FINANCING AND INCENTIVES

Designing an incentive program that strengthens wealth creation inside the jurisdiction, while attracting business from outside the jurisdiction.

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THE OVERVIEW

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"Incentives are not strategy, they are tactics. Defensive measures."

(Carlos Ghosn, Brazilian Businessman)

"It's our job as economic developers in the state to make sure any prospect receives all available incentives."

(Larry Williams, American Musician)

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INTRODUCTION

At the beginning of 2011, an industry association serving the international content creation sector asked if I would share my economic development philosophies and techniques in a master class with its members. Always up for a challenge, I agreed and embarked on a five-month focus to prepare a textbook, manual, and appendices to help the membership look at ways to strengthen their regional economies. In June of 2011, I presented the first class in Los Angeles California (USA) to attendees representing jurisdictions across North America, South America, and the Middle East. These materials were so well received that the master class was repeated in Paris, France in September 2011. The next logical step for these materials is to share them with everyone.

The methodologies and techniques presented in these materials come from my 22+ as a content creator of long and short form projects for audiences in North America, Asia, and the UK.

It was during that career, I discovered my talent for distinguishing between fleeting trend and long-term business solutions. Matching this talent with my deep understanding of business in today's digital and nomadic talent economy, I now lead teams to evaluate and devise strategies and tactics to enhance economic capacity for public and private entities, by levering their unique conditions. The broad results solve problems and reinvigorate revenues by consistently embracing emerging technologies and blending traditional techniques that satisfy stakeholders and capture market share in audience-driven industries. A few specific results include:

- Working with the province of British Columbia to use my personal, in-depth knowledge about digital products and services, interactive development, and multimedia to research marketability and commercialization of technology, recommend demonstration projects, and investment.
- As advisor to the Campbell River Creative Industries Council, I provided the framework for a digital media incubator, cross-pollinating aboriginal themes with game development, animation, and digital media projects for this regional, Vancouver Island municipality. The council launched in June 2010.
- Contributed to the activities that attracted three (and counting) internationally renowned visual effects and animation companies to Vancouver, British Columbia, Canada between 2007 and 2010, and, support for the activities that brought the prestigious North American SIGGRAPH 2011 conference to Vancouver, British Columbia, Canada in August 2011.

Success with many private sector clients in a variety of sectors, demonstrates the transferability of the methodologies and techniques. Although these materials are framed in the content creation sector, they are adaptable and applicable to multiple sectors.

The format for each chapter includes the relevant sections of the textbook and workbook, as well as additional resources, reading lists, and cited templates.

As we go through the chapters, I invite you to take whatever information resonates with you and hold it as your own, and to toss out whatever doesn't resonate. Some themes may feel like a review – and this may be true. You already hold a lot of knowledge, but perhaps need to change the way you are looking at it to find the best solutions for your specific jurisdiction. Results will vary depending upon how you work with stakeholders and the uniqueness of your situation.

CHAPTER SUMMARIES

This recent iteration of the materials merges the information provided in the text and workbook, and breaks down into six chapters.

- The first chapter, *"Stakeholder Relations,"* examines how to navigate the multiple relationships and agendas that are the stakeholder groups and identified as:
  - "Our Allegiance:" The municipal, state, provincial and/or federal levels of government directly funding the film office; when we are clear about what these entities want in exchange for funding, we are able to communicate value in a language they understand.
  - "Our Alliances:" The unions, industry associations, and studios with needs that seem at odds with the goals of our allegiance, and at times, at odds with each other. When we understand those differences, we identify opportunities.
  - "Our Partners:" The peer-to-peer levels of government like Tourism, the jurisdiction as the community at large, including aboriginal groups and the educational and training institutions that share goals similar to the Film Office. When we communicate with our partners, we avoid duplicating activities as well as engaging in conflicting activities.

The next four chapters are the activities of *"Economic Development:"*

- If there is one gem take away idea from this text, it is *"Measure and Track."* Know what the jurisdiction has to offer, what business is done in the jurisdiction, how much, why it comes, why it doesn't come, helps us align, clarify, and verify our economic potential and becomes the foundation of our decisions about direction, strategy, and activities.

- *"Financing and Incentives"* is a review of the types of private and public finance mechanisms. Money is a levering tool. When we coordinate the use of money with the unique conditions of the jurisdiction, we create a lever to accelerate economic growth – in the jurisdiction, rather than outside of the jurisdiction.

- *"Marketing and Communications Planning"* is a primer for branding, marketing, advertising, and communications, crisis, and risk mitigation and management.

- *"Business, Workforce and Skills Development*," are concurrent activities, when done jointly, these activities contribute to stable, sustainable wealth creation in the jurisdiction.

- *We'll* put all these elements together in the final chapter, appropriately titled *"Putting it all together."*

COMMON THEME

To place the methodologies and techniques in context, I've wrapped them in a common theme.

No matter where you are in the planning cycle, think about wrapping your thoughts, responses, and activities around align, clarify, verify, and then do. Like the pyramid on this page illustrates, *ALIGN* takes the most amount of work and finesse.

Align

In the context of *"Financing and Incentives,"* we look to align what is required to grow business inside the jurisdiction, and what is required to attract business from outside the jurisdiction.

This is balancing act is especially challenging for those jurisdictions that have not yet begun to grow local talent and companies, and rely on business outside the jurisdiction to keep the industry alive, inside the jurisdiction.

Clarify

"Financing and Incentives" goal is to clarify what type of investment strategy is required to balance growth – with the understanding that "balanced growth" isn't always weighted evenly between growth inside the jurisdiction and attracting business to the jurisdiction.

The critical challenge is knowing how much of an incentive builds capacity and attracts business, without depleting the resources of the jurisdiction.

Verify

As in *"Measure and Track,"* verification refers to the tracking activity. Track verifies which activities have a positive effect on building capacity, whether those activities are a one-time or repeated activity. We verify continually, to gives us and our stakeholders time to replace, amend, or find another solution before it becomes a critical impediment to the plan or project.

Do

As the verb implies, this is the action phase, but, do is not the final phase. Actions are the sum of the expectations and commitments to the endeavor, and action is required throughout the planning, implementation, and delivering phases.

Let's get started.

ECONOMIC DEVELOPMENT

Economic Development combines tools and processes with the conditions of the jurisdiction to influence wealth creation. There are three tools:

I. Our first tool, *“Measure and Track,”* is like a road marker for planning.
II. *“Marketing and Communications”* reviews tools for communicating value to target audiences.
III. Understanding financial tools outlined in *“Financing and Incentives.”*

FINANCING AND INCENTIVES

It’s not about the money...
It’s about what the money will do.

