



# Post Production

From the AICP Post Community

## **It's Time to Recognize and Adapt to the New Post Production Normal**

*Post production companies, agencies and advertisers can mutually benefit from changes in how projects are bid and how workflow is managed.*

We're just coming out of a period where we instituted necessary, radical and reactive changes to allow this industry to continue to meet the needs of our clients. Covid struck post production and its people in many unique ways. It suddenly forced us to rethink and change our workflow, our technology, our HR concerns, our timelines, our operating hours and our personnel, which in turn shifted our culture in ways that only a global natural disaster could. Covid irreversibly changed our community. \*

As the dust has settled in some ways (but not all!), we have the gift of hindsight and a responsibility to reflect on what works better now, and what doesn't. The goal is to more realistically and efficiently meet the needs of our clients in the here and now, i.e., in a post-Covid world. What follows are some basic thoughts to ensure that we're able to continue to provide the services and creative resources of an unequalled talent pool in the post production arts to a client base that has come to depend on our professionalism and high quality of work.

Given the new insights and approaches we've learned, we're better equipped to appropriately plan and cost out a job realistically. This is always done best together (some things never change), in a collaborative fashion, with the agency/brand and post company working in unison.

If we're given the opportunity to bid the job properly from the beginning, with all pertinent information disclosed up front, the post production company is in a better position to save an advertiser money and work with true efficiency on their behalf. Advertisers are, of course, free to promulgate a "target" budget. In such cases, they should be aware that they run a risk that the budget is not reflective of the work demanded by the job specs, or by what the level of services will ultimately cost. This practice can be ultimately inefficient and wasteful of the post producer's bidding resources, and may result in unrealistic expectations, cost overages for clients or compromised processes implemented.

### **Here are some factors to consider:**

- The pandemic has amplified and intensified the scope of work needed. The average amount of deliverables in a campaign shipment has **dramatically increased**.
- Whether as result of supply chain tangles or the pervasive pressure of inflation, post production cost factors have in many cases been **subject to extreme stresses**.
- In many cases streaming deliverables are thought of and presented as somehow different (and lesser) from broadcast; however streaming distribution doesn't mean that the post process is any different or automatically results in a lower budget. Creating high quality work **takes the same amount of time, skill and effort**, regardless of the platform it runs on, particularly in regard to offline



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### Some things Agencies and Advertisers can do to get the most out of a Post Budget

- **Bring us in early.** We can save you time and money if we are brought into the process early. Agencies should talk to post companies before setting a budget with clients. We will bring in our hard-earned expertise and give you constructive answers and ideas and help develop realistic expectations from the start.
- **Let's collaborate.** We can work together to find solutions to achieve the creative brief within the scope, budget, and schedule. At times, post companies may be able to find and accommodate a “one-time discounted bid,” which is based on situations or circumstances that genuinely apply. Openly discussing the intricacies of each project may uncover opportunities, but we all have to understand and acknowledge that these are achieved on a case-by-case basis and can only be realized if discussed.

Determine jointly with your post production company what services are not needed in order to reduce the budget. Conversely, as soon as you know, discuss additional or different services that may cause costs to exceed the allotted amount for the project.

- **Let's work together to make our industry more socially responsible.** As an industry-wide effort, we are all putting a keen eye on diversity, inclusivity, equity, and sustainability. Let's talk upfront about how our goals can be mutually met, and how much involvement the agency or brand wants to have in creating such opportunities for each project. Creating work with intention requires extra time and, in many cases, specific allocation of resources.
- **Understand the factors that affect rates.** Rates are based on expertise, experience, and reflect real market realities. Be it editor, VFX artist, audio engineer, colorist, producer, or vault manager, they have all worked in their specific areas to excel at what they do, and for us to be able to compensate them fairly, we need to maintain fair rates for services. When we can find opportunities for discounts, we will!

Rates are negotiated between the Advertiser and the post production company. Mutually advantageous negotiated rates often reflect commitments of work volume, incentivized payment terms or which take advantage of scheduling opportunities.

- **Transparency matters.** Share as much information as possible – including directors, creatives, other bidders, VFX considerations, delivery dates and overall ballpark numbers. This allows us to be more accurate in our job planning and avoid surprises.
- **Be prepared.** Make sure that work comes into our studios with all the necessary coverages secured; for example, when dealing with music and sound, make sure you have legal clearance for all materials (voiceover, sound effects, music, sound design, etc.) provided to us by an outside party or vendor.



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- **Work within our structure.** Direct access to personnel, which arose during the “Work From Home” period, has led many to expect that everyone can work beyond realistic business hours. They cannot. Work and communication must be coordinated through the Post Producer for organization and continuity and the most efficient use of resources.

The Post Producer’s role has dramatically broadened in scope in the new hybrid workflow. Accordingly, so has their value in allowing a job to come in as planned. Simply stated, Post Producers are integral to the flow and efficiency of the process and have dedicated lines in labor.

- **Maintain industry integrity.** Please let us know when an in-house entity is involved. There is an inherent ‘apples and oranges’ situation when one of the bidders in the bid pool is owned by or affiliated with the agency, which may be actionable information that would give the post company the opportunity to decide whether to engage in the project or not. Up front disclosure of the ownership of a bidder by a party on the buyer side (i.e., the agency or advertiser) permits the post producer to avoid undesired competition with ostensibly ‘independent’ companies or unknowing involvement in a “check bid” practice by such parties.
- **Pay promptly.** Post production companies should receive all purchase orders in accordance with contractual payment terms. To confirm booking of facilities or suites, please provide a purchase order or job number, and copy your business manager if applicable.

As contractual obligations, payment terms deserve to be taken seriously; prompt delivery of a purchase order enables the post producer to initiate the billing process quickly, per contract terms. While in all cases payment terms are a matter of negotiation, the position a post producer may take in these processes may reflect its ability to consider special needs and aspects of ongoing post production costs.

- **A change in specs is a change in the project.** When spots are added and/or deliverables changed, it may result in additional costs to complete the project and, depending on the circumstances, may be outside the scope of the original budget. If plans change, generally speaking, so may the budget.

Economic conditions have affected all of us, and inflation hit the post community just as it did other sectors. In post, the best talent still needs to be nurtured and valued; the skill sets for these artists and producers are unique, take time to develop and are critical to the success of a project. This takes time and money and must be respected and properly compensated.

Overall, an independent, competitive, and diverse landscape is important to maintain a healthy and creative industry for brands and agencies alike. By following these basic values and practices, we can continue to thrive together.



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*\*While the following have been cast in terms of the first-person plural (“We”), these observations, opinions and statements do not represent any collective agreement among post-production companies or official policies of AICP with respect to any particular terms, conditions or business practices all of which are subject to individual company determination.*

*AICP post members are made up of individual post companies who strive for excellence in their field. We are committed to ethical practices, equitable standards, nurturing and growing talent, all with the shared goal of making meaningful and purposeful work. We are a collective of individuals, owners, small to large businesses, creatives, makers – and together we create an impactful subset of the broader advertising community.*