

Preface

In recent decades, the management of motion picture projects has not only become more complex but with soaring budgets, film productions have also turned into significant investments and fairly risky business opportunities. At the same time, a range of private as well as institutional investors have entered the industry in the function of outside financiers. Today, co-financing and thus co-ownership of completed films is a common phenomenon in Hollywood. The work at hand is concerned with the organizational problems that may arise between the experienced major studios and investors with comparably low industry expertise. Guided by principal agent theory, the empirical analysis investigates the relationship between the co-financing parties and aims at illuminating the pitfalls of the current arrangements. The development of practical solutions that follows is not only relevant for current and future investors but also for studios and film producers who rely on the long-term availability of external funds.

Working on this project has significantly changed my perspective when ‘going to the movies’. While more details in the front as well as end credits catch my attention and my reflection of a film extends way beyond the storyline, the pleasure of consuming motion pictures has not vanished. In fact, it seems as if Moshe Adler’s (1985, p. 209) remark ‘the more you know the more you enjoy’ adequately describes my novel appreciation for filmed entertainment.

Deepest thanks are due to my academic teacher Professor Dr. Christian Opitz for inspiring conversations, wholehearted support and for more than four years of academic as well as personal thriving. The countless hours of joint efforts to straighten arguments and tweak papers have significantly improved my economic thinking and the past years do not allow for any other conclusion than remarking that the time at Zeppelin University has been a great pleasure and an outstanding experience. Undoubtedly, meeting and obtaining the opportunity to learn from Professor Dr. Christian Opitz belong to the lucky chances of my life. I would also like to express my gratitude to Prof. Dr. Helmut M. Dietl who agreed to become the second referee. I am indebted for numerous valuable comments and suggestions that have further augmented the quality of this dissertation.

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Investors

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in the U.S. Motion Picture Industry

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