

Business Start-Up fact Finder Manual

VIDEO PRODUCTION

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Video Production

Vital Information

Start-up Investment

Low - \$1,000 or less for home-based operation

High - \$100,000 and up for outside offices and acquisition of sophisticated equipment.

Break-even time - 2 months to 1 year

Estimate of Annual Revenue and Profit

Revenue \$30,000 - \$800,000

Profit (Pre-tax) \$20,000 - \$250,000

A Market With Continued Major Growth

New video technology of recent years has created opportunities for a new segment of professional video producers. While certain types of video-taping will require a highly skilled video producer in assignments such as sports events, or a stage presentation, other assignments such as the taping of individuals for a dating service, legal depositions, insurance matters, and most social events will mostly require good knowledge of the equipment, experience, and the ability to work with various groups.

The marketability and demand for various services is almost unlimited. Video presentations are more commonly used now on sales presentations of all types, various insurance claim matters, real estate sales, all types of training material and in a variety of other situations. The market is really only limited by the ability of the video producer to sell his services for a variety of purposes.

Finding Customers Who Need Your Services

The Individual who has a good personality and enjoys mixing with people will have a marked advantage in this field. Since many individuals, organisations or companies may never have considered to utilise video for their event or presentation the trick is to create the demand through the sale.

Networking your services through a group of friends and associates will be most effective along with advertising. Advertising may be used to reach the social event buyer as in the case of wedding and barmitzvahs and advertising in business publications for a variety of business services. Yellow Page advertising will also be an

excellent way to get known in your community. Direct mail properly followed up in personal and telephone sales contacts will also be quite effective.

Churches, hotels, restaurants, florists, jewellers, clubs and other organisations and businesses servicing the social market will also be able to generate new leads. Getting your name out to as many of these companies as possible will be a major plus. It is easy to track social events yourself. Check the social pages in your newspapers for engagement announcements and synagogue records for upcoming batmizah. You can then match names against those in the phone book and will be able to mail your brochure or flyer.

You may even consider specialising in a certain market segment as, e.g. legal video producer. Before you embark on this market find out what laws are in your state pertaining to videotaping for legal purposes. They differ substantially by state. An excellent way to get started may be to try associating with court reporting service. In states where it is legal, many of these services now tape the deposition in addition to keeping a written record of it.

Another fertile market may be to initiate a direct marketing campaign to an affluent neighbourhood to sell video-taping services of valuables for insurance records.

In your sales presentations to various businesses, the time savings that can be accomplished through video presentations should be stressed. A real estate agent can save hours of time which can be utilised to generate more sales by utilising video presentations of residences rather than driving potential buyers all over town.

You may be able effectively use bartering to get your business going. For example, you may want to video-tape one or more catering events for a carter and in return have the carter recommend your company. The free video-taping of a social event for the owner of a graphic design business or for a printer may get you a free brochure.

The Operation of Your Video-Taping Business

Operationally it will be rather easy to get started. Depending on your budget you have the choice of buying equipment outright which can be quite expensive, or you can finance, or rent it. If you are on a relatively tight budget, or are not quite sure if you want to pursue this business long term it would be advantageous to go with the rental option. You will be able to rent all the basic equipment required for the taping of most any event, such as camera, player, colour monitor, lights and sound equipment. You can even rent editing equipment, or you may want to utilise an editing service in the beginning. A van or station wagon to lug the equipment round will be very helpful.

Other expenses will be for basic office supplies, telephone and answering machine, a professional brochure or 2 to 4 page flyer, business cards, etc.

While specialising in a given area such as social events, business services, or something else will probably make good business sense over the long term, it may be advantageous to pursue all markets during the first year. This will build revenue quicker and you will be able to determine which market you enjoy most.

Working social events can be trying. Some knowledge of social etiquette and how a certain event should be conducted will be very helpful. Even more, be sure you know who is truly in charge of the event. Each event will have its own little idiosyncrasies depending on the participants. It may be that a given relative should be taped more than someone else. Whoever calls the shots will be able to direct you.

Surely this business is ideal to be started from your home. As your business grows a design a design studio can be rented. Once you have the basic equipment in place, most of your revenue will go to the bottom line, unless you are renting equipment. It is therefore often possible to generate a profit relatively quickly.

While it may be necessary to grant credit to established businesses and organisations, it is not recommended that you grant credit for social events. To do so is not commonly done even by hotels and restaurants and is generally considered quite a risky practice.

Resources

Books & Publications: An excellent book is: "How to Capitalise on the Video Revolution", Holt, Rinehart & Winston, New York, NY

Videography Magazine, 50 West 23rd St., New York, NY 10011

Broadcast Week, Box 5727, 2500 Curtis St., S-200, Denver, CO 80205

Organisations: Women in Film & Video, 27 West 20th St., New York, NY 10011-212-206-8555

Film councils can be found in most larger cities.

For additional information helpful in setting up your new business, information about licenses, permits, the legal structure of your business, taxes, insurance and much more refer to the Business Start-Up Fact Finder Manual.