

New VFX Industry Report Urges Training, Alternative Bidding Model

12:34 PM PDT 7/16/2013 by Carolyn Giardina

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The whitepaper, created by a working group of industry stakeholders, outlines problems and makes initial recommendations.



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"Life of Pi"

The Visual Effects Society has released *The State of the Global VFX Industry 2013*, a 31-page report on the VFX business with recommendations including expanded financial training and adoption of alternative pricing models to fixed price bidding.

The industry has been struggling for years, and attention on the issues affecting the so-called "race to the bottom" heightened earlier this year when Rhythm & Hues filed for bankruptcy not long before its work won an Oscar for *Life of Pi*.

The whitepaper—created by a working group of industry stakeholders that first gathered last March via VES initiative—outlines drivers of the troubles, including growing competition nurtured by technological advancement and globalization; varying tax incentives and other government dynamics; and industry dynamics related to an unpredictable production pipeline and pricing models for bidding and managing jobs.

STORY: VFX Unionization Effort Struggles to Gain Traction [2]

Obviously there are no quick fixes, as the report points out, but it recommends some initial steps as a starting point, including development of industry standards and best practices. The working group intends to work on guidelines related to external bidding, negotiating and managing of projects and internal best practices related to financial management, communication and production management. According to the report, topics might include providing a standard definition of terms, cash forecasting, cost-tracking, measuring the impact of delays, finding ways to minimize overruns, blocking time for future work and instituting cancellation fees.

The whitepaper suggests holding public forums on topics including bidding practices, as well as developing a training program for facilities management and visual effects professionals. It also recommends exploring flexible business and staffing models, and continuing to assess the costs/benefits of forming global business and labor organizations.

The report is co-authored by **Carl Rosendahl**, associate professor at the Entertainment Technology Center at Carnegie Mellon University and former president of PDI/DreamWorks, and **Ken Williams**, CEO and executive director of the Entertainment Technology Center at USC and co-founder of Sony Pictures Imageworks. It is the result of input from dozens of stakeholders.

IATSE has attempted to address the effect of the above issues on VFX workers, who sometimes find themselves overworked, stranded in foreign cities, and without health insurance. The union's effort has met with little success to date, other than a recent victory unionizing CG artists at Nickelodeon.

Earlier this year, the VES—a global society—addressed the troubled business by calling for new tax incentives in California, a move that received criticism. VES soon reversed its direction and embarked on the current path.

The full report can be found [here](#) [6].

Email: Carolyn.Giardina@THR.com

Twitter: @CGinLA

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