship-based. Given the tens and even hundreds of millions of dollars it takes to fund the production and exhibition of studio-based movies, there is high financial risk to the studios. If a movie is a box office flop, the producer and main actors might lose some of their remuneration if they are counting on a percentage of box office receipts, although they receive remuneration up front.

Though the conventional wisdom is that having a movie star or experienced producer who is passionate about the project is paramount, it is no insurance of having a successful movie. According to Peter Guber, past president of Columbia Pictures and CEO of Sony Pictures Entertainment, there is just no way for even the savviest of studio executives to know which movies they make will be hits or flops (P. Guber, personal conversation, September 22, 1995), no matter who is starring in the picture. There are several films that never progressed beyond the development stage because of the rewriting demands of major actors (Producer 5, personal conversation, 2003). Yet, again according to Lazarus (1985), without a commitment from a "name" or "A" list actor, the probability of the film's success decreases.

Many talent agencies try to “package” their talent - directors, writers, and actors - that they represent. A packaged film project usually consists of a writer, a budget, a shooting schedule and a commitment by a star or stars and / or a director. This package may be brought to the studio by a producer or by a talent agency with or without a producer attached (Cones, 1995). In a packaged deal, the talent will usually receive a 'pay or play' deal, under which the studio is obliged to pay their full fee
irrespective of whether a film is produced or not, depending on certain contingencies (Litwak, 1986).

The studio’s commitment to the project, as seen by greenlighting the project, is the central element that affects the picture’s pre-production sales, financing, and global earnings power. Although every United States and foreign licensee internally assesses each picture, it is usually the involvement of a major United States studio and its financing that primarily impacts how the movie is treated by foreign distributors (Cones, 1995; Corey & Ochoa, 2002; Lee, 2000).

Studios must know the audiences for each of their pictures and evaluate each picture accordingly, although audience reaction to any movie is always uncertain. The studio must make all movie project decisions, from actors to marketing based on whatever target audience they believe will see the movie in its final form. “[E]ach motion picture is a new story, a unique creation and a new business venture; its producers must assemble a new team of co-creators to deliver their independent and harmonic blend of craft and capacity” (Lee, 2000, p. 91).

However, building the film around a well-known actor can be dangerous. Ishtar (with stars Dustin Hoffman and Warren Beatty), Water World (with Kevin Costner), and War of the Worlds (with Tom Cruise) were all box office disasters though they featured top actors, whereas Star Wars, Knocked Up, and Avatar were all box office hits without major stars. Indeed, not only have there been plenty of box office failures starring top actors, many films never progressed beyond the development stage because of the rewriting demands of major actors (Producer 5, personal conversation, 2003).

The Players – Major Movie Deal Participants

Players are the “top agents, studio executives, producers and other power brokers who wield clout by virtue of the big money or talent they represent” (Litwak, 1986, p. 15). These players represent many of the roles, both artistic and business, in the movie deal-making process. When players refer to the talent needed for the movie project, they are talking about artistic individuals - writers, actors, and directors – who are involved in the deal-making process (Levy, 2000). However, if a player is more broadly defined as an entity that facilitates and significantly impacts the deal-making process, then organizations that include the studios, the talent agencies, and the guilds must be included as well.

The talent is very important to the successful completion of a movie deal. Currently, the Screen Actors Guild (SAG) represents approximately 120,000 actors who work in motion pictures, television, and other genres (http://www.sag.org/content/about-us, retrieved November 22, 2008). However, the top actors, known as the “A-list,” are relatively few and in high demand. Actors like Tom Cruise, Julia Roberts and John Travolta have producers and studios knocking down their doors to be in the studio’s movies. The actors influence the deal-making process depending on their market acceptance. In general, actors are paid in relation to their box office draw. Top actors may command $10-20 million per picture, and
their availability may delay or stall the deal-making process. Wolf, (1999) states that producers need name talent to have a chance of getting any recognition from the audience, especially because over half of the revenues generated by the movie produced in the United States comes from outside of the United States (Lee, 2000).

