

The Hollywood Mogul Game Series™

Hollywood Mogul™

Game One
MOTION PICTURES

Run Your Own Hollywood Movie Studio

Trial Version Overview

(Hollywood Mogul™ includes complete online hint documentation that will guide you through each menu should you ever get confused. While you are playing, just click the mouse on "Hint" at the top of the screen.)

So You Want To Run Your Own Hollywood Movie Studio

Okay. As your friend, I feel I should make sure you know a few things before you invest all your hard-earned money in a Hollywood dream factory.

A motion picture is a product shot on film using actors, actresses (collectively referred to as **actors**), supporting talent, a director, a producer, and sometimes quite a few writers. All of these people are working from a screenplay. The screenplay is the map of the movie.

All movies begin with an idea. The idea is the movie's source. In *Hollywood Mogul*, the **Source Idea** can be one of five types. Because they are a commodity, they are known as a property. You may own the motion picture distribution rights to a screenplay property, or a fiction property (for blockbuster novels).

An Original Screenplay is a Source Idea that has the advantage of already being a screenplay. A screenplay is the map of a movie. The screenplay gets read by all the studio executives (known as **suits**). They give it a rating, 1 to 5 with 5 being highest. A Novel is a Source Idea that has the advantage of public recognition. The public already knows the Title and what the story is about because it's a blockbuster best-seller. A novel will require hiring a screenwriter to write a screenplay. A Stage Play also has the advantage of public recognition, and like a novel requires hiring a screenwriter to write a screenplay.

Your Own Idea is another Source Idea. If you have an idea for a movie, give it a title. Then come up with a storyline that explains what the movie will be about. Then hire a screenwriter to write the screenplay.

A Sequel is also a Source Idea. After a studio releases a movie into a theater near you, it has the option of taking that idea and using it again. The advantage of a sequel is that the public already knows the title. A screenwriter will be required to write a new screenplay for the sequel.

The **Source Cost** is the price that the studio pays to obtain ownership of the idea and the right to make it into a motion picture. Only your own ideas are free.

As the owner of a Hollywood movie studio (the **Studio Head**), you have to choose the source for the 100 movies your studio will release around the world. The process of getting a movie idea source ready to be filmed is called **Development**. Development includes getting the screenplay in the best possible shape (having it **rewritten**), budgeting the movie, and hiring the **creative talent**.

After a movie completes development it goes into **Production**. Production is the physical technicalities of making the movie. Building the sets, filming the actors, editing the film, adding the music score, and adding special effects, these are among the aspects of production.

When the movie completes production, it moves into **Marketing**. This means buying time for **TV ads** and **radio ads**, buying magazine space for **print ads**, and deciding on how many theaters to release the movie in across the United States.

When we talk about movie production, we refer to different types of costs. To distinguish between the two main types of costs, we draw a line. So costs are either Above-The-Line or they are Below-The-Line.

Above-The-Line costs refer to the more creative aspects of movie-making. Actors, directors, producers, writers (collectively known as **creatives**). They are Above-The-Line, and they will treat you that way.

Below-The-Line costs refer to physical things. The wood and paint used to build the sets (a **movie set** is the place the camera is pointing at, where the actors act). The film crew is also considered to be Below-The-Line even though most are very creative themselves. Food, transportation, overnight accommodations, these are Below-The-Line costs.

When a movie is filmed, the edited product is a black & white film negative. When the edited negative is complete, movie production is complete. The cost of making the movie up to this point is the sum of the Above-The-Line cost and the Below-The-Line cost, and is known as the Negative Cost. The **Negative Cost** is the money spent to produce the edited negative film.

When the edited negative is complete, prints are made to be shown in each of the theaters you have decided the movie will be released in. The **Print** is the color movie you watch in the movie theater. If you have decided to release this movie in 1,500 theaters, you will have to purchase 1,500 prints. This is known as the **Print Cost**.

Marketing this movie requires advertising. So you will have a **TV Ad Cost** and a **Print Ad Cost** and **Radio Ad Cost**. *Do not confuse **Print Cost** with **Print Ad Cost**.*

These three costs, Print Cost, TV Ad Cost, and Print Ad Cost, are referred to as **Prints and Advertising**, or more simply, **P & A**.

The **Total Cost** of movie-making is the sum of the Negative Cost + P & A or...

Above-The-Line
+ Below-The-Line
+ Print Cost
+ TV Ad Cost
+ Radio Ad Cost
+ Print Ad Cost

Total Cost

If you really are going to buy this Hollywood movie studio, it's important that you note something very important: Up until now all I've told you about are costs!

Movie production is very expensive. It drains the studio's (your) money. The only way to offset cost is with revenue. **The only way a movie studio earns revenue is at the box office.**

When a movie is released all around the world, people go to see it. The money they pay to get in the theater is called the **Box Office Gross**. In the United States and Canada, that is known as the **Domestic Box Office Gross**. Outside the United States, it is referred to as the **Foreign Box Office Gross**. (Together, all totaled, they are referred to as the **Worldwide Box Office Gross**). This is the gross amount of revenue rental taken in by the theater owners. The theater owners keep half of this box office gross for themselves. The other half of the box office gross is known as the **Studio Rental Revenue**.

That is very important. The other half, *and only half!*, is the Studio Rental Revenue.

After a movie is released, the studio takes its revenue and applies it toward the total cost of the movie. First the P & A cost is paid back (known as **recovered**). After the P & A is recovered, the remaining rental revenue is applied toward the negative cost. After the negative cost is recovered, any creative who has **Gross Point Participation** is paid a percentage. After all the gross points are paid, there is a Studio Net Gain or Loss for the movie.

Here's an example:

You hired some of the best in the business. You paid top-dollar for an original screenplay, and you've hired a good, competent producer and director. The talent is top-notch. Your above-the-line cost is \$15,000,000. To add an exciting backdrop to your movie, you decided to shoot on location in London, England. It's an average size movie, and your below-the-line cost is \$32,000,000. You came in \$2,000,000 over budget because of production problems. You have a negative cost of \$49,000,000. You decided to open in 2,000 theaters. Theater prints are \$5,000 each, so your print cost is \$10,000,000. You spent \$10,000,000 on TV ads and \$5,000,000 on print ads. Your Prints & Advertising cost is \$25,000,000: In this example, your Total Cost is \$74,000,000: The movie opens all over earth. The box office receipts pile up. The worldwide box office gross is \$180,000,000. The studio rental revenue is half that, \$90,000,000.

First the \$25,000,000 P & A is recovered:

$$\$90,000,000 - \$25,000,000 = \$65,000,000$$

Then the \$49,000,000 Negative cost is recovered:

$$\$65,000,000 - \$49,000,000 = \$16,000,000$$

Luckily for you, none of the creatives have gross points. The studio shows a net gain of \$16,000,000 for this movie. The studio recovered its \$74,000,000 investment, and has made an additional \$16,000,000.

In addition to the Worldwide Box Office Gross, **ancillary** revenue is received by the studio. This refers to the revenue from video cassette sales, merchandising, etc, all of which is added to your studio cash account. And once you've released a movie, you may begin making sequels.

For additional help while playing the Trial Version, select Hint at the top of the game screen.

Have a great time playing *Hollywood Mogul*[™].

Carey DeVuono

Plano, Texas
January 28, 1997