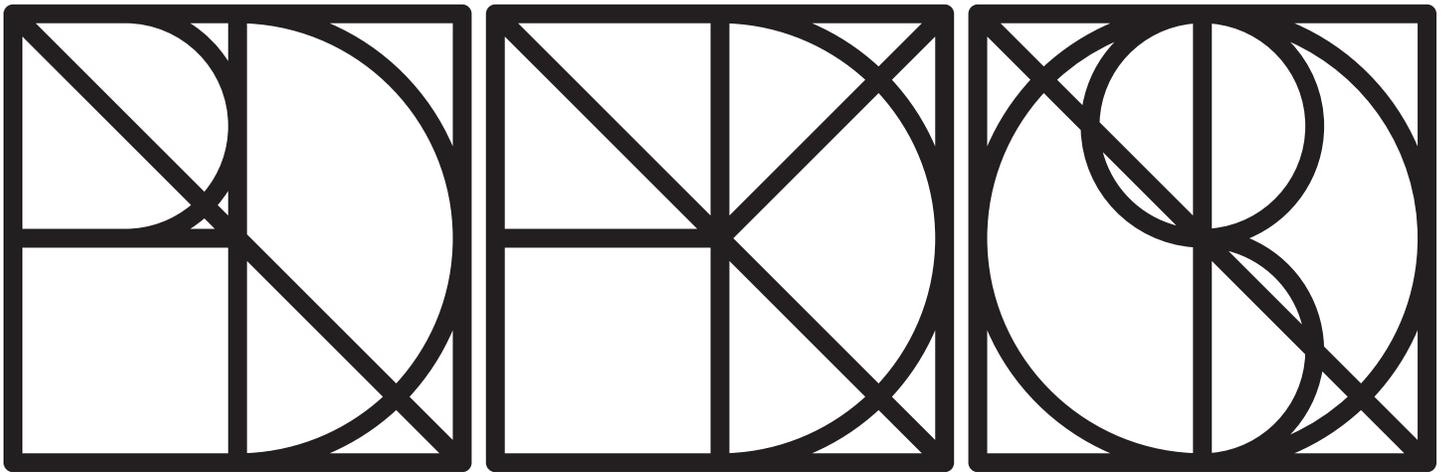


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## MAKE IT TO MARKET: INDEPENDENT FILM DISTRIBUTION

presented by Sean Farnel

# What We'll Learn

04 / The Big Idea

06 / Producer-Driven Rights Management

07 / Film Labs, Aggregators and Service Deals

08 / Opportunities and Approaches for Independent Canadian Filmmakers in Canada and Abroad

09 / Revenue Streams in Films

10 / Q+A with Sean Farnel

12 / Recommended Resources

Resident Expert

# Sean Farnel



Sean Farnel provides creative, marketing, and distribution services to documentary producers, companies, and institutions. He was the first Director of Programming for Hot Docs, which tripled its audience during his six-year tenure. Prior to joining Hot Docs, Sean created the popular national screening series Doc Soup and founded the documentary program at the Toronto International Film Festival.



All that goes into making a film, from the initial **SPARK** of **INSPIRATION** to the final stages of post-production can take years.

The making of a film is the first major step in the process. The second step is getting it in front of audiences. Distributing it can be as much work as making it. This is especially true for independent filmmakers in the context of the attention economy and an aspirational culture.

While obstacles are substantial, there are models and approaches such as producer-driven rights management that can empower filmmakers with supports that are tailored to individual projects.



# Distribution

isn't  
something  
you GET, it's  
something  
you DO.

# Producer-Driven Rights Management

**Your approach to distribution is based on a producer-driven rights management model. Can you talk more about that model?**

In the model I work with, you split your rights up. You don't do an all-rights deal if you're doing an indie work that's not going to fit into that traditional distribution model. You're going to carve out every right, so then the question is, 'what is the best way to exploit every one of these rights?' You're going to be talking about splitting the rights and finding the specialists. For example, you can get someone to handle international broadcast sales and work with the European TV buyers, if the film has that potential. For instance, you can work with someone who has all of those networks, because that's another market and not too many indie producers have access to all of those broadcast buyers. So you get someone that has their client list of broadcast buyers.

**“If you find the right partners, you can find little sweet spots in the market and manage those rights yourselves without kind of giving them away to a distributor who may not exploit them as effectively as a producer may be able to.**



**What is your advice to a filmmaker looking to take this approach?**

I would say get a producer who's interested in working on the back end. If you just want to be a filmmaker, then get a producer working in some form within the split rights distribution model that I outlined here. But work with the producer is really the short answer.

# Film Labs, Aggregators and Service Deals

One of the benefits of a distribution deal is that they take care of two key steps to having your film available digitally: access to a lab and the cost associated with an aggregator.

“Labs won't work with an independent producer.”

The bottom line with this is you can't go directly to the lab if you're an independent, you have to work with an aggregator.

“Platforms like Apple TV and Amazon only work with so-called approved labs.”