Incentives are possibly the most popular topic of the film production conversation, as well as one of the most contentious and competitive components of any entertainment attraction strategy. This chapter provides insight into the expectations of the incentive program from the varying viewpoints of government, industry, and community partners.

This chapter will provide you with a better understanding the mechanics and expectations to:

- work with our allegiance, alliances, and partners to facilitate input into developing a more effective incentive program,
- measure the outcomes of your programs more effectively, and,
- defend the relevance of the incentive programs.

You are building your Evaluation toolkit to:

- assess the boundaries of your government, alliances, and partners,
- understand processes enough to facilitate an equitable discussion, and,
- make decisions and develop conclusions that align with a best practices best outcomes approach.

You are building your Negotiation toolkit to:

- begin the process of examining the merits for a potential or existing incentive program,
- engage our allegiance, alliances and partners to provide input into the process, and,
- communicate an equitable outcome.

Definitions and descriptions of financing and incentive programs used in this chapter are courtesy of Wikipedia http://en.wikipedia.org/wiki/Film_finance

FILM FINANCING 101

There was a time when the primary focus of the filmmaker's search for financing was to produce the best product – at whatever cost.

Today's filmmakers keep an eye on both the aesthetics of the film and on the bottom line; to the point of rewriting scripts, and/or changing shoot locations to take advantage of a better finance scheme; provided that these maneuvers don't dramatically impact the concept of the final form of the film.

As governments examine the effectiveness of the ROI (return on investment) of their respective incentive programs, they find it difficult to determine the financial benefits and the track business and skills development. This prompted some governments to reevaluate their incentive eligibility requirements and/or the ROI return, leaving officials to consider asking for an equity type ROI, like other investors. However, there are challenges to this approach:

- Is this an appropriate use of public money?
- How would government track this ROI?
- What is the cost to the jurisdiction per job created?
- Would studios be on board with this idea?

Very interesting questions to think about as you explore this chapter.
State Film Tax Credits: Should they stay or should they go?"
June 2011
http://www.media-match.com/usa/blog/index.php/industry-news/state-film-tax-credits-stay-or-go/

UK Oxford Film Incentives Report
2007
http://www.ukfilmcouncil.org.uk/media/pdf/5/8/FilmCouncilreport190707.pdf

FINANCING FROM THE FILMMAKER'S POINT OF VIEW

As noted in *"Stakeholder Relations: Allegiance, Alliances, and Partners,"* to produce a film, the filmmaker needs to meet two financial goals:

1. Get the money to make the film, and,
2. Make a profit, or at the very least break even, on the outcome of the film.

The filmmaker's ability to finance film production contributes to that filmmaker's reputation or "bankability." Bankability refers to a filmmaker, actor, director, writer, or anyone whose participation increases the potential and/or realization of a "commercial success." The commercial success refers to the amount of money the film takes in at box office and ancillary markets (DVD, PPV) relative to the profit margin.

A filmmaker may also lever his/her "critical success" to obtain financing. Critical success refers to the aesthetic of the film:

- did the film have a good story?
- Captivating characters?
- Was it well shot?

While the film may not have been a commercial success, a filmmaker can and many often do, lever critical success as proof of his/her reputation to make a good film. An ideal outcome is a combination of both, commercial and critical success.

Whether a large studio with a blockbuster production, or the independent filmmaker, the cash to finance today's movie budgets flow from a combination of sources to reduce the film's "Below-the-line-costs."

Above the line" and "below the line" are accounting terms. The line refers to line items in the budget. Different lines of the budget relate to the various stages of the production process.

"Above the line" costs refer to any activity that happed prior to principle photography – the concept, development and sometimes the pre-production phases.

"Below-the-line" costs refer to any activity that completes the project such as principle photography, master effects, visual and audio postproduction.

Below-the-Line costs make up the most amount of the budget, as the most number of people and the most expensive technology are in use during the principle photography and post production phases. On a moderate-budget film, crew and labor generally make up from 45% to 65% of the total budget of a film.

While tax incentive programs play an important role to cover labour and technology costs (and in some programs, ATL costs) there are several other finance vehicles that may be available to a filmmaker – if the filmmaker meets certain criteria, primarily based on the bankability and history of preferably commercial success, or critical success or a combination of both.

"*Pre-Sales"*

The Pre-sales agreement is one of the most important levers towards obtaining the largest amount of film financing. Pre-sale is the sale of the distribution rights within a specific territory, before production of a movie begins.

The term used in television is "distribution contract," which is a guarantee from a broadcast entity that the product will be shown – "run" over its airwaves. The value of the distribution contract is contingent upon the "viewing population." For example, a local distribution contract may not seem as valuable as a national or international distribution contract; however, if the local entity has ties to a national broadcaster the value of that local distribution increases. Either film or television, government incentive programs cite a pre sale or distribution contract as a criterion for eligibility.

Both the Pre sale agreement and distribution contract act like a guarantee on future earnings for the movie in that territory; and may stimulate Pre-Sales agreements within additional territories or distribution contracts with other broadcast entities. A filmmaker or Producer, levers the Pre Sales agreement and the distribution contract to secure working capital – loans – from financial institutions.

The pre sale estimate is a "best guess" of the financial outcome of the movie, the commercial success of that film in that territory. Although there isn't a formula, the producer uses the star power of the actors, the popularity of similar storylines and the release date to "calculate" the estimate of the value of the film's potential market success.

This is a tricky calculation based on a best guess of whether or not the film will resonate with audiences enough to make it a "box office" success. – and how many of the public will like the film enough to pay to see the film in a movie theatre, or wait for the home view release. Although the bankability of an actor, producer, director, writer and/or script, are indicators to a movie's commercial success, the unforeseen risks include any of these winding up as negative fodder for news, to substance abuse, death, even bad timing for release.

Equity Investment

Equity investment is private money from individuals or groups of investors seeking to make a healthy return from film production. The subjective word is "healthy." Apart from the large-scale equity investor there are also small-scale investors supporting independent and first time filmmakers.

The best example of this is "Family and Friends Financing." Family and friends of the independent or new filmmaker are tapped – asked for money to cover the costs of making the film. Usually, this type of funding has the understanding that neither friends nor family expects reimbursement, unless the film is a viable financial success. Then the actual amount of the loan is repaid, and perhaps a stipend of interest.

