

After the Majors: Toon Execs Branch Out On Their Own

Karen Raugust looks at how animation executives rely on their big-studio experience to launch new indie production houses.

Over the last five years or so, a number of independent studios have entered the animation business. Headed and staffed by people who formerly worked at the major studios or the larger independents, these new entities are light on their feet and flexible enough to weather the ebbs and flows of the business.

Improvements in technology have driven this trend, at least in part. Software and hardware have become less expensive, more sophisticated and more accessible to all. In fact, studios can come close to emulating many of the features of the larger studios' proprietary systems with off-the-shelf products. "The cost of technology is so much lower now to set up a studio for high-end graphic work than even five years ago," says Rick Mischel, president of Vancouver-based Reach Games.

Mischel is the former CEO of Mainframe, a 300-person-strong, publicly held 3D animation company. When Rainmaker Ent. purchased Mainframe from IDT Ent., Mischel spun out Mainframe's 12-person games division, which did service work for other companies. The new firm's goal is to be a North American source for high-quality, timely service work. "Everyone thinks of Asia for outsourcing, but with the right overhead structure and the incredible talent we have in Vancouver, we can provide high-quality work at only a slight premium over the cost in Asia," Mischel explains. Reach produces mobile, casual and handheld games from beginning to end, and provides animation and modeling work for console titles.

Paul Golden, founder of FFAKE, which creates animation for commercials, television, features, interactive and online, says it's encouraging that a new studio no longer needs a half-million-dollar edit suite or million-dollar Flame for compositing. But he, like other independent studio heads, points out that picking the right people and the right projects is key. "Anyone can buy a hammer, but not everyone can build a beautiful cabinet," Golden says.

FFAKE's projects range from manga-style PSAs for Partnership for a Drug-Free America,

in conjunction with Maverix Art Collective, to creating Flash animation for interactive book titles published by LeapFrog. Golden, who was most recently president of ads at Vinton Studios (now Laika) and has worked at Broadcast Arts (now Curious Pictures), VFX house Dream Quest (now part of Disney), Colossal and Wild Brain, formed FFAKE six months ago.

Technology also has made it easier for independents to discover new talent and collaborate with talent in multiple locations. Dominic Carola, president and co-founder of Project Firefly Animation Studios, formed by a group of ex-Disney Orlando employees in 2004, says he has worked with people from California, Chicago, Brazil and Virginia, often collaborating through videoconferencing and iChat after an initial period on-site. Some of Project Firefly's projects have included several DVD features for Disney, 25% of the animation for Universal Pictures' *Curious George* movie, and a TV pilot, *Farm Force*, for which Porchlight Ent. just signed a development and distribution agreement. The studio also has worked on a number of Internet and interactive projects for companies such as Polygon Web Creations.

Funny Pages Prods., co-founded by former Disney Orlando employees Tom Bancroft and Rob Corley, is located in Franklin, Tennessee. The Internet has not only enabled the studio to work with clients and animators who are based far away, but has allowed it to find new talent from around the world. Recently, for example, it mined the blogosphere to discover an artist in Poland who had a unique style for a specific project. "We're able to find talent immediately," Corley says. "You can find artists you'd never have known about."

Funny Pages' projects have included several for the Christian market, such as directing six of 22 episodes for the next season of *3-2-1 Penguins* on NBC and illustrating 15 Big Idea-licensed *VeggieTales* books for Scholastic. It also recently signed an eight-book deal for an original manga-style property called *Tomo* with Zondervan. Meanwhile, technology also has given rise to more demand for content. Many of the new indies are supplying entertainment for broadband, mobile phones and other portable devices. The Tornante Co., a firm started by former Disney ceo Michael Eisner to make investments in and incubate companies in the media and entertainment space, recently launched Vuguru, a studio focusing exclusively on new media production. Its first webisodic series, the 80-installment *Prom Queen*, premiered in April.

Focus on Flexibility

One thing all these independent studios have in common is their desire to maintain flexibility. They work in many genres and for a wide variety of distribution channels, and they're positioned to quickly staff up and down as schedules dictate.