Producers are individuals whose purpose it is to propel the deal-making process to the point where all parties agree to make the film. The producer could be independent of the studio or a studio employee. According to Litwak (1986), the most important skill for a producer is being able to organize a creative team of artists. The producer's job is to create or obtain a story idea (known as the "property") and to keep the process from stalling before a commitment from a studio to produce the film occurs. They are the liaison between the people financing the movie and those filming it. “There are those who are producers by virtue of the fact they have a key relationship with talent that is attached to the project. They could be the manager of an actor, the partner of a director, or possibly owner of a piece of literary material (Levy, 2000, p. 82).

The Movie Deal-Making Process

Movie deals are complex social processes involving many parties – studios, production companies, individual producers, directors, talent agencies, banks, actors, writers, etc. – all working in collaboration. For the purposes of this paper, a deal is defined as the culmination of increasingly formal communication between at least two parties that obligate the parties to act in good faith toward each other, resulting in what is hoped will be mutual gain. The literature and the people interviewed have all described processes that vary greatly and usually take several months, at the earliest, to many years to come to fruition in a “greenlighted” project or movie. Even after a movie is greenlighted for production by the studio, the movie deal is not consummated. It needs to be “papered.” This means that all parties to the movie need to sign contracts obligating them to make the movie. This movie deal is actually the culmination of a series of smaller deals. “Virtually every step in the development and production of a film requires that a separate deal be successfully concluded” (Litwak, 1986, p. 156). These deals help all parties manage the uncertainty of the process of making, distributing, and exhibiting a movie.

In general, initiating a deal is much more difficult for an individual to try to initiate a movie deal than it is for an organization to initiate one. Movie studios, especially the major studios, such as Universal or Paramount, can initiate projects because they have the most money, people and muscle in the business. The movie studios are large organizations that employ people in all phases of the movie production process from development to exhibition, which makes them almost completely vertically integrated, although the studios’ main functions are the financing and distribution of movies. Although studios have their own heads of production and produce movies themselves, non-studio producers generally initiate the deal-making process, although top actors may have the same amount of power to drive a deal. It is unusual for actors to have either produced any movies or have a
good track record of producing movies that were profitable. In some cases, however, studios may allow a top actor to produce a movie so that the studio will have preferential access to them for other projects. This example of reciprocity is seen on a regular basis in Hollywood.

Although there are almost as many ways of putting a feature film deal together as there are movie ideas, the matter of producing feature motion picture deals usually begins with the movie concept. There are many venues that individuals, production companies, and studios use to find movie ideas. Many individuals think of the stories themselves. Although both studios and non-studio production companies (NSPCs) generate many movie ideas, the use of original screenplays in Hollywood is diminishing as the studios are looking for “sure-fire” hits, like adaptations, best-selling books, or sequels to successful movies. Studios would rather have an adaptation than an original screenplay because that puts them more in the “driver’s seat” when it comes to authorship and the ability to make changes to the story, and the studio knows there is a ready market (Goldstein, 2004).

Whoever produces a movie must have the rights to the idea, that is, whoever owns the work must give their permission for someone else to produce it (Lazarus, 1985). If someone finds an idea, story, book or other entity that could be translated into a movie – all these would be known as “properties” – she or he may decide to either negotiate to buy the rights to the property or properties outright or to "option" the property. An option is one type of deal. In this deal, a buyer obtains the rights to a property that will be the basis of a movie for a limited period of time, usually 18-24 months (Lazarus, 1985), although many options are now for five years (Writer 2, 2007). By "optioning" the idea, the buyer pays the seller a smaller amount than if he or she were purchasing it outright.

Stories submitted to either studios, like Paramount, or larger Non-Studio Production Companies (NSPCs), like Castle Rock. They are usually reviewed first by their own story departments or their own development executives, who then decide whether or not the story should be pitched internally to the top executive or executives of that company (Executive/producer 1, 2007). A pitch meeting is where the owner of the idea or property discusses the idea or property in more detail than the development executive would see if the development executive were just to read a screenplay. Indeed, the person pitching the idea, often the writer, has to interest the potential development executive in the idea enough that the development executive will risk his or her reputation on the story idea with his or her superiors.