Another example of the small-scale equity investment is "Crowd Funding." Crowd funding matches a variety of investors to a variety of projects. Although there is an expectation repayment plus interest, the filmmaker maintains ownership – still owns the rights to the movie. Websites such as "Kickstarter," is one of many sites matching investors with independent and first time filmmakers.

The target of equity investment is about one third of the total production budget, and many government programs require a specific amount of equity financing to secure the tax incentive.

A little bit about the history of equity financing. In the past, financiers have been the "silent partner" – with a sole interest in payback and profit, not celebrity. As filmmaking matured, and became more sophisticated, and more profitable at the box office, equity financiers began asking for "a piece of the action," taking a film credit in return for their financial contribution. A few even began asking for script approval and recommending actors.

As the profit potential grew into the "box office blockbusters" of the 21st Century, equity investment entered the financial world as reputable, structured investments; offering a "slate" – a line up or schedule that spread the risk over several films, resulting in an attractive, "seemingly safer" investment.

The ArrowLeaf Fund is the first private film equity financing program of its kind in Western Canada. http://www.ilovekelowna.com/community-directory/entertainment-general/film/#

List of General VC Funds
http://bcstartups.ca/list-of-bc-venture-capital-firms/

It's worth mentioning that independent film production is emerging throughout the world, and many of these films are financed solely with equity type investment. An article in the December 2010 issue of ***The Economist*** titled *"Lights, Camera, Africa!"* (***16 December 2010 http://www.economist.com/node/17723124/***) profiled Nigeria's independent film industry, dubbing it "*Nollywood."*

The article offers an interesting read beyond the finance aspect of filmmaking, but for this specific chapter, the growth of Nigeria's indie film industry and financing aspects are intriguing:

> "... There are no studios, and no film lots. Market traders double as financiers. All scenes are shot on location and with a shoestring budget of no more than $100,000. Most financiers are based in a vast chaotic market called Idumota."

Gap Financing

Gap financing is as the name implies, it bridges the gap between the amount of money raised and the cost of producing the film. The calculation for gap financing is the potential value of the film in territories that have not yet been pre-sold. That estimation may or may not cover the actual gap in financing. Although gap financing remains a small and highly specialized market, this type of financing still accounts for up to 20% of any total budget.

Collaboration among different Jurisdictions

The terms to be familiar with are co-production and/or joint venture, and that these are both a tax incentive, and a lever for growth; appearing in more detail in the chapter on Business Development.

Briefly, co-production and/or joint venture refer to the treaty arrangement that countries have in place to allow collaboration between two or more companies from different countries, on television and/or film projects. These partnerships range from one side providing the funding, while the other side provides the personnel and equipment to shoot and complete the film, to more complex divisions of rights, joint creative control, and shoots within respective jurisdictions.

The popularity of the co-production and joint venture in both television and film has steadily increased since the early 80's; and they are now a source of potential financing, as well as viable business growth strategies.

Below-the-Line Investment

"Below-the-line investments come from "deferrals " by cast and crew - a delay or suspension of salaries or a reduction of salary also called "below scale;" meaning below the salary range negotiated by an actor's guild or union as well as post and/or sound production facilities, or other service providers in return for a stake in the profits of the film.

This type of investment offers the greatest potential for your local service providers to contribute to large studio film production – provided your local service providers have the appropriate accreditations, equipment, and expertise.

Ancillary Rights

A less common finance vehicle in the sale of "Ancillary Rights" usually related to estimates on income from music and publishing deals and/or deals involving "product placement," where a company will pay a small fee to have its product featured prominently in the film, or used exclusively behind the scenes.

Negative Pickup Deal

A negative pickup deal refers to the contract between the filmmaker (producer or director) and a movie studio, where the studio agrees to purchase the finished movie from the filmmaker on a specific date, or a fixed sum. Until the point of sale, the filmmaker covers all costs, including overruns, which is why it is important that the filmmaker negotiate a realistic price for the completed film. The negotiation may or may not include a profit scheme, but it will definitely include a penalty if the filmmaker misses the final delivery date.

Although the term "negative" pickup deal seems to infer something untoward, it's not. The "negative" in this case means the original celluloid form of the film – the negative, or the "neg cut." At one time the neg cut was the only "master" – the original version of a film. In today's digital world, while a feature may be shot on actual film, it is "digitized" – turned into computer bits and bytes, for the postproduction process, which is done using the latest computer technology.

FILM FINANCING WITH GOVERNMENT INCENTIVE PROGRAMS

There was a time when government incentive programs were seen almost as a perk. Today, an incentive program is almost a pre-requisite, unless there is a very specific reason for producing in a non-incentive jurisdiction such as:

- the story demands shooting in a specific region,
- the filmmaker, lead actor, writer or other lead contributor demands shooting in a specific region, or,
- there is an exceptional, well developed crew base, vendor base and studio infrastructure in a specific region.

While there is a good chance that the jurisdiction offering an incentive will be the location chosen by the filmmaker, it is not always the case. As mentioned in *"Stakeholder Relations: Allegiance, Alliances, and Partners,"* although the filmmaker's goals include a financial component, there are other ways to keep costs in line.

A lesser incentive program, in an easily accessible region, with an exceptional, highly developed, highly skilled crew base that can shave days off a shoot, might, in fact, yield lower total costs than a jurisdiction with a very high incentive, but few or no skilled crew within the jurisdiction.

It is something to think about when considering the incentive program for your region.

INCENTIVE PROGRAMS – FROM THE GOVERNMENT'S POINT OF VIEW

Before defining the types of incentives, let's take a moment to consider the concept of the tax incentive program, in relation to the goals of government entities. By the way, the government goals for incentives holds true for any industry, not just the entertainment industry.

As outlined in *"Stakeholder Relations: Allegiance, Alliances, and Partners,"* ideally, the tax incentive program will produce a "tax benefit," a gain of positive tax revenues through:

- fostering business growth that directly benefits the jurisdiction through jobs, and has a high potential for the creation of new businesses that will enhance the job cycle,
- providing opportunities to share knowledge that has a high potential to produce innovative processes and inventions; and enhance entrepreneurship that leads to the creation of new businesses,
- having some export/import potential; selling the end product outside the region; or conversely attracting new business into the jurisdiction, and,
- providing businesses within the jurisdiction with the potential for opportunities to partner or align with businesses in or outside the jurisdiction that directly results in a realistic profit margin (wealth creation) for those businesses.

When the outcome of tax incentive program does not produce the anticipated revenues, operating at a loss, then the tax incentive becomes a "tax burden." As mentioned at the beginning of this chapter, questions about the effectiveness of the incentive outcome has government thinking about redefining the "equity stake," the ROI, and in some cases, reducing or abolishing the incentive.

