



Writing a Compelling Independent Film Prospectus to Entice Investors

By [RJ Wattenhofer](#) | Submitted On November 03, 2011



The fun part of your pre-production process is over and now it's time to focus on the business aspect. And make no mistake about it: As fun and rewarding as movie making is, it is a business. Your potential investor is excited to be a part of the film industry; however, their main objective is to make back every penny they invested in your production with a substantial profit on top of it. And it's your job to prove to them you will do just that.

The cover page: Simple and direct. If you have a .png of your screenplay title written in a font that characterizes the theme/genre/mood you want to convey, boldly splash it across the top. If you have formed an LLC for your production, on the next line down from your title write in caps "(YOUR SCRIPT TITLE) THE FILM LIMITED LIABILITY COMPANY." On the next line write "A company specifically established for the funding of the feature film (your script title). On the third line down place your company number. Not having an LLC isn't necessarily a deal-breaker, but it adds credibility to your production. In most states an LLC can be formed for around \$250.00.

The contents page: You will list every section of your prospectus on this page along with the page number where it is found. Be mindful that you will be revising and editing your prospectus, so make sure that the page numbers are correct as your text rolls back and forth over page breaks. The best way to check is to create a PDF of the presentation document and confirm everything matches up.

The artwork page: If you have the DVD cover or sheet (movie poster) artwork complete, insert an image on this page. You could also insert a pic of the cast in wardrobe.

Your introduction: This is your pitch. Make this around two pages, expressing your passion for the project without going overboard (ex: "This will be the best horror movie ever made in the history of cinema!!!") Tell your investor why you believe in this project, why it is unique and why it will be successful. Don't go into plot details; that comes later. Here is an intro paragraph I wrote for a prospectus which you are free to tweak and borrow:

Traditional filmmaking is very often a frustrating process for both large studios and smaller production companies like (production company). Fortunately, for the micro-budget film producer seeking public

financing, the road less traveled is the road to success. Once financing is secured, a major hurdle is removed for our production company, freeing us to focus on the artistic portion of the film venture and, ultimately, allows us to create a worthy product for distribution and sale.

Risk summary: Remind your investor right up front that you will do your best to make this production a success but there is no guarantee of ever seeing a profit.

Resume of principles: Write a short bio for each person in charge of your production with a pic of their face. This could just be you. Insert any relevant links that add to your credibility such as your IMDb profile.

Narrative biographies: List everyone on the production crew with a quick one line bio, relevant links and their film credits.

Business structure: If you have an LLC, you must state that you are seeking an active investor in a member-managed limited liability company. In an ideal world you would have a passive investor who hands you over a stack of green and lets you run with it, but in the real world most people like to have a hand in how their money is spent. If you state that you are seeking a passive investor in your prospectus, then you will be faced with a load of red tape and the SEC will come down like a hammer if you don't follow protocol exactly. The main selling point of the LLC is that all members are protected from liability for acts and debts. If you do not have an LLC, then write a brief paragraph outlining the business contract and attach a copy at the end of your prospectus PDF marked as "Appendix A."

Film synopsis: Write a half page synopsis of your feature film. Make it vibrant - really sell your story. Your investor must love the concept if he/she is going to fork over the dough.

Screenplay rights: State simply: "(Production company) has sole control and exclusive ownership of the screenplay (screenplay title) and any and all rights associated with said script. Write your WGAw registration number followed by "Writers Guild of America, West." Include the registrants full name.

Market snapshot: You're going to have to do some research here. If you are writing a prospectus you should have a budget with a fairly good idea of how much this production is going to cost. Look for other movies of the same genre as your script that have roughly the same budget and have made considerable profit. List each of these with a brief description of the film, the production budget and the profit to date. The more referenced the better. Remember, your investor wants to make money and this is your opportunity to show him/her it has happened and will happen again if they shell out the money.

Investor tax incentive: This is your KO. The American Jobs Creation Act of 2004 was signed into law, creating a tax incentive expressly applicable to feature films: 181 of the Internal Revenue Code. This incentive was created to combat "runaway film" projects: Productions intended for release in the United States but are filmed in other countries. Section 181 permits a 100% write-off for all audio-visual work performed in the USA. In a nutshell: Your investor gets to recoup all of their investment money the next time they file their taxes. Pretty sweet - and a definite selling point for you.

Marketing plan: Sure, we made a movie...now what are we going to do with it? The fact that you have sought out an investor means that you have probably looked into negative pickup deals with distributors and found it darned unappealing. If you have a good head for business and/or a background in marketing, explain your strategy for distributing and selling your movie. Otherwise, you're going to have to set aside at least 50% of your production budget, hand it over to a marketing firm and have them handle that end. Regardless, a portion of the money you are asking for needs to be allocated for the marketing of the finished product.

Budget: Okay, your investor is excited. Now you hit them with the hard numbers. Write a brief paragraph stating the dollar figure you need and that the budget is available for them to review (believe me, they will review it thoroughly...).

Locations: list all the specific shoot locations so that your investor has a good feel of the logistics involved in the production.

Timetable: Here is an example:

Development: Two months (completed)

Pre-Production: Three months (current status)

Production: Forty-five days

Post-Production: Three months

Sales and revenue: You're not using a distributor, which means you will be producing the DVDs yourself. There are plenty of DVD manufacturing companies online who will create both your DVD and case for reasonable bulk rates. Break down the manufacturing cost and set your price point. Price point is crucial: Set it too high and you won't move units; set it too low and you'll move units but destroy your profit margin and turn off your investor.

Writing a feature film prospectus isn't easy but it is necessary and if you do it right you have just given yourself a boost over 99% of the other filmmakers out there vying for the same cash pool.

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