

How to Run an Effective Production Company

An article by Executive Producer, Stephan Kuslich

When we first got started in back in 1994, ghOst was little more than a school project I operated part time. I was 20 and attending classes at the University of Minnesota, and I had just finished a successful four-year run with my first company I had named Graphics Mode. I was well versed in the language of medical presentations and had attained a healthy client base which I used to launch the fledgling animation company, Ghost Productions. I realized that 35mm slides would soon be replaced by multimedia and eventually 3D animation.

I operated ghOst mainly as an educational experience to teach myself the nuances of the production industry. Though it was a highly successful side gig, it wasn't until 1998 that I joined forces with Nic Wiederhold and gave ghOst my full attention and time. There we suffered for four long and painful years trying to sell ourselves as a one-stop-shop for everything from movie production to web design. It wasn't until 2002 that I decided to get focused and concentrate on our core competency, medical animation. Ever since life has been dandy and business couldn't be better.

Here is a quick synopsis of what I learned along the way:

Go with what you know and focus, focus, focus.

It may sound exciting to dream big and attempt to position yourself and your company as a special effects house or an ad agency but if you don't have any real world experience in these markets you are headed for disaster and failure. If you know architecture, market your company to those who require 3D walkthroughs and stunning animations. If you know litigation, market your company to attorneys. There is money to be made servicing these clients and these clients want specialists in their field. After all nobody wants to have their Saab repaired by a Saturn mechanic and certainly not by a mechanic who also fixes refrigerators on the side.

Beware the term "Industry Standard."

When we first started we were laughed at by many of our competitors due to our toolbox. We used After Effects for compositing when the Industry Standard was the much more pricy Flame and Inferno systems. We used Macintosh computers even though the popular press condemned the computer's manufacturer to an early death. There is no such thing as "Industry Standard," only the right tool for the job. We still use After Effects and we still use Mac's and many of our competitors have laughed themselves into extinction. Clients don't usually care what you use, they only care that you can deliver what they need.

Nothing sells itself you absolutely need market.

Put yourself in your client's shoes and understand their, wants, needs and sometimes their fears. Know their industries, read their magazines and advertise in them. Make yourself and your company available to the press and news organizations. Put your logo on absolutely everything you do and make sure your work gets seen. Donate your expertise and time to the community; speak at every campus and rotary club that will have you.

Production is a service industry; don't forget to give them great service.

When you sign a client do everything you can to blow their expectations out of the water. Production is 50% product and 50% relationship. Doing merely great work isn't enough. You have to prove that your company is willing to go an extra mile, work harder and all night if necessary. Provide your clients with miracles and you they will patron you. Your success is often linked with theirs. Keep in mind that when they invest in you must give them a return on their investment. Clients risk a lot when they hire a production company. Their future is partially in your hands. You must help them to succeed.

Hire the best talent you can find and give them an incentive to succeed.

The best way to find and keep great talent is to give them a vested interest in the company. Giving your employees a salary based on the profitability or a percentage of ownership in the company will keep everyone working hard and genuinely concerned about the final product. When an employee performs exceedingly well, congratulate them openly and publicly. When an employee fails, face them in person away from onlookers. Be calm, honest and clearly explain the importance of their contribution and the detriment of their mistake.

Don't sweat the small stuff, especially if it costs too much.

Focus your efforts on the clients, staff and gear that keeps the company healthy. Spending too much time on a bad client that isn't willing to pay on time or complains about your rates will not just yield a low return, it will generate a loss. Make certain that everyone on your staff is absolutely necessary. If you hire friendly and personable people you don't need a receptionist. In a good company, everyone is a receptionist and are able to make clients feel welcome and comfortable. Don't spend too much on your build-out or your gear. A snazzy office might attract some fickle clients but they'll only be around until the next new and shiny competitor opens their doors. Make your office comfortable, clean and organized. Pass the savings on to your clients and the good ones won't care that you haven't nurtured your Ikea nesting instinct. You can't pay your employees in Herman Miller chairs and you can't pay off a lease on gear that doesn't pay for itself x100. If you don't need it, don't buy it.

Honesty promotes honesty.

Treat your employees, clients and your vendors, as you would like to be treated. Give your personal the real story and avoid empty promises. Deliver above and beyond what you promised your client. Should they complain, listen to them. If their complaints can be dealt with, do it. If not, find another way to make it up to them. Refunds are the last possible answer. Remember, you want another chance to work for them, give them a reason to give you another chance. When a vendor doesn't deliver the goods, you owe it to yourself, your clients and your vendor to bring it to their attention. Don't complain to vent; complain to give them a chance to improve their product or service. A good vendor will listen to you and give you what you deserve. Do your best to give them a chance.

Know your peers and understand your competition.

It is important to become and remain involved in your industry. If you can't directly service a client, help the find someone who can. Referrals are a good way to make friends with both your clients and your peers. Referrals have a tendency to come back and pay you back. It is always better to join a competitor than to directly compete. Meet with them and discover your differences. Use your differences as strengths to dominate your common goals. We have found many successful and mutually beneficial alliances in companies that we previously thought to be our competitors. We do medical animation better than most companies, whereas a competing medical production firm is much more interested and capable of handling video shoots and editing. Since we have allied, our clients get both the best video and animation in their presentations and we now share a much larger client pool.

Be intelligent and wise.

If you are neither, you can fake intelligence by using big words. I recommend reading a thesaurus before bed or buying a word-a-day calendar. To increase your wisdom, I will share with you my top 10 reading list.

1. *How to Win Friends and Influence People* by Dale Carnegie
2. *The Art of War* by Sun Tzu
3. *Selling the Invisible* by Harry Beckwith
4. *What Clients Love* by Harry Beckwith
5. *The Only Negotiating Guide You'll Ever Need* by Peter Stark & Jane Flaherty
6. *Zig Ziglar's Secrets of Closing the Sale* by Zig Ziglar
7. *Unleashing the Ideavirus* by Seth Godin
8. *Getting Things Done* by David Allen
9. *The Art of Profitability* by Adrian Slywotzky
10. *Benjamin Franklin: An American Life* by Walter Isaacson