For now, there are three main incentive and finance models: Tax-based, direct financing, and indirect financing. By far studios and independent filmmakers prefer the tax-based incentive as it ***directly affects their below the line costs***, which includes the labour and the technology related costs that account for most of the production's budget and in some programs, above the line (ATL) costs.

TAX-BASED INCENTIVES

Tax-based incentives or rewards provide eligible entertainment companies with a reduction or abatement in taxes paid to the provincial/ regional/ state or local governments, usually on foregone revenues. The eligibility criteria includes

- Creation of a specific number of jobs,
- Provision for worker training and/or
- Investment in technological improvements and/or research and development (R&D)

In some jurisdictions, criterion includes the "Green" factor, with points for recycling, use of alternative energy, waste reduction.

In addition, the incentive program may allow a credit for money spent by the production company to employ qualified local residents and/or pay local registered businesses for products, materials, services, and/or locations. These line items are important to your tracking processes, and provide the most accurate measure of the direct economic contributions made by film and/or television production in your jurisdiction.

The key is to set up a directory of local, qualified businesses, easily done through your local chamber of commerce; and to have a similar process for local, accredited residents; also easily done through your local motion picture and television production association; union office; or if your jurisdiction doesn't have these organizations, your local chamber of commerce.

The *"Qualifying Payroll Expenditure"* aligns with bullet 1 above. By allowing a credit for money spent by the production company for wages and salaries of local talent, management, and crew, you have the information needed to state with accuracy the number of jobs attributed to that specific production.

The scope of the "*Qualifying Local Expenditure*," is larger than the personnel component, and it tracks what economists' term "new money" that enters the local economy.

New money is money that did not originate, within the region; like tourism dollars. It includes the costs for:

- purchase of a story and/or scenario to be used in the film
- set construction and operations, wardrobe, accessories, and related services
- photography, sound synchronization, lighting, and related services
- editing, post-production, music and related services
- rental of facilities and equipment (including location fees)
- leasing of vehicles, food, and lodging
- airfare purchased through a local travel agency or company
- insurance and bonding purchased through a locally-based insurance agent, and,
- other direct costs for services, materials, concepts, etc. by local businesses registered within the shoot and/or post production jurisdiction.

POINT TO PONDER
In some jurisdictions, the same crewmembers may work on many productions, and perhaps we err and count those crew people as new jobs, when they are in fact not new jobs.

An intentional or unintentional overestimation sends conflicting messages to policy makers.

Be accurate and honest when describing number of new jobs to policy makers.

When in doubt – under estimate.

The most common tax incentives are:

1. ***Abatements/reductions:*** offer tax reductions for capital investors to encourage investment.
2. ***Exemptions:*** remove the tax liability on business activities; specifically income, sales and use, and other excise taxes.
3. ***Geographic tax programs:*** target job creation in economically distressed jurisdictions.
4. ***Tax credits:*** the filmmaker's eligible production company receives a percentage of its production budget back in tax relief, specifically a reduction to its taxes.

Tax credits vary:

a. Refundable – cash back: When the amount of credit based on production expenditures in a particular jurisdiction is in excess of the production company's tax liability in that jurisdiction, the production company (taxpayer) receives a direct refund for the difference.

b. Non-refundable – direct deduction: A percentage of the production costs are marked as a credit against the production company's taxes by the jurisdiction (corporate/franchise or individual taxes). These credits usually include provisions to allow Production Company (taxpayers) to carry forward to subsequent tax years, if the company doesn't have enough tax liability in the year in which the productions occurred. Most out of state production companies (taxpayers) will not access these credits because their companies' have little or no tax liability.

c. Transferable: When the amount of credit based on production expenditures in a particular jurisdiction is in excess of the production company's tax liability, the production company can ***sell its credits to a local taxpayer;*** thereby receiving the benefit of the production incentive, even though the production company itself may not have a tax liability. (Some jurisdictions' governments offer the tax credit themselves at a discounted rate – i.e. Massachusetts: 90% on the dollar.)

Additional production incentives include:

Rebates/Grants

The production company receives money for a percentage of either wages paid to local residents, cost of local goods and services, or both. Ideally, rebates should be free of caps on a per project basis, or annual state cap. Rollover provisions are also a new concept, whereby those productions shut out of the production rebate funds in one year are the first in line to receive the rebate in the subsequent year.

Sales and Use Tax Exemption

The production company does not pay sales and use tax on goods and services purchased in the course of filming. Some states will offer a rebate of sales and use taxes paid in connection with productions, but the up-front, point of sale exemption is the preferred incentive as it is significantly less of an administrative nightmare for the production companies as well as the Department of revenue or film commission.

Investor/Investment tax credits

Individuals or companies receive tax credits when they invest in filmmaking business ventures such as soundstage construction as well as in film or video production.

Loan Programs

Some jurisdictions will offer financing for production companies using either a loan guarantee program or direct loans for film production.

Free or discounted goods or services

Examples include free use of government buildings, free or discounted fees for police, military or transportation staff, discount on purchases offered by selected merchants, free office space etc. All of these add up to incentives that you can use to sell your destination to prospective clients.

Tax Free Jurisdictions

Of course, some lucky jurisdictions are tax free zones. However, given the understanding that tax credits help productions to finance themselves, the absence of any tax structure is not an automatic benefit. The best thing to do in this kind of environment is either to calculate the cost savings of actually working in your jurisdiction compared to other taxed destinations, or focus on building a loan programme.

Public Equity Investment

Some governments are moving towards a public equity investment program; also known as a capital fund – where the government becomes an equity investor in the entertainment project. This is an emerging phenomenon in the entertainment sector, however, it is common practice in technology, and resource based sectors.

The program works exactly like the private equity scheme, the difference is that the government is an arm's length benefactor and subsequent beneficiary; usually working through an appointed investment management team.

Example of Non-Entertainment Equity Fund:
The B.C. Renaissance Capital Fund Ltd. (BCRCF) is a Crown corporation, wholly owned by the BC Immigrant Investment Fund (BCIIF). The purpose of the BCRCF is to attract successful venture capital managers and their capital to British Columbia in order to develop promising, innovative technology companies in the Province. http://www.bcrcf.ca/BCRCF/Pages/Default.aspx

Technology Related Research and Development

A non-entertainment exclusive tax credit is for "Research and Development," with a specific focus on technological and product advancements in sciences and engineering sectors. With the advent of computerized image creation and the development of proprietary software for 3D, animation, and/or computerized digital visual effects, many film projects meet the eligibility for the "R&D" type of tax credit.

