Malaysian Film Projects Network Mobilization

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Abstract: Film project is a temporary organization that uses outsourcing to acquire its resources. This study aims to investigate how Malaysian film productions mobilize its network in pre-production stage. The objectives are to find out the main components in pre-production and factors that create network between the production and components. In Sweden it is found out that the factors creating network in film pre-production stage are Attractive Script, Established Network, Mentor, and Proficiency. 10 random Malaysian film producers are selected for qualitative interviews. It is found out that the factors creating network in Malaysian film pre-production are Strategic Script, Proficiency, Established network, and Internet. It is suggested that further research is carried out to develop a Strategic Script to penetrate Indonesian film market.

Keywords: Film Production, Mobilization, Project Network, Structure, Malaysia

1. Introduction

An in depth investigation of the large American companies in the likes of Standard Oil, Sears, General Motors, and DuPont reveals that structure follows strategy and this shows that the dynamic nature of business strategy result to changes in organizational structure (Chandler, 1962). It was also concluded that organizations follow a pattern of development from one kind of structural arrangement to another as they expand. Project based organization (PBO) structure are have been used by firms to catch up the changes of the external environment and to increase flexibility (Hobday, 2000). They adopt different specialists temporarily to conduct non-routine and multifarious tasks. Many researchers suggest that project based organizations should adopt a more organic technique to succeed although it is ideally suited to deal with volatile and complex environment (Thiry and Deguire, 2007). Among the industries that make use of the PBO structure in its perfect form is the film industry. Filmmaking organizations reveal and transfer their skills without a stable cadre of experienced personnel. Their knowledge-based resources are personified in highly mobile task team members by renting all of its personnel thus making them the best examples of outsource companies. The initial phase or pre-production raises need to trigger the project networks for the purpose of filmmaking. During this phase the utilization of information interplay between social networks and the members that are involved is done and this is for the purpose of attaching personnel and mobilizes the network. Opportunity is provided by the independent film industry to study PBO in their true form.

The organizations in this sector are created so as to carry out particular assignment and pursue specific project results. The organization is wind down once the film is complete (DeFillipi and Arthur, 1998). It was further put forward the unique nature of many projects in the film industry, ensuring that the main objectives are oftentimes abstract and the team members are saddled with a certain degree of unpredictability. Hence the sector is project-based, short-term, involves freelance contracting, and entails speedy reorganization of resources and personnel (Davenport, 2006). The film industry in Malaysia was reported to consist of over 4 million movie-goers per year and this figure continues to rise by the year (Azrin, 2009; FINAS, 2012). In the year 2005 reports show that the number of film produced were 23 while 28 was produced in the year 2006. Clearly the total movie grossing in the years mentioned above is lower than the overall production expenditure. The national movie industry is having a loss and there is need for an innovative approach in the supply chain and networking. Understanding the influence of networks in the film industry puts us in a better position to understand the film making procedure. Stanley (2003) suggests a breakdown of the film making process into the following main stages: preproduction, production or principal cinematography and postproduction (Stanley, 2003). For Worley (2005), distribution and exhibition are the fourth and fifth stages of film-making process. Prior to pre-production planning, a motion picture project gets the “green light” from studio executives or independent project sponsors to begin development (Worley, 2005). There is a considerable rise and fall of the levels of employment as production of the film begins. In one month 20 people may be employed
and the next it could be 200 (Trott, 2005). Furthermore, the creative costs are extremely high in the process of making a film as all sorts of skills are employed from camera crews, lighting engineers, costume designers, make-up artists, photographers, sound technicians with a small core of people involved in pre-production and a small creative group in post-production. On the business and commercial side the producer may have to keep investors updated of the monetary implications on a monthly basis.

2. Literature Review

Project networks: The study of the interrelationship and cooperation among projects and project-based organizations is the fourth and so far the most recent development in the study of project management (Soderlund, 2004). Specifically, he suggests that “it might be more important to talk about “project research” instead of “project management research”. PMI (1996) defines a concept capturing much of the recent development within the field such as project-based companies, project-based industries and cooperation in inter firm projects is known as project research. Broadening of research to industry-wide matters, such as the cooperation between organizations, networks between individuals in project-intensive industries are what Soderlund (2004) regard as the fourth development. More explanations was given to project ecologies which is a term created by Grabher to portray the link between projects and actors (e.g firms), the sociology of projects, in the economics of projects and in the connection between project participation and organization development. Designing project networks and building confidence in project intensive industries are the main interest of this stage of project research. Hellgren and Stjernberg (1995) define project networks as “temporally limited, dynamically changing and (partially) reconstructed from one project to the next”. Manning (2005) identified project networks as dynamic organizational forms which are reproduced by sets of project-based actor relationships. Project network is open in the sense that there are no definite criteria whereby the boundaries of the network can be recognized and restricted. Moreover project networks are characterized by the fact that there is no “single actor that would exercise control over the network as a whole” (Hellgren and Stjernberg, 1995).