Although most pitches are done in formal settings – at the offices of studio and NSPC executives, it is not unusual for pitches to be conducted in informal social settings. For example, projects are often mentioned at industry functions, like screenings of new movies or industry-associated dinners (Litwak, 1986). This illustrates the concept of access. Access is the ability to meet with industry personnel who can have impact on greenlighting a film in person. This is extremely important because whether or not an industry executive becomes interested enough in a movie idea often depends on intuition. There are formalized processes for getting deals done, but much of the deal-making depends on the relationship between and the
reputation of the parties involved. If the relationship is cordial, based on past experience, or if the people do not know each other well but they have positive reputations, there is a greater chance that obstacles in the deal-making process can be overcome. If one can establish a positive personal bond by meeting with an industry executive face-to-face, there is a greater chance for the industry executive to take the project more seriously.

Project ideas are usually submitted to studios or non-studio production companies in the form of a screenplay. A screenplay or script is usually a 105-120 page, three-act manuscript in a specific format that would represent a typical two-hour movie. Screenplays that are not submitted by recognized agencies are rarely read by studio personnel. The screenplay may be good as is, but it is often perceived as better, and recommended for additional development prior to a greenlight decision being made, if it is allied with a well-known actor (Garey, 1992). Approximately 1-2% of all screenplays receive a “recommend” rating (Doran, personal conversation, October 17, 1997).

If a screenplay is completed before it is pitched, it is often shown to talent prior to a producer even going to a studio. This is because if a studio knows that a well-known actor or director is already tied to a project, either contractually or verbally, the studio is usually more interested in the project. Top actors are usually given “pay or play” deals (Rosenfeld, Meyer, & Susman, LLP, 1997). These deals mean that the talent gets paid whether or not a movie ever gets produced. The reputation of the actor is extremely important to getting a movie greenlighted by a studio.

Story meetings take place where studio personnel, the producer, and the talent discuss changes to the script. These meetings allow the participants to more fully discuss their visions of the project. Assuming the producer and the actor(s) are “on the same page” artistically, deal-making meetings follow with the talent’s agent, manager, and/or attorney (Lee, 2000). Similarly, if the material is very good based upon the producer’s experience, and the producer is well-known and trusted in the industry, she or he may be able to sell a “package” consisting of script, rights, and the producer’s services to a movie studio.

Once the studio has either purchased or optioned the story), it is considered to be in development [author’s italics in original] (Resnik & Trost, 1996, p. 303). If the person or persons who brought the project can keep generating heat for the project, they keep it out of “development hell” (this is where projects essentially stay on the shelf without ever being produced), then the project will make its way to the studio’s executives. Usually, the studio executives are given several screenplays to read over the weekend. After these screenplays are read, the executives will come together as a group to decide upon which one or two screenplays the studio will invest its money in. Producer Carolyn Pfeiffer believes that passion and conviction have an effect on the studio’s decision to invest in a movie and manager Keith Addis adds that passion and tenacity over a long period of time lead to getting deals greenlighted (Litwak, 1986). However, this passion and commitment must be from people whose reputations and judgment they trust. If the executives are going to greenlight a movie
and pay millions of dollars for the rights to a property, payments to the producer and actors, plus distribution and exhibition costs, the people who have the passion must be seen as credible.

Whoever goes to the studio with a project is not usually going to finance any of the project themselves (Cones, 1995), although they may have already negotiated with foreign distributors to distribute the movie outside of the United States. “The studio-financed motion picture is more likely to receive favorable treatment in distribution than non-studio releases…because the major studio/distributors have greater economic power and leverage with the exhibitors” (Cones, 1995, p. 11). If the producer has a positive reputation and/or an on-going relationship with the studio, and they already have commitments from foreign distributors, this further reduces the uncertainty that the studios must deal with in terms of completing the project on time and on budget, in addition to the movie making a profit, which increases the probability that a deal will be done.