In Canada, right now, I think Apple only has two approved labs - so you've got to work with those labs. But the labs won't work with an independent producer, they only work with Apple-approved aggregators.

So you've got to get an aggregator and there are only a few Apple-approved aggregators that aren't distributors.

There is a way around distributors however. There are several aggregators that do service or commission deals in the US and a couple in Canada.

We work with an aggregator on a service deal where we pay the service costs ourselves. We pay that up front and I give them a small commission.

“We work with an aggregator on a service deal where we pay the service cost.”

For producers that don't want to take that risk of managing it themselves and also don't want to spend \$2500 on Apple TV and Amazon, then what the distributor does is, they pay for that out of their recoupables.

The problem is that's where they essentially make a profit by doubling or tripling what those actual costs are.



# Opportunities and Approaches for Independent Canadian Filmmakers in Canada and Abroad

## ARTS COUNCILS, FINANCING AND WORKING OUTSIDE THE CANADIAN MARKET

You have to take a big risk when you work outside of the Canadian broadcasting feature film financing model, because we have a pretty producer friendly, risk-free model in Canada for this kind of production.

Within the tax credit system and the broadcast license system, the work can be financed, except there's a whole bunch of strings attached there in terms of what kind of stories you can tell and what kind of forms you can work with. In that sense, the Arts Council funding is a little better for filmmakers that really want to work with complete freedom of control and expression in their work.

But those are small budgets: you're usually talking about media production under two hundred thousand in the Arts Council model and not even fully financed.

I think if you want to make films in the model of the American independent film system and have one of these breakout indies, you've got to be privately financed, which is a risky endeavor. It's not a great investment model - you got like two percent of independent films that recoup and are profitable - so it's pretty hard to attract investment in Canada.



## CANADIAN CO-PRODUCTION

Films that are exclusively financed in the Canadian market as a co-production by funders like the National Film Board's and CBC are under a mandate that is very Canadian facing. Generally speaking, the cultural remit is to make work for Canadians and for Canadian broadcast.

Get a broadcast deal in Canada that triggers a tax credit, and don't worry about the international market. Your profit margin - your sustainability - is in the 15 percent margin you get from the tax credit and that's how you make your living. But then your work will probably not be seen outside of Canada too much.

# What are the Revenue Streams for Films?

**1 Broadcast Sales / Licenses**  
Revenue from licenses issued to broadcast companies or other licensees who purchase rights to use your film. *This is rare for independent filmmakers.*

**2 Pre-License**  
Revenue that is earned by selling rights to a film before production starts and/or is completed. This is ideal in Canada.

**3 Education Market**  
You can earn revenue in exchange for your film's use for educational purposes via schools and other academic institutions. This is one of the most consistent forms of revenue. It can be done via a speciality educational distributor or by offering licensing directly from your website.

**4 Theatrical Live Event**  
Any kind of live event such as movie theatres and festivals which are selling tickets where you can monetize in one way or another. You'd need to work with a theatrical broker for this.

**5 Screening Fee at Festivals**  
These are the fees that festivals pay out in exchange for using your film. Usually negotiated if your film is in demand.

**6 Video on Demand**  
Revenue is earned via the transactional 'pay to rent' model or via the subscription model where you pay a monthly or annual subscription to have unlimited access to the library of films on any given VOD platform. This is the ultimate landing place for all of these docs.



# Q+A

with Sean Farnel

**From the perspective of independent filmmaking, what are the areas of distribution that are best handled independently, rather than by a distribution company?**

I'd rather spend \$10,000 on digital marketing ourselves right out of the producer's pocket than have some amorphous \$10,000 marketing fee be recoupable. I think to myself, 'what was that \$10,000? Where was that spent? I didn't see any digital ads'. This is why increasingly, with the films that I'm working on, we keep all those rights close to our vest.

**You do work with distributors in certain situations. What is your approach to identifying when it makes sense to go with a distributor?**

It's not that we won't work with distributors. For example, with educational distributors it's that I don't have the email list of all the libraries in the United States. So, in that case, I'm happy to have found a credible educational distributor and I'm happy to give them 20% on that deal because they're specializing in that market. In Canada, you can kind of do the education yourself, maybe off your website. But if it's international facing or if you want to get into the US market, you probably should work with an educational distributor.

Also, when we are going to the cinemas to get theatrical bookings in

Canada, it is pretty hard as an independent. You don't know who to call and it's hard to get their attention. You might want to work with an independent theatrical broker in a case where they don't take your rights. They provide a booking service for a share of the revenue and some of them for a flat service fee.

**For people out there that are reading this and saying, "I just want to be a filmmaker" what is the one thing you would say that they should also be skilled at related to distribution?**

I would say crowdfunding and digital marketing because really crowdfunding is part of digital marketing. If you can build the fans and followers that can help fund your work, that would be the one.