Significance of project networks in project based organizations: The companies undergo a variety of industry level changes in order to increase their flexibility and capability to adjust to the active external environment. Many definitions are used to describe a PBO; ‘project led-organizations’ (Hobday, 2000), ‘project led enterprises’ (DeFillipi and Arthur, 1998), ‘projectification of firms’ (Midler, 2005), ‘management by projects’ (PMIBOK) etc. The recent research by Thiри and Deguire (2007) refers to project-based organizations as a category of organizational forms that engage the establishment of temporary systems for the presentation of project tasks. The researchers opined that project management practices influence the general organizational practices and vice versa. Hobday (2000) explains the efficiency of using PBOs to manage complex products in comparison with conventional functional organization. Hobday posits that PBO is one in which the project is the principal unit for production company, innovation, and competition. Whereas a project is an activity with a distinct set of resources, goals, and time limit, within a project based organization the project is the main business apparatus for coordinating and integrating all the central business functions of the company. The knowledge, capabilities and resources of the company are designed in the PBO through the construction of principal projects. Six organizational structures were presented by Hobday which differentiates between project led organizations and project based organizations. These organizations usually have the management systems to facilitate project management. Projects could be adopted as perfect tool in such structures in order to conduct certain activities. ‘Project based enterprises’ is another terminology adopted to describe organizations which operate as projects (DeFillipi and Arthur, 1998). These are perceived as companies that carry out many of its operations in project mode and privilege project dimensions over functional dimensions in structure and process. For instance, cultural industries (film and theatre) and professional services (event management and public relations). These industries are complex, entail continuous innovation and also involve greater level risk. (Pratt and Gornostaeva, 2005). The case of film industry indicates that, every project is a prototype; its exceptional effort and there is no chance to redesign the final product.
Film production in the context of the present research: Through the identification and understanding of the factors that lead to the mobilization of project networks for film making, the circumstances of how network mobilization process take place in PBO such as film making projects can be described (Kang and Korotkov, 2007). Further subdivision of the pre-production stage of the Swedish film making project was divided into activities where mobilization of project network were needed in implementing each of the operations (Kang and Korotkov, 2007; Azrin, 2009). The network is activated through the factors that were found and analyzed in this study which serve as conditions. On the other hand these variables contribute to the network mobilization process which occur during the pre-production stage of a film project; Proficiency, Established Network, Attractive Script, Mentor Proficiency (Hellgren and Stjerberg, 1995; Sydow and Manning, 2004; Manning, 2005).

3. Methodology

This study adopts a qualitative approach of data collection with the use of well structured questions to interview 10 randomly selected Malaysian film producers for the purpose of eliciting from them the factors creating network in Malaysian film pre-production. A tape recorder was used to collect the data and was transcribed verbatim; further analysis of the transcribed data was carried out through content analysis which is an acceptable method of analyzing qualitative data. This method is preferred because it brings out the emerging themes as grounded in the responses of the interviewed participants which are a result of their real life experience.

4. Results and Interview Analysis

Pre-Production Components: From the interviews conducted with 10 Malaysian producers, the researcher found out that there are 5 main components of pre-production process in filmmaking. They are: Script, Finance, Casts, Crews, Locations and Equipment. This is somewhat different from the findings of Kang and Korotkov (2007) for the Swedish film industry. These components are selected because they are the most important part in pre-production that requires networking in order to acquire them. As posited by the respondents “You always start with the script and the key areas that you look into are: Personnel, Location, and Casting.” –Producer 03.

Script: The way major studios work into film production is different with independent studios. Because of the position as a corporate company, the public basically are aware of the major studios ongoing projects. So people will send scripts to executive producer to evaluate and the executive producer will decide if he felt that the script has potential or he wanted to bounce the script back to the scriptwriter to rewrite the story. If the script is ok he will give the script to a panel. The panel consists of people in the industry. They basically sit down together and they go through the script. They will find the elements that they wanted in the script. Then they will give their recommendations to the major studio saying that the script has potentials and weaknesses in particular criteria. At the same time if they feel like they want to produce the movie then they start saying that they want to produce the movie. Normally in Malaysia the scriptwriter is also the director. If not the scriptwriter or the producer will recommend a suitable director. Then they will work out on the budget. As put forward by this participant ”It’s like building a house. Your script is your blueprint.” –Producer 03