Although eligibility for the R&D tax credit centers on the postproduction process, "in-camera" effects – the effects digitally inserted during the shoot, are also eligible. The drawback to filmmakers is that the application process for the R&D credit is cumbersome and still reflects its science and engineering roots.

Research and development is a fundamental element of the problem solving that directly leads to innovation and invention. While we'll cover this in the chapters on "*Business Development" and "Workforce and Skills Development*."

It is worth noting here that an investigation of a non-exclusive R&D tax credit may produce surprising conclusions, and reveal one of the little recognizes, yet highly valued offerings of the entertainment sector – its ability to quicken the advancement of technology.

"France Luring Tech Jobs with R&D Tax Credits"
By Christina Wood
13 December 2010
http://www.infoworld.com/d/adventures-in-it/france-luring-tech-jobs-rd-tax-credits-049

FRAMEWORK OF AN INCENTIVE PROGRAM

Let's look at elements of the incentive program, to better understand how to determine effectiveness if the incentive program and how to avoid pitfalls often associated with program mismanagement.
From the information we have gathered up to now, we can conclude that for the filmmaker in an ideal world, the incentive program is:

- an easy to understand, fast process for the filmmaker
- either a reduction of a large amount of tax, or better, an immediate rebate cheque for a percentage of his/her highest costs in labour and technology, and,
- Transferrable, without restrictions, if the filmmaker isn't able to enact a claim.

For government, the ideal incentive program provides a:

- criteria for ethical use of public funds,
- modest monetary return via tax captures, with,
- high return on building capacity – developing a non-transient, highly skilled workforce and technological base that will continue to attract, employ and keep highly skilled, well-paid creative people in your jurisdiction.

INVESTIGATING AN EFFECTIVE INCENTIVE PROGRAM

The better we understand what our allegiance, alliances, and partners value and need for success in their respective roles, the more success we have recruiting their assistance. The most effective way to engage them is by meeting with them, first as individuals, then as one group, to gather information.

We gather information through a process called an "investigation" – which is nothing more than a series of questions to identify common ground among these groups. We use the consultation process when government is contemplating a change in policy or procedure. We use investigation to gather information. But what kind of information? ***(APPENDIX Investigation table)***

We look for information that will help us determine whether government criterion is met:

- are skills being developed in the jurisdiction,
- are businesses expanding – or at least growing and hiring new employees,
- is this activity resulting in positive tax revenue, and,
- is infrastructure being built – with private funds?

And whether marketplace goals are met:

- are there enough skilled professionals in the jurisdiction to draw from,
- is there opportunity to generate more business, and,
- is there a realistic opportunity for profit?

Once we have a series of questions to ask our alliances and partners, we take this information and our intent to our direct report; our boss, to ask his/her opinion of using an incentive program to drive for business growth, skills development and knowledge transfer.

We prepare for this conversation by developing a project scope, in the form of an information note. As we noticed in *"Stakeholder Relations,"* the information is a communication tool to help us communicate with our boss. We use the note format because:

- it is brief – one to two pages at the most,
- it provides a detailed overview of our intentions for our boss to make a decision, and,
- it is in print form – easy to review, verify and adjust the intent of our investigation.

The information note summarizes our intent by answering the following questions, in short three line paragraphs: ***(APPENDIX: Information note)***

1. What is the intention?
   a. why are you doing this?
   b. What do you expect your boss to do?
      i. Aside from making a decision regarding the investigation, we may ask to present the results to the alliances and partners during a roundtable event.

2. Why it is important?
   a. from the government's point of view, identify potential gains for:
      i. make significant contributions to tax revenues,
      ii. generate sustainable employment, and (move citizens off public assistance)
      iii. attract new businesses
      iv. establish where to focus our growth strategies
      v. provide an active government presence by connecting with potential alliances and partners
   b. estimate costs:
      i. All costs of all activities

3. Who *might* support this intention?
   a. List all the significant supporters, from Government, business, community and industry

4. How you intend to proceed with the incentive investigation?
   a. Explain your process for the activity, include relevant materials like questions, as an appendix to the briefing note

5. When you intend to begin and end the investigation process?
   a. Timeline

6. When do you expect to deliver these results to your boss?
   a. Identify a date within two months of the request
   b. Make sure you give yourself enough time to perform the activity and prepare the follow up document

7. What do you expect your boss to do with this information? This links up with point #1, and brings the document to full circle
   a. Make a decision on whether or not to proceed with the investigation process.
      i. You will make two conclusions, one if the decision is "No," and the other if the decision is "Yes."
      ii. A proposed "decision required by" date.
   b. List postponements for decisions.

Once we receive a green light to engage in the investigation processes we take the questions from the appendix of the information note, and begin to connect with our government partners, union and industry alliances, and community partners as individual groups first.

CONNECT WITH YOUR STAKEHOLDERS

- The bureau of statistics, the department (ministry) of finance and taxation: these entities track data, have accounting practices, and understand the timing of government finance.
- The departments (ministry) responsible for tourism and skills training hold key data points to determine baselines to use in the multiplier effect.

These people will help you:

- compile the research,
- determine the condition of the entertainment industry to determine the type of incentive program required,
- calculate tax burden/ tax benefit ratio and multiplier effect,
- decide when to propose and when to implement the incentive program, and,
- administration and tracking of the program.

Union and Industry Alliances

Whatever condition of your local entertainment industry – location only, small, medium, large, you need input from Industry to understand their business needs, so you can translate those needs into the language of government, and to understand what you need from the research and calculations.

Aboriginal, Community, and Education Partners

These are municipalities, business, and special interest groups that contribute to the social, economic and sustainability of your jurisdiction. As noted in *"Stakeholder Relations: Allegiance, Alliances, and Partners,"* these municipalities, businesses, and special interest groups make up the constituencies who vote for or against government representatives and have a lobby voice that is equal or greater than your Industry and Union Alliances.

Identified as partners, these community entities align most closely with the goal of your role – to foster economic growth in your region. Like your government partners and your alliances, the community entities have their respective agendas for you to navigate middle ground.

Allegiance, Alliance, and Partner Round Table

The consultation process provides the opportunity to identify:

- what style of incentive program will best strengthen and build the entertainment industry,
- champions – in government, industry and community,
- lobby issues, and,
- target for implementation.