The negotiators for the studio, director, producer, financier, and other interested parties must now agree to what monies are going to be committed and how they are going to be spent. There is quite a bit of communication at this point, and, depending on the power of the different parties to the transaction, compromise is often necessary. This tends to increase risk in the process, so it is in the best interests of all parties to "cave" (give up) on points that are not as important to them, just to keep the process moving. According to entertainment attorney, Eric Weissman, doing what is best for all parties, not just one’s own client, is the better method of negotiation (Litwak, 1986). This seems to be a sentiment shared by many entertainment attorneys (Attorney 2).

METHODOLOGY

Interviews

Face-to-face interviews with current industry participants allow the researcher to obtain up-to-date interpretations from individuals from various aspects of the deal-making process. These individuals include writers, entertainment attorneys, agents and managers, producers, directors, actors, and industry executives. An example of why live interviews were necessary is that the author discovered early in the process of obtaining interviews that actors and directors do not get involved in the deal-making process much. Their agents, managers, and attorneys take care of almost all the details. The actors and directors are simply “in” or “out,” interested primarily in the creative aspects of the project (see Producer 1, 2006; Executive / producer 5, 2007). This is a phenomenon that was not reported in the literature.

This study utilized an exploratory and inductive methodology using interviews to generate a list of emerging themes (Calder & Aitken, 2008). The data was collected through the process of analyzing responses from interviews of key informants - producers, writers, agents, managers, lawyers, and studio executives who have participated in a feature film deal in the past ten years. It was a convenience
sample of all industry participants because it is very difficult to penetrate this industry without having worked in the industry and have internal contacts.

There is no claim made that the persons interviewed were a representative sample; however, their own individual perspectives will shed light on different aspects of the process from the viewpoints of their different roles. One difficulty encountered was that many of these informants were or are "hyphenates." A hyphenate is an individual who is or has had multiple roles in the movie business, such as producer-director, writer-actor, or manager-agent. These multiple roles could possibly confound the data because it is difficult to tell at what point someone's interest in obtaining a deal (producer role) the number of scenes that person might appear in (actor role).

According to Flick (2002), qualitative research is, by its nature, research that uses multiple methods. There are any number of stories written about how deals do or do not happen; however, all attempts to observe personally how pitches were made or any how any group decision-making by NSPC or studio executives were conducted were not possible. The interviews were rich data, but another framework was needed to find coherence among the views of the industry participants. A method to discover an underlying framework upon which the interview responses were based was found in Centering Resonance Analysis (Corman, Kuhn, McPhee, & Dooley, 2002).

**Centering Resonance Analysis**

Centering Resonance Analysis (CRA) is based on linguistic theory concerning how people create coherence in their communication. “CRA finds and maps concepts linking diverse chains of discussion and reasoning in and across conversations…” (McPhee, Corman, & Dooley, 1999, p. 131). It is used to find matches between the experts interviewed in the study. It processed language from these interviews to create a network model of text. CRA compared these texts to develop connections between concepts, which is what using grounded theory does. Word influence values were calculated using this CRA methodology.

This analysis is based on centering theory, which uses the concept of coherence, CRA looks for “centers” of meaning that are linked by noun phrase elements used in the discourse analyzed, i.e., the interviews. CRA is a technique that creates a pattern of coherence in textual material. Its intent is to “represent the essential content of messages…” (Corman et al., 2002). By using CRA, this study reveals the most influential words used by the participants of the study; the ones that “facilitate the connection of meaning” (Corman et al., 2002, p. 278). CRA is used mainly for network analysis, but the theory behind it can illustrate common viewpoints among the experts’ interviews used in this study.
DATA ANALYSIS RESULTS

