

VES Summit: Is 'Ender's Game' Production a New Model for the VFX Industry?

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Lead VFX house Digital Domain took a co-producer role in the Lionsgate film.

Next week when Lionsgate's *Ender's Game* opens in theaters, the visual effects community will be watching to see if the nontraditional model of a VFX house coming on board in a co-producer role—which lead VFX house Digital Domain did with *Ender's*—is a model that can work for the struggling effects industry.

"It's certainly a capital risk," **Ed Ulbrich**, a producer on the film who recently stepped down as president of Digital Domain, warned, adding that a company needs to know it could handle deferred payment or a potential loss. "You need to have a plan to manage and offset [your investment]. If you can't, you are betting the farm."

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This topic was addressed during a session at Saturday's Visual Effects Society Summit, which explored potential new models that could help VFX houses to obtain profitability. Digital Domain is one example of a business that has struggled, having filed for chapter 11 bankruptcy protection in 2012 and subsequently been acquired (and more recently having yet another change in ownership). This occurred while it was working on *Ender's Game*.

"I think it was worthwhile," Ulbrich said of trying out the co-producer model. "The economic [results] will be known in a few weeks.

"There have been so many variables, obstacles and hurdles," he added. "Conceptually, we didn't do everything disruptive. But it did start to point to a different financial relationship with studios, talent, distribution and marketing."

Moderator **Carl Rosendahl**, an associate professor at Carnegie Mellon's Entertainment Technology Center, pointed out that *Gravity* could not have been made without visual effects and asked **Chris deFaria**, president of digital production, animation and VFX at Warner Bros. Pictures — and a credited executive producer on *Gravity*—if there's a back-end opportunity for VFX companies on movies such as this.

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"Back end is based on risk," deFaria responded. "It's not a reward. It's a negotiated position. It's open to anyone who negotiates that, and we have entered into these agreements with companies that have assumed risk.

Added **Arnon Manor**, VFX production executive at Columbia Pictures: "Most visual effects companies don't have the financial ability to do that. I don't think this model will solve the issues, it is a niche."

Discussing the wider problems in the VFX business, Ulbrich got applause when he asserted that the business has changed and what the group now does "is really digital production. The producers should plan equally [with live action production]. VFX is an old concept.

"There's no such thing as post anymore," he added. "We are suffering from tradition. It's a giant cultural and mindset shift. But it's also a time for opportunity."

FILM REVIEW: Ender's Game [6]

A key topic in the discussion was the impact of production incentives on the business, and the group acknowledged that this issue is not going away. "Productions rely on rebates as part of their core financing," Ulbrich said. "If it doesn't last in the UK, they're in big trouble; same in Vancouver and other regions. You can't have faith that governments will [permanently] support production."

Manor debunked the argument that studios always go for the lowest price. "That couldn't be further from the truth," he said. "It's about evaluating the work the facility and the needs of the project."

"Some of the work is non-creative, and we are looking for the best price for that. The artistic and creative aspect is hard to put a price on. It's finding that balance."

On the notion of "pop-up companies" — those that are built temporarily for a project in order to take advantage of production incentives — **Tim Sarnoff**, president of Technicolor Digital Productions said, "we have done that. We just opened a little facility in Amsterdam. It's not necessarily for the big VFX films. ... but it's a proactive way to be responsive to the production's needs."

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