We complete the investigation process by reporting our findings back to our direct report, our boss. We ask for a decision about hosting the roundtable to present the findings to our alliances and partners, and to open the discussion on business attraction strategies – such as incentive programs.
(APPENDIX: Roundtable)

MEASURE THE OUTCOMES OF YOUR PROGRAMS MORE EFFECTIVELY

As detailed in the chapter on *"Measure and Track,"* the process of data collection and calculation determines the accuracy of the data. Measures deeply affect the incentive process, from design to implementation, from calculation to expectation, because measures help us focus the development of the sector by pointing out where and what to grow, to cut, or to leave alone.

The tax burden/ tax benefit ratio combined with the multiplier effect are the two most important calculations in use to determine the effectiveness of an incentive program. As we discovered in *"Measure and Track,"* the calculations are complex and prone to misuse.

Calculating "the tax burden/ tax benefit" ratio of an incentive program lies in determining:

- transient versus permanent, whether it be professionals, technology or businesses,
- new money versus originating money, and,
- distribution of taxes

Whether intentional or unintentional, we are most likely to overestimate the benefit by:

- using the total amount of money spent on the film as a base calculation of the incentive program, rather than only the amount of money spent in the jurisdiction, or
- mismatch between skilled workers and/or service businesses in the jurisdiction and the skills required to meet the filmmaker's production standards.

Our position is to have enough of an understanding of the incentive process, the implications of the tax burden/tax benefit ratio, and multiplier effects to help our allegiance, alliances and partners design an equitable incentive program and avoid "intentional" and/or "unintentional" mistakes.

Special Effects: Flawed Report on Film Incentive Provides Distorted Lens (State Senate Testimony)
By Michael D. LaFaive
30 April 2009
http://www.mackinac.org/article.aspx?ID=10477&print=yes

A FEW "NON-ACCOUNTING" PITFALLS

Ultimately, whichever route the incentive program takes, we keep a watchful eye – and a crisis communication plan in our back pocket.

As the viewing audience is a fickle group, so are our supporters. One misstep can negatively influence our plans to implement the final version of the incentive program or significantly reduce the amount of the offering, or some way irrevocably damage future opportunities. So what are these potential "disasters?"

- A major "adult entertainment" film studio wants to shoot in your region, and it meets the eligibility criteria for the incentive program. Is it censorship to reject this project? If the project is accepted, does the subject matter constitute a misuse of public funds? If the incentive program is constructed to "eliminate the potential" of this situation, will it also eliminate potential incentives for the independent filmmaker? Check to see if your jurisdiction already has laws on the books as in an "obscenity clause." Therefore, you are not having to open a new can of worms – but reference existing law.
- A mainstream, major motion picture production company wants to shoot plates that contribute to principle photography; using the plates to shoot green screen and/or motion capture in another location. It is a piece of the principle photography process and requires additional local crew and location costs to shoot. Does it qualify for the incentive? Why or Why not?
- Instead of building the entertainment sector, the incentive program resulted in a high volume of merger and acquisition activity that caused a sector contraction, rather than growth for the region. What happens next?
- Local government has had to make massive budget cuts and your current or proposed program is in great jeopardy. Now what?

A well prepared crisis communication plan helps the Film Commissioner manage flow of information for the potentially image damaging cited above, in addition to the assorted death, natural disasters, member of the cast or crew caught in a felonious situation, or member of government caught profiting from the incentive system. We will tackle an overview of the crisis communications plan in the next release *"Marketing and Communications Planning."*

DEFEND THE RELEVANCE OF THE INCENTIVE PROGRAMS

In an ideal world, the data would defend the relevance of the incentive program. Unfortunately, at the writing of this chapter, pandemic job loss, economic contraction and the downgrade of vital social and health services all have government economists worldwide are closely examining the tax benefit versus tax burden of all incentive programs – and not just incentive programs for the entertainment industry.

Perhaps the challenge isn't whether to have an incentive program, but how to track the results of the incentive program. The public, government and even the entertainment industry fails to notice the connection between innovation and entertainment, and, skills development and entertainment.

Consider this: content has always pushed technology. Would there be a screen on our mobile phones if there wasn't a YouTube™? Would we have faster internet connections if we were not playing games, watching films at home or posting our home videos on Facebook™? Without content to share, would there be a need or desire for a Facebook™?

As filmmakers strive to make their content more appealing, they use technology to immerse the audience in story. The daily problem solving required to create visual effects drives innovation and leads to the development of new, proprietary software, with the potential to share that software with other industries, and export it to other countries.

Further – kids today are the digital generation. By the time they reach grade 4, they are as literate with technology as they are with language, and perhaps more so than language. We can use entertainment to engage their interest in math and science education; and perhaps influence their career paths. The skill sets that students gain from studying digital media are highly transferable to other industries but can be the key factor in the individual student making it through public education and/or higher education.

THE CRYSTAL BALL

We know that people and their ability to think critically and creatively drive innovation. We know that this is especially true for people creating content – the entertainment industry. With so many platforms for audiences to choose from: mobile phones, home computers, tablet style and personal viewing devices, original content is in high demand, and will continue to grow.

A few of the questions we need to consider now are:

- How is the jurisdiction cultivating local storytellers?
- What do the innovation funding programs look like?
- Are experimental and research funds specific to traditional scientific laboratory and/or engineering bench activities?
- Do we offer investment funds for multi platform content or broker bolder investment readiness initiatives?
- What policy initiatives recognize and help drive innovation in the content creation space and the sectors of the creative economy?

WHAT IS THE CREATIVE ECONOMY?

The creative industries refer to a range of economic activities that are concerned with the generation or exploitation of knowledge and information.

Authors John Howkins ('The Creative Economy') and Richard Florida ("The Creative Class" and "Who's your City,") are credited with identifying this new economy where new ideas, not money or machinery, are the source of success and a source of personal satisfaction.

This is how some of those questions may translate into incentivizing growth strategies:

- Major studios develop alliances to create their movies – why can't jurisdictions; especially those with limited finances, collaborate to fill in each other's weak spots, or share knowledge?

  Asia Learns Lessons from Hollywood
  http://asianfilms.org/oldsite/china/pdffiles/rosen_pdf1.pdf

- What about a system of incentives to recognize the innovation process within indigenous filmmaking, and foreign collaborative projects?

  a. Creation or revision of existing R&D tax credit system to improve its benefits for filmmakers whose highly innovative activities such as development of proprietary software for animation and special effects, and camera capture mechanisms, are not tracked by formal measures such as R&D expenditure. To incentivize development of these new processes, consider distribution of this incentive at the pre-production development phase, rather at the start of production.

  b. Prioritize domestic film production to support innovation and culture in current initiatives. Consider a development fund or a technology prototype fund to improve capabilities with generating original Intellectual Property (IP.)