Qualitative Data Analysis

An entertainment attorney who denied a request to be interviewed stated simply, “Every deal is different.” One of the reasons he denied the interview request was that he stated that it was impossible to aver that there was a specific deal-making process, and anyone who did “didn’t know what they were talking about” (Yudelson, 2009). Others in the movie business are not so strong or certain in their opinions. Agent 1’s response, “…deal-making is always convoluted,” typifies what many of the respondents infer and what the literature on deal-making suggests. Although the deal-making process can go smoothly if the studio really wants the project, according to Executive/producer 4, “Deal-making is ugly and dirty, often times.” Executive/producer 5 believes that the deal-making process is about never letting up when she says, “So much of getting a movie project rolling is just leg work and pushing the rock, pushing the rock, pushing the rock, and then all of the sudden the project is rolling really fast.” Producer 3 is the most philosophical about the process. She states, [T]he movie deal-making process is like gambling, it’s like anything that’s about playing the game. It truly is probably sort of fascinatingly, a Zen occupation because if you don’t love the process, you can’t do it, because it’s all process.”

The conventional wisdom in Hollywood is that more attachments – writer, director, and especially well-known actors – they have committed to doing the project, the better the chance that the project will be greenlighted. Producer 5 explains it this way: … [if] a producer will come to the studio with a project, with…actors attached…the studio will pick the project up. Executive/producer 5 illustrates this assumption in the following: … it’s my job to get the project to a point that [academy-award winning actor] Peggy Raker (pseudonym) will like it enough to go off and make that phone call [to the studio] that I need her to make.

There are many reasons that individuals become involved in deals in the first place, and the potential deal is based on many contingencies. Many deals are based on the availability of name actors who are willing to be in the production. Producer/manager 1 had the following experience:

…Gabrielle and I together found German financing for the movie, we got the project out from turnaround at Universal studio, and basically put the financing together ourselves. So the movie got made. One of the things that we learned in the process was the reason why we got the money was because of actor Matt LeBlanc. We had the money from Germany because “Friends” is the highest rating TV series in Germany, and that was enough to secure actor Matt LeBlanc’s deal.

Executive/producer 4 echoes the sentiment from Producer 5 about the importance of who is attached to the movie in terms of talent when he says, “Depending on the strength of the project and how badly the studio wants the project, and how much talent [actors] - are attached to make the project, the deal-making process…begins.”

Hot bodies or cool heads
Also, if a movie star is available, it can change the process tremendously. According to Writer 1, “If Harrison Ford weren't interested, it would have been a much different process.” He goes on to say: “If the star is interested [in the project], and the star is driving that forward, you can withstand a lot of bad now that you might not be able to withstand with people with lesser power or reputations…” Stars can even dictate who else is hired on the project. Writer 1 says, “How was this director decided upon? I wasn't in the process. I mean, some of it was availability, [and] some of it was [star] Harrison Ford's comfort level with the director.”

The deal-making process is usually not linear or smooth, which is why agents who represent stars have power in the deal-making process as well. Attorney 1 states:

I mean, if the agents represent a well-known director or well known actor with a lot of bargaining power, they are riding on the director’s or star’s coattails and they are in the deal process. Sometimes they have that kind of relationship with their directors or actors that they want the agent to be in the deal process to represent their [actors’ or directors’] interests.

Agent/manager 1 reflects on the deal-making process: “I left that meeting thinking this process of making movies…is all about making the deal.”

Producer 3 has been in the movie business for a long time, but she has not had the kinds of success to be or to allow her to have access to major players on a regular basis. She explains about power:

I mean, the power in the movie business is to be a phone call away from actor Tom Cruise, or to get to Brad Pitt. If I had to, I could. Do I do that? In my lifetime, maybe I'll be doing that once…I'm not going to do that unless I'm the producer.

Producer/manager 1 states, “We're all chasing those well-known names to get our movies done.” Executive/producer 4 explains: “It's [the deal’s] all about the…star.” This is echoed by Producer 5 when she says, “[The] star or director power is still driving…whoever that 800-pound gorilla is, is going to dictate the flow…The actor or the director, whoever that person is who really is that driving force.” Agent/manager 1 tells the same story:

I think people genuinely want to make good movies and they want to tell genuinely good stories, but it's absolutely still the case, and more so than ever, that it's really the attachments, actors and directors, that make a movie project happen. When people look at movie projects and say, how did that movie get made and this movie didn't get made, it's really the attachments, actors and directors, in the deal that tell the rest of the story.