Finance: A movie production is highly complex, contractual and technical. A large number of personnel and companies are required to take a film through the process of pre-production and investment generation (Sydow and Manning, 2004; Manning, 2005). At the centre of the network (Hellgren and Stjerberg, 1995; Sydow and Manning, 2004) are the large film studios. There are currently 2 majors: Grand Brilliance and Astro (Figure 1). These 2 are the nation’s television network that generates their own revenues from television programs. These are divisions of larger entertainment conglomerates using their movie-arms to promote product from other parts of the business, as well as make money in their own right. Typically, the majors provide the capital for projects in development and production, and handle their own distribution. The majors are responsible for most of the big budget motion pictures. In addition to the majors the other category of Production Company are the independents. These independents will get their funding from investment made by the majors. Almost all of the other production studios in Malaysia are independents. Another source of finance for the independents is from the bank. The Feature Film Loan Scheme is introduced to help to improve the local film industry development. The scheme is handled by FINAS, and the Small and Medium Enterprise (SME) Bank as the implementing agency–Producer 03.
Figure 1: Three main sources of financing for Malaysian films

Casts: Casts are one important component in Malaysian film pre-production that is not considered important in Sweden. It is not cheap to produce a film and because the success of making a return is few than failure, studio executives constantly seek to reduce these odds by employing recognizable stars. Since stars are responsible for delivering success they do not normally accept a flat fee in return for their involvement, they also seek to participate in the success directly. Malaysian movie studios find that it is less risky to pursue the value-adding option. In short, sourcing the film industry is collaborative, but extremely adversarial with the studios to absorb the spiraling costs of production, assume most of the risks and share their returns with suppliers who take none of the risk at all other than the risk to their reputation. Hear what the respondent said “We want to stay in the business, we want to make a second movie, we are thinking who is the most wanted actor currently in Malaysia” – Producer 04

Crews: Making movie is a serious business. Time is money. The producer will employ the best people to make the project successful. Budget is limited and they must spend it efficiently. It is important that they choose the crew for the production wisely, as highlighted by this participant “If your team are idiots, no amount of money would be enough”. – Producer 07. The number of key people in a project depends on how big the project is. Besides the producer, director, and the scriptwriter, the key people in the project will be referred to as ‘crews’. This participant believes that “The key people in the project are the producer, director, scriptwriter, executive producer, production manager, location manager, lighting director, wardrobe coordinator, set designer, and the main casts.” – Producer 01

Locations and Equipments: Location is a very important component in film shooting and has to be planned in pre-production. It is not just about the beauty of the place. The production has to make sure that the location roads are accessible. Producer 05 revealed that “Your shooting needs big trucks, but the village road is narrow”. Sometimes the location is too remote, the production has to find a location where they are accessible to resources such as shops, hotels, and anything that could help the shooting in case of emergency. If accidents happen like somebody is bitten by a snake there must be a clinic nearby. All these things are management. Now a lot of sets were done using Computer Generated Images. The producer does not want to bear the high difficulties and costs of logistics. There is no point torturing oneself to go to hard-to-access locations – Producer 05

Factors leading to Network Mobilization

Strategic Script: Typical Malaysian film productions produce films and then sell it, according to the traditional view of marketing, marketing takes place in the second half of the process. The production knows what to produce and the market will buy enough movie tickets to generate profits. Productions that subscribe to this view have the best chance of succeeding in economies marked by goods shortages where audience are not fussy about quality, features, or style - for example, with basic special effects in Power Rangers shows in children markets. The traditional view of the business process, however, will not work in economies where people face abundant choices. There, “the mass-market” is actually splintering into numerous micro markets, each with its own wants, perceptions, preferences, and watching criteria. The smart competitor must design script and deliver offerings for well-defined target markets. This belief is at the core of the new view of business processes, which places marketing at the beginning of planning. Instead of emphasizing making and selling, these companies see them as part of a value delivery process.

Network creation by Strategic Script: A big studio that is looking for scripts never limits their script searching according to genre. They wanted a title each for every genre. The criteria that were set by a big studio committee in selecting the script that they wanted to produce change according to the big studio’s film production performance, market situation, and the studio’s agenda every year. If the agenda that year is not going for action genre, which does not necessarily mean they won’t make an action movie. The agenda is not rigid and could be negotiated based on market risk and calculations (Manning, 2005). People should not assume the criteria set up by a big studio. Producer 07 highlighted that “During pitching session suddenly there was a very good action story. It will be a waste if we didn’t produce it. We
wanted to take the risk and we sat down discussing it". Some funder has already announced the criteria that they want in funding films. Since FINAS give financial grants considering cultural and nationalism elements in a movie. It is up to producer to create his own strategy to approach the funder. –Producer 05.