- Propose Unions and Industry endorse a "Kitemark™" for post-secondary and executive education to illustrate industry-readiness of graduates are and to develop capacity of senior executive level leadership within the domestic industry.

- Strengthen the flow of knowledge transfer between post-secondary, training institutions and the filmmaking industry through a "lecturer-in-residence program" or the creation of a centre for excellence, or even an incubation centre focused on the practice of story and technological development and on-the-job training.

WHAT IS A *KITEMARK™*?

The *Kitemark™* is a UK product and service quality certification mark owned and operated by The British Standards Institution (BSI Group). Although the Kitemark identifies products where safety is paramount, recent discussions have turned towards applying this type of standard to specialized education and training.

If these seem too ambitious, what about developing a set of measures and tracking that capture realistic data related to innovation that occurs in the entertainment industry and cross pollinates into other non-entertainment sectors?

European Rendezvous: Shaping the future of Cinema
17 May 2010
http://mediadesk.info/Download/European%20Rendez-vous%20Cannes%202010.pdf

NESTA – UK's National Endowment for Science, Technology, and the Arts
www.nesta.org.uk/

FINAL THOUGHTS ON INCENTIVE PROGRAMS

The beginning of this chapter introduced the concept of government redefining its equity stake in exchange for an incentive. Whether or not a studio would agree to new terms is unknown.

As government coffers come under more pressure, another question surfaces:

Can a jurisdiction survive without an exclusive entertainment incentive program that doesn't include a reduction on labour costs?

Perhaps the answer ties in with access to private and public equity investment, or the design of a non-exclusive R&D credit that provides a slice of equity to governments on monetized new technologies. The answer is, at the moment, unclear, however it is on the horizon, as many jurisdictions are trying to figure it out now.

Kansas City Register online
"Without a film tax credit will Hollywood still call?"
26 January 2011
http://www.kansascity.com/2011/01/26/2612958/without-film-tax-credit-will-hollywood.html

FINANCING AND INCENTIVES WORKBOOK

To have an incentive program or
Not to have an incentive program...

Is not the question.

The better question is *"Does the incentive program strengthen the industry within the jurisdiction while attracting business - film projects into the jurisdiction?"*

Think of incentive programs in the same way an investor thinks about investing - that is exactly what this is. The incentive uses public money to support an activity in return for a benefit. We need to be clear about the benefit. To gain clarity – we ask questions:

- Is government in the business of making money?
- What is the business of government with regard to the industry?
- Is government creating the conditions for business to thrive?

In an ideal world, government aligns policy and regulatory decisions with the needs of business for the good of the jurisdiction. But, we don't live in an ideal world. Today's governments need to make certain that the financial decisions made with public money earn dividends that will pay off today and in the future.

What kind of dividends - well paying jobs, encouragement for small and medium size companies to continue to grow and hire new employees, and, knowledge transfer between companies, entrepreneurs, educational and training institutions to accelerate innovation that speeds up the creation of new technologies, products, services, and, mindful social and community growth.

The problem is we've attracted business with an incentive that our allies have not only gotten used to - they come to expect it. This isn't relevant only to the entertainment industry - last month, large oil companies went before the US congress to defend their receipt of tax credits in light of increasing gas prices.

Notes:
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So what do we do now?
We look for new ways to reduce costs for filmmakers.

The entertainment industry comes under fire because the industry acknowledges the incentive in the credit role of every feature, series, movie of the week and documentary. No other industry is that transparent.

With government spending under the microscope, we look for other, still financially relevant, alternatives than may offer stronger benefits.

Like the R&D type of incentive that already exists for engineering and wet labs. Ask the question "What would it take to expand those incentives to include innovation in filmmaking; specifically camera and shooting techniques, and postproduction editing and sound, and distribution?"

Look at public/private equity investment; where public and private funds comingle to invest in films produced in the jurisdiction. Like the typical investor, these funds require a return.

The looming issue around this type of investment is whether government would take a stake in the creative - that is, place content as well as workforce guidelines around eligibility criteria. But it's worth the conversation.

These alternatives will take an act of government to revise and implement. Although we may encourage more investigation of these alternatives and others, we also need to clearly articulate the value of the entertainment industry to our allegiance before they will take these changes forward for serious consideration by government. Communication is key; information supports communication. Build relationships, and, measure and track activities.

Notes:

ADDITIONAL RESOURCES READING LISTS

DISCLAIMER:

The additional resources and reading list originate from my personal resource and reading lists. The authors, their publishers, and/or any other businesses or entities do not compensate me for making these suggestions. I encourage you to check the reading materials out from your local public library, to determine whether or not these suggestions are appropriate for your needs.

ADDITIONAL RESOURCES

Entertainment Partners Incentive Comparison tool – Worldwide.
(Paste this address into your browser if the link isn't active:
http://www.entertainmentpartners.com/Content/ProductionIncentives/ProductionIncentives.aspx)

Korda: Database on public funding for the film and audiovisual sector in Europe.
(Paste this address into your browser if the link isn't active:
http://korda.obs.coe.int/korda.php/)

Motion Picture Association of America: Film and Television Economic contributions, state by state
(Paste this address into your browser if the link isn't active:
http://www.mpaa.org/policy/state-by-state)

The Reel Deal: Canadian Production Tax Credits
(Paste this address into your browser if the link isn't active:
http://www.goodmans.ca/files/file/docs/EntertainmentGroupUpdateJune.2010.pdf)

UK Tax Relief
(Paste this address into your browser if the link isn't active:
http://www.ukfilmcouncil.org.uk/taxrelief)

USA: State Film Production Incentives & Programs
(Paste this address into your browser if the link isn't active:
http://www.ncsl.org/?tabid=20189)

READING LIST

Using Tax Incentives to Attract Foreign Direct Investment (Public Policy for the Private Sector)
(This article is as relevant today, as it was when it came out in Feb 2003.)
(Paste this address into your browser if the link isn't active:
http://rru.worldbank.org/documents/publicpolicyjournal/253Moris-020603.pdf)

Investment incentives: Growing use, uncertain benefits, uneven controls
(Paste this address into your browser if the link isn't active:
http://www.globalsubsidies.org/files/assets/GSI_Investment_Incentives.pdf)