Attorney 1 agrees that the actor or director dictates the deal-making in the movie business. She says, “You [as a party to a deal] have strong bargaining power if you are the star [well-known actor] or well-known director around which this whole deal is converging.” Producer 5 talks about how deals are greenlighted but no one worries about them being completed:

But the funny thing about actors and their deals is so many times, especially with the stars, it’s all verbal. Actors don’t sign contracts until well into the
picture process, or maybe even after the picture’s done shooting. Everybody says, OK, we have an understanding, now let the attorneys work the deal out. There are many reasons why deals fall apart. The concept could be a viable one, but the studio wants to know that the talent in the film – the writer, the actors, or the director - will be recognizable to the audience. Producer/manager 1 says, “So the producer helped to secure, at least the beginnings of a deal, but without a well-known …star showing interest, then the studios dropped the movie project. At the studio level, it's fairly common.” However, if the studio or producers cannot make the talent happy, the deal-making process often ends. Producer 2 says, “Most of the time, if a deal doesn’t go down, it's usually because of above-the-line people, actors, the writer, or the director.”

The qualitative data analysis would indicate that a wide cross-section of Hollywood, as evidenced by the interviewees believes that a top-name actor is imperative to get a movie deal done. If this is the case, the centering resonance should show that the highest influence values should be credited to the word “actor.”

**Centering Resonance Analysis results**

All of the interviews were compiled into one large text, and a CRA network was generated (see figure 1). However, the results were surprising, especially in light of the qualitative data. While it is not surprising that movie and project were highly influential, the individual whose influence value was the highest was actually the producer (Yudelson, 2009). The nouns with the highest influence values were movie, producer, and project. The next highest nouns were actor, director, script, studio, well-known, writer, and executive.

Table 1

<table>
<thead>
<tr>
<th>Influence Values of Significant Words from All Interviews</th>
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</thead>
<tbody>
<tr>
<td>Influence values exceed .10</td>
</tr>
<tr>
<td>movie</td>
</tr>
<tr>
<td>(.14)</td>
</tr>
<tr>
<td>Influence values between .05 and .099</td>
</tr>
<tr>
<td>actor</td>
</tr>
<tr>
<td>(.08)</td>
</tr>
</tbody>
</table>
A centering resonance analysis was also done to see which noun pairs were significant. The noun pairs with the highest influence values were movie/project, producer/studio, movie/studio, producer/movie, and producer/project. There were no noun pairs that illustrated that actors were very significant.

Table 2
Influence Values of Significant Word Pairs from All Interviews (exceed .10)

<table>
<thead>
<tr>
<th>Noun Pair</th>
<th>Influence Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>movie/project</td>
<td>(3.50)</td>
</tr>
<tr>
<td>producer/studio</td>
<td>(.31)</td>
</tr>
<tr>
<td>movie/studio</td>
<td>(.30)</td>
</tr>
<tr>
<td>producer/movie</td>
<td>(.25)</td>
</tr>
<tr>
<td>producer/project</td>
<td>(.15)</td>
</tr>
</tbody>
</table>

When looking at the word pairs, there is a significant change. If one discounts “movie/project” for reasons stated previously, the studio suddenly becomes much more significant, being in the top two noun pairs. The producer is still seen as significant, being part of three of the top four noun pairs. This indicates that to all respondents, movie deals revolve around the producers and the studios.