Sometimes the need for flexibility and cost control in a smaller studio leads to more effective production choices. Bancroft points out that larger studios sometimes spend

significant percentages of their budgets trying to improve scenes, even past the point where the changes are perceptible to the audience at large. "Enough is enough," Bancroft says, adding, "It's easier to see that from our vantage point."

"We do animation on the production company model rather than the studio model," Golden says of FFAKE. In a studio model, he explains, the firm owns all the resources, while in a production company model, it connects to the resources it needs. "The feast and famine [of the studio model] is harder to deal with. It's harder to keep the big machine fed. "I've gone from the battleship to the sailboat," Golden continues. "The battleship is hard to turn around. Being on the sailboat, the storms hit a little harder, but you can stop and have fun sometimes."

"Lean and mean" is how Mischel describes Reach Games' infrastructure. "The main lesson [learned from the bigger studio] was to keep my overhead low, so I could keep my pricing competitive with overseas." He points out that a project-based human resources strategy is easier for a small studio than a large one. "You can be more flexible in your hiring patterns."

Project Firefly operates with a core of about 30 people, with as few as a dozen or as high as about 70, depending on the number of projects in the pipeline. Similarly, Funny Pages has anywhere from one to 20 people working with the two partners at any given time, depending on the workload.

Small, independent studios tend to be attractive to animation professionals because of the creative opportunities. "People get to wear many hats," Carola says. "They learn different aspects of animation that, in a large studio, you don't get exposed to." CGI modelers can learn to texture or render, for example, or animators can get exposure to Flash or Photoshop. "You become more artistically valuable."

"We've gotten more experienced in every aspect of animation," agrees Bancroft. He notes that about 60% to 75% of Funny Pages' projects involve character design, something Bancroft and Corley were exposed to only on a limited basis in the large studio setting. Similarly, the two partners often serve as directors or art directors, tasks they may never have found themselves involved with at Disney.

Of course, creative control is another bonus of having one's own studio. "We're free to develop our own properties and get our own ideas out there," says Corley. In addition to creative benefits, a small studio setting gives employees opportunities to stretch from a business and strategic point of view, as well. "You're able to create a more involved atmosphere for your employees," says Mischel. "They're directly involved in the decision-making of the company. You can't do that with a 300-person company, but you can with a 12-person company."

Of course, heading up a business is entirely different from being an employee. While it can be rewarding, it is also completely novel. "Apart from picking up a pencil and putting it to paper, everything else was brand new," Bancroft says.

Studio Background a Plus While the small-studio experience is much different from that at a major studio, those launching new companies have applied certain elements from their past careers to their new ventures. "It's about taking the things that worked really well, and discarding the things that didn't," Carola says. At Disney, for example, Carola got a good sense of how to relate to all the parties involved in an animation project, learned the language, and discovered how to manage expectations, such as about what deliverables are realistic. All of these attributes are put to good use in his new venture.

Similarly, at Funny Pages, the partners' Disney experience means "we understand the production process, we understand working with clients and with other artists, and we know how to set up a pipeline and process that will best serve our clients," says Corley.

Meanwhile, the reputation gained through working at a large studio helps generate work for a newly launched company. Carola reports that Project Firefly has been able to do a lot of story work for Disney, a task that is rarely farmed out, because the studio's employees were formerly feature animation colleagues.

"We learned a level of professionalism at Disney that has stayed with us," adds Bancroft, who explains that the Disney connection gives Funny Pages' clients a level of trust in the new studio. "The Disney background gets us in the door."

Working at a large studio also helps an animation professional build a network of contacts. All the new studio heads say they frequently work with former colleagues or people whom they first met while working at their former place of employment. "We know what to expect and what they'll deliver," Corley says.

"It's all about the people. That's what it all comes down to," stresses Mischel. He notes that having a team of serious gaming professionals from Mainframe was key to helping his new studio succeed.

While those who have formed new studios love the freedom and other positive attributes of their new lives, breaking from a larger studio is not without risks. "The challenge with a small studio is the *terra firma* of capital and cash flow," Carola says. It's difficult to forecast very far out when it comes to internally generated projects, for instance, because it's hard to estimate future cash flow. "It's really about going through a lot of peaks and valleys. You've got to keep the faith and hold onto what your dream is. You have to have that passion."

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