

# European production of advertising commercials

PREPARED AND PUBLISHED BY A JOINT WORKING PARTY OF THE EACA CFPE

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# European Production of Advertising Commercials

**recommended procedures for  
cost-effective production across  
Europe of television and cinema  
commercials from client brief to  
transmission**

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1ST JANUARY 2004



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This document sets out the procedures for producing advertising commercials in Europe.

Its purpose is to explain the stages and the process of making a commercial and the role of the client, the agency and the production company in each stage.

It does not form any contract for the production of the commercials. Instead, there will be an agreement between the client and the agency and the agency and the production company. Those agreements will not