**THE  
CRACKS IN  
DISTRIBUTION  
ARE  
ACTUALLY  
VALLEYS.**



# Recommended Resources

## CONTEXT

[The Attention Economy with James Williams](#)

[The Insecurity Machine by Astra Taylor, Logic Magazine](#)

[How To Do Nothing: Resisting The Attention Economy by Jenny Odell](#)

## ARTIST RIGHTS

[‘Exposure doesn’t pay bills’: What Artists Say About Freebie Culture by Irish Times](#)

[The Documentary Sustainability Movement: A Work in Progress by Ken Jacobson, International Documentary Association](#)

[Where Does Independent Documentary Go From Here? by Robert Greene and Cecilia Aldarondo, Hyperallergic](#)

[How Can We Pay For Creativity In The Digital Age? by Hua Hsu, The New Yorker](#)

[The Decency in Distribution Manifesto by Amy Hobby, Medium](#)

## DIY MARKETING/ DISTRIBUTION

[The Distribution Bulletins by Peter Broderick](#)

[The Digital Distribution Guide by The Film Collaborative](#)

[A Cheat Sheet For Approaching Distribution by Distribution Advocates](#)

[Filmmaker Freedom: The Ultimate Resource for Filmmakers Seeking Artistic and Financial Freedom](#)

[Indie Film Hustle Website](#)

[Master the Art of Direct Distribution Course by Filmmaker MBA](#)

[Audience Mapping Template by Filmmaker Freedom](#)

[The Position and Power of the Filmmaker in the Distribution Ecosystem by Dear Producer](#)

## DIY MARKETING/ DISTRIBUTION

[Distribution Fact Sheet by Dear Producer](#)

[Guerilla Rep Media Website](#)

## IMPACT

[The Impact Field Guide & Toolkit by Impact Guide](#)

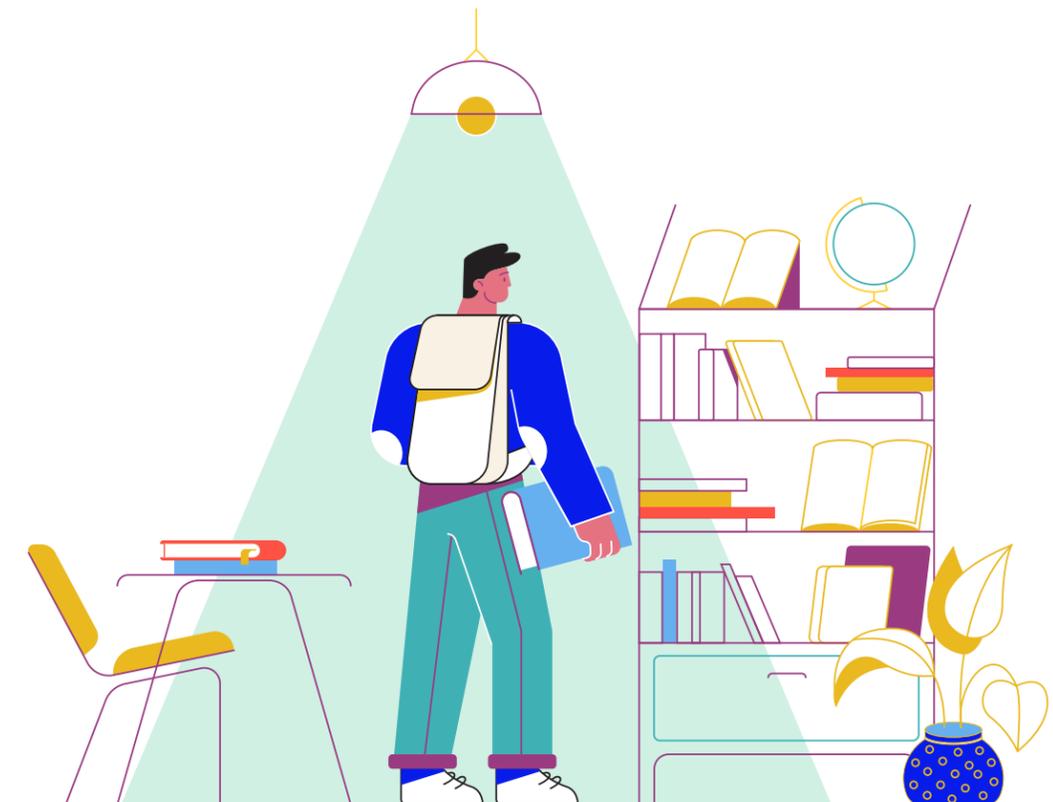
[Crowdfunding Platform by Seed & Spark](#)

[Together Films: A Film Marketing, Distribution and Data Agency](#)

## RIGHTS/REVENUE

[IndieFilm Distribution Payment Waterfalls 101 by The Guerrilla Rep](#)

[Film Finance Recoupment by Donovan Rodrigues](#)



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**Canada Council  
for the Arts**

**Conseil des arts  
du Canada**

We acknowledge the support of the Canada Council for the Arts.

Nous remercions le Conseil des arts du Canada de son soutien.

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