Nowadays sponsors do not want hard sell or to advertise their product in the movie. They only want their name mentioned in the movie like in the movie end credit. They wanted the audience to relate a good movie to the sponsor. "Sponsors want their brand associated with a good movie to the audience. The movie will bring the sponsor’s name to film festivals." –Producer 05. Producers who are new to the industry have to put profits first above or else. New production houses usually put priorities in selection of cast and script. Once they have succeeded with their first film then only they could establish their company’s name in the industry –Producer 06.

**Proficiency:** Because the organization structure (Chandler, 1962; Hobday, 2000) of film industry is temporary structure time is of the essence. Resources are limited and everything has to be done perfectly. A producer doing their first movie will only employ proficient and experienced personnel. Independent production houses invested some of their own money on the film. In order to sustain their company life expectancy in the industry they must make sure that their first film or investment was successful. Survival is the first priority of Malaysian producers–Producer 02

**Network creation by Proficiency:** Some producers claimed that Malaysian scriptwriters like to write script pretty fast. To find a good script, producers have to invest time and money. If they like or confident with the script they will quickly buy it. They will not wait. "Sometimes before making a film I have already bought scripts. Sometimes the script is so detail meaning that the scriptwriter is good. He knows the duration and the scenes will not overshoot. But if I think the script is 'half-cooked' but it has potential I will buy it with lower price." –Producer 09. FINAS role in helping Malaysian producer to get funding is to give approval to the producer, director, and script. From that stage the bank will make its decision. Producers will have problems with the bank if they have poor bank records. "SME Bank looks at reputation of producer and director, the story, and complete company registration before approving a loan." –Producer 05.

Crews in film industry are simply professionals. People throughout the history of Malaysian filmmaking were never exposed to work with relatives. Let’s say that the employee is a relative, automatically the relative will take things for granted when doing his job. Outside the office they could be friends or whatsoever but inside the office there only exist the employer, employee, and ranks between them. Most of the time working with relatives will lead to organizational politics. If both relatives trying to work professionally it is not easy because the other colleagues will start seeing favoritism –Producer 01.

Open communication is very important in film project. Time management is very important for both the crews and the producer. Everything must be ready when the director needs it. This can be seen because the team always discusses about 3 day’s production in advance. It is all about teamwork. People work together to achieve mutual objective- Producer 02

**Established network:** This statement contradicts with the second factor of creating network: - Proficiency. But actually the Established network was based on Proficiency of people in the industry in the first place (Manning, 2005; Kang and Korotkov, 2007). When you have been in the industry for such a time, you know which people are good in their job and which people are not. The Established network was a key to reach to these excellent personnel. Thus, Proficiency of personnel was an element for the Established network. "Finding crew is a standard procedure. I have been in this industry for 15 years you will know how to find them. You will know who is professional and who is not." –Producer 09. As discussed earlier, Malaysian film industry is quite small. With 25 films produced annually, people in the industry are used to bump with each other. If a producer does not know a person, somebody else in the industry should know the person. "The industry is quite small, so we know each other. If you recommend alone, I’ll just make a few calls and get some feedbacks." –Producer 01

**Network creation by Established network:** For the case of a major studio, annually before they decided to fund film productions, they will issue fax invitations to independent producers that they have known. They have been in the industry for years and they have known a lot of people. The candidates were given 10 minutes to pitch their story ideas. Because there are a lot of candidates, the producer are more concern for time than stories. If a candidate is confident that they could convince the producer in 5 minutes, then they could present 2 titles. "Before the titles for production are set we will open pitching session for scriptwriters. We never advertise this pitching session in newspapers but through our established network. –Producer 07.

Sometimes producers build a script internally. They have in-house scriptwriters, while others got their scripts from outside. "Sometimes I got scripts from friends. They always email me
scripts.” – Producer 09. Producers also ask advice from their friends in the industry about their script. It is good to make friends with all sorts of people. The personal investors that a producer approaches for finance could be their friends or people that they know that wanted to diversify their investments. Some people want to try to invest in film because the ROI is high although it is risky. Trust is important in doing a project. This is because transactions in a film production deal with cash. They prefer to hire people that day have worked with before because they know that the guy is reliable. “Because you are dealing with cash, it makes us very stressful if they vanish with RM 10k from the set.” – Producer 03. If any of their friends was the first person to have brand new technology equipment in the country they will ask of the equipment’s advantage. They will ask if the equipment will help them to reduce production costs. “Not everybody in Malaysia has worked with people who uses red camera format. After I have told people the advantage of the format, Afidlin Shauki (famous director) and Dhojee from GB has started using it.” – Producer 04. The concept of trust is still applicable when taking personal recommendation in searching for equipments. The person that gives the recommendation himself must be trustworthy.