APPENDIX

INVESTIGATION TABLE

We Know:	We need to know:	What we look for:	Determines:
# of union/ industry/business associations	One umbrella organization like the chamber of Commerce or individual organizations	Details regarding qualifications, eligibility and categories of companies and professionals within the jurisdiction	Amount of capacity existing within the region, identifies potential alliances and partners, and, resource for tracking information.
Types of union/ industry/business associations	What types of advertising and communication do these groups do? What are the member engagement activities?	How they communicate with companies within the jurisdiction. How they attract/retain: • companies to the region • customers to use those companies, and, • skilled professionals	How do we avoid duplication of activities, communicate effectively with companies, and lever existing marketing programs to brand the jurisdiction?
# of shoots	What time of the year? Which location(s)? Number of studio type spaces.	Reasons filmmakers/ Game developers/ Animators etc choose the jurisdiction. Like consistencies: are the shoots seasonal, or not.	How many shoots are possible in one year?
# of people resourced in the jurisdiction to service the shoots	Certification, qualification and classification of expertise: Crew + cast How many of these individuals work projects outside of the jurisdiction?	How many certified/qualified people are available for shoots versus total # of qualified people employed per shoot? (crew + cast hired in jurisdiction VS total # of crew + cast)	The minimum and maximum # of shoots needed to keep people employed. Where do we focus growth strategies that build capacity of expertise?
# of companies resourced in the jurisdiction to service shoots	Qualifications, types and average sizes of companies How many of these companies work projects outside of the jurisdiction?	How many qualified companies have services to offer shoots versus total # of qualified companies hired per shoot?	Minimum and maximum # of shoots needed to keep companies active. Where do we focus growth strategies for business and skills retention and attraction?
# of training and post secondary education institutions	What kind of programs/courses do students learn and on what type of equipment? What style of projects do the students work on? Is there professional support for these programs/courses? How many students in total attend the institution? Does the typical student live – in or outside the community?	What is the quality of training within the jurisdiction? Are there opportunities for transfer of knowledge, information, and best practices from companies to students? Is there a large enough capacity of students to support a local training program?	Participation in lobby of support to initiate, expand or diversify training options. Potential for “intern” and/or entry level jobs. Potential development of entrepreneur and incubation programs. Future business development initiatives.
Community amenities	Accessibility, availability of technology and live-ability	Easy to move people and data in and out of region, and comfort.	Support for municipal infrastructure development
Government partners: Revenue and taxation Bureau of statistics Tourism Training and skills dev.	What initiatives are these departments involved in?	What information/details do these departments have? Is there a willingness to share?	Cost efficiencies by: avoiding duplication of efforts, Identifying activities to pool resources

INFORMATION NOTE

The information note summarizes answers to the following questions, using a maximum of three lines per question:

1. What is the intention?
    - why are you doing this?
    - What do you expect your boss to do?
        - Make a decision
        - Approve a project
        - Approve budget
2. Why it is important?
    - from the government's point of view, identify potential gains for:
        - make significant contributions to tax revenues,
        - generate sustainable employment, and
        - attract new businesses
        - establish where to focus our growth strategies
        - provide an active government presence by connecting with potential allies and partners
    - estimate costs:
        - All costs of all activities
3. Who *might* support this intention?
    - List all the significant supporters, from Government, business, community and industry
4. How you intend to proceed with the________________?
    - Explain your process for the activity, include relevant materials like questions, as an appendix to the briefing note
5. When you intend to begin and end the investigation process?
    - Timeline
6. When do you expect to deliver these results to your boss?
    - Identify a date within two months of the request
    - Make sure you give yourself enough time to perform the activity and prepare the follow up document
7. What do you expect your boss to do with this information? This links up with point #1, and brings the document to full circle
    - Make a decision on whether or not to proceed with the investigation process.
        - You will make two conclusions, one if the decision is "No," and the other if the decision is "Yes."
        - A proposed "decision required by" date.
    - Also, list postponements for decisions.

 |

THE ROUNDTABLE

The subtext of the roundtable process is to demonstrate support by allies and partners, to your allegiance. Think about a blend of quantity – number of participants, and quality – those who make decisions and are able to commit immediately.

The roundtable process provides the opportunity to identify:

- the style of incentive program will best strengthen and build the entertainment industry,
- champions – in government, industry and community,
- lobby issues, and,
- target for implementation.

Who to invite:
This is an executive level event for senior level decision makers – those people who make decisions that directly affect the direction of the entities they work with; or those people who have influence over the decisions made.

The presentation of the proposal will include:

1. a visual over view (PowerPoint, keynote, video whatever you feel is the best method)
2. a one page summary fronting a detailed handout with an acknowledgements page, and,
3. an appendix of the research points measures and tracking, details of tax burden/ tax benefit ratio and any other calculations; such as the multiplier effect.

The discussions to identify the goal are the most important part of the roundtable; and these discussions will take the most amount of time. As we see in the appendix for the roundtable:

- 45 minutes will go to opening remarks, reviewing activities up until the round table,
- 45 minutes will go towards explaining the baseline measure,
- about 30 minutes will go to questions from the floor, open discussion.
- 15 minute coffee/ message check break
- 1.5 hour to introduce probing questions, and begin conversation
- 45 minute lunch break
- 1 hour breakout groups to identify the goal
- 1 hour present the finding of the breakout group
- 15 minute coffee/message check break
- 30 minutes finalize the goal
- 30 minutes nominate the work group
- 30 minutes schedule the work group and then next round table
- 15 minutes thank you and closing remarks.

Before the end of the roundtable, we use the momentum of enthusiasm to:

- identify the collective goal: Where to focus our growth strategy,
- appoint a work group to develop the plan, and schedule the group's one and only planning day,
- schedule the next roundtable to present that plan (within one month is doable; two at the outside)

agree to implement the plan with five business days of that round table. (This gives the workgroup up to two days to make revisions)

ACKNOWLEDGEMENTS

Work this detailed and extensive does not come together in such short time frame without direction and assistance from many truly gifted organizations and individuals.

My thanks to my colleagues from my former work places who exposed me to the thinking processes for business, project management, and, government policy and regulation that are the foundation of everything I do today.

My thanks and appreciation to those who continue to gift me with their expertise, time, and patience:

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Yogi Carrie Sikman for designing a challenging yoga regime to get me out of my head while working out my writing kinks during this project. Carrie has changed the way I look at yoga and how I look at life, and I am forever grateful, Namaste.

And of course, to my sisters Karen and Susan who continue to be generous with their wit, wisdom and understanding. Thank you.

Financing and Incentives

Next Chapter in the Master Class Series is
"MARKETING AND COMMUNICATIONS PLANNING"