Summary of Findings

When all interviews are compiled, two things become obvious. First of all, there is nothing more important than the movie project itself. The other thing shown by compiling the interviews is that the power of the producer to make deals is unquestioned (Yudelson, 2009). This does not mean that actors, directors, and scripts are insignificant, but what it does mean is that all interviewees, no matter what their role, recognize the producer as the focal point of the movie deal-making process. This could be why Producer/manager 1 states that the studios are going to fewer and fewer producers to make more and more movies. This reduces the risk for the studios that the movies will be completed. It does not necessarily mean that the quality of the picture will be better though. A producer who keeps receiving more and more projects to produce necessarily spends less and less time on each one. At some point, the studios must recognize that there is an upper limit to the number of projects any one producer can handle.

This quantitative data clearly disagrees with the conventional wisdom as seen in the qualitative data from the interviews. Although several of the interviewees, producers and non-producers alike, have been involved with independent movies, it is the studio-based movie that is the most important to this set of respondents. For deal-making to occur, even with two interviewees stating that movies are primarily star-driven (Agent 1; Executive/producer 4), this data indicates that it is the producer and the studio that are the drivers of the process and supports other research (De Vany & Walls, 1999; Ravid, 1999).
Conclusions from the Centering Resonance Analysis

What can be gained from the results generated from CRA? First of all, any conclusions must be tempered by the set of interviewees themselves. There were many producers and ex-studio executives who have become producers, so it is not surprising that the compiled data indicates the importance of producers in results. In reviewing the results, the influence of the word “producer” is usually fairly important because it is usually in the top five to seven influential words. The word “studio” generally has a small influence value when individual respondents’ responses were reviewed, yet both “producer” and “studio” are very meaningful when all interviewees’ responses are compiled. The word “actor” was not nearly as significant.

The bottom line of the data is that for movie deals to be completed, most of the respondents indicated that there really is nothing that compares to a studio production, and that can only happen by a producer. A studio production is a kind of Holy Grail to movie business participants. Independent movies are fine, but they do not seem to have the same desirability or legitimacy as a studio production has. The analogy may be baseball, where independent films are like the minor leagues and studio-based films are like the major leagues. Although many of the interviewees have credits from independent films, the interviewees almost universally believe that they have not really made it professionally until they have a credit from a studio-produced movie. In this regard, so many individuals depend on the producer to drive the process. A well-known actor or an excellent script may play a large part in having a studio having an interest in the project, but it is the producer who is the engineer that drives the movie train to its final destination – the deal.

NEED FOR FURTHER RESEARCH

As stated earlier, deals cannot be made unilaterally, and movie deals are certainly no exception. It takes many individuals (producers, studio executives, actors, directors) and many organizations (studios, talent agencies, non-studio production companies, guilds) to bring a movie from the initial concept stage to being exhibited in theaters. So many movie ideas are generated that a studio cannot possibly make all of them, therefore it must rely on those individuals and organizations it can trust to spend its money wisely. For those people with whom the studio has no experience working with, it must rely on their reputations, which are nothing more than opinions of those people that the studio trusts. They will work with people they know and trust, giving them first-look, multi-picture deals, hoping that the producer will honor that agreement.

Unlike many industries where deal-making starts and concludes over a relatively short period of time, in the movie business, it usually takes years from when first an idea for a movie is conceived to the time the last deal is finalized. Even when a deal is papered, there is still a chance it might fall apart. This is because the
deal-making process is subject to the needs and whims of individuals, such as actors and producers, as well as directors, agents, lawyers, and others, not to mention the mercurial tastes of the viewing public.

Further research on how individuals manage the deal-making process would shed more light on the importance of different variables in the process and might illustrate which variables enhance the probability of the deal-making process ending up successfully. More interviews with deal-makers would allow for more generalizable results. Also, survey instruments could be developed to test the importance of various individuals and constructs such as trust, reciprocity, reputation, and uncertainty, all of which were mentioned as being very important to movie deal-making.

This paper has attempted to shed some light on the feature film deal-making process and to ascertain whether or not actors are more important than producers in making movie deals happen. Though the conventional wisdom is that you need the hot bodies of recognizable actors to make a deal happen, the data indicate is the cool-headed producers that really make the deals go down.
REFERENCES


APPENDIX
Centring Resonance Analysis Map

Hot bodies or cool heads
Hot bodies or cool heads