Internet: Contrary to traditional commerce, e-commerce technology permits information transactions to cross cultural and national boundaries far more conveniently and cost effectively. As a result, potential market size for e-commerce merchant’s producers is roughly equal the size of the world’s online population that is more than 1.1 billion in 2006, and growing rapidly (Laudon and Laudon, 2006). The complexity and content of a message are referred as information richness. Traditional markets, national sales forces, and small retail stores have great richness: they are able to provide personal, face-to-face service using oral and visual cues when making a sale. The richness of traditional markets makes them powerful selling or commercial environments. The web makes it possible to deliver rich messages with text, audio, and video simultaneously to large numbers of people. Producers first look for resources in pre-production through the network and advices of the producers’ friends. The second method is from sources from internet. We will look at how 73 film producers optimize the information technology in network mobilization in pre-production – Producer 04. Feedbacks from audience are powerful marketing information to producers. Internet is very useful to producers to gain feedbacks of their film. When the film is released, producers will read comments in forums. Sometimes they look at comments even when the film was still in the production process – Producer 07

Network creation by the Internet: The conventional way of getting a script was to hire the writer. The unconventional way is hiring writers who are not known of writing scripts, writers who only write prints. Producers are also looking for writers in the internet or looking at people’s blogs. In the internet there are many people looking for opportunities in film industry. Thanks to FINAS, Malaysian film industry has a web portal called SinemaMalaysia. In SinemaMalaysia producers could see the people’s backgrounds, abilities, and track records. “In SinemaMalaysia there is a database of casts, crews, cameramen, lightings, and directors.” – Producer 04. Apart from acting skills, producers also look at actor’s personality for casting in their film. These actors have Friendster, MySpace, or Face Book accounts on the net. In meeting for casting, producers suggested to use a particular actor who has more friends than another actor. “Sometimes we look at the cast popularity on Friendster. Do you know that Elyana has 30,000 friends?” – Producer 07.

5. Conclusion

Figure 4.2: Factors creating network in Malaysian Film Pre-production
Based on the interviews with Malaysian film producers, there are 4 factors that influence the Malaysian film pre-production network. These factors are presented graphically on Figure 4.2. This study found some relevant issues that should be noted by professional and stakeholders in the Malaysian film industry among which are that strategic script of a film, with a tactical strategy, could help both scriptwriter and the producer to get their objectives met and work together. The story should be designed to have commercial and marketing elements to attract investors to give funding. The story also should be tailored to match the actor and the genre that the market demanded currently. A strategic story with a strategic genre also could attract crews that want to work in a particular film genre. Although a strategic script would initiate the locations and equipments searching, the locations and equipments themselves does not need a strategic script to create business network. Moreover, the proficiency of the scriptwriter is needed by both the scriptwriter and the producer to make sure the script that is the backbone of the film is strong. Investors will take over the ownership of the project if they see that the proficiency of the production management is weak. Producers also look for actors with high proficiency as well as actors look for high proficiency producers that make good films. A film production needs both high proficiency producer and crews, because a film project has limited amount of time and money and it is hard for them to tolerate low proficiency work. Established network is a result of years of experience in the industry and the knowledge of who are the proficient crews or scriptwriter in it. Producers also receive finance in the form of personal investments from their network of friends. Lastly, the revolution of internet has created sources of scripts in the net. FINAS has created a database of film producers and crews in SinemaMalaysia.com. Actors could market themselves in the net. Producers could also learn to use equipments from the net as well as the equipments could market itself on the net.

Absence of Mentor in creating Network in Malaysia: If we look at the factors of creating Swedish film pre-production network, we could notice that in mentors are needed in Swedish film industry. Availability of mentor with his experience and network can give access to scripts, financial resources, crew, locations and equipments. However these things do not happen in Malaysia due to:

Small size of Malaysian film industry: People happen to know who's who, since there are only a number of players in the industry. The communication in the industry is straight forward. People look more at the proficiency of personnel, rather than personal recommendation. Their first priority is the outcome of the project, not the long-term relationship.

Internet revolution: Nowadays internet has made the Malaysian film industry network even smaller. Internet has increased the industry participants' information richness and reach. People could market themselves on the net. Producers could find crews in the click on their fingertips. People simply do not need to be physically introduced to each other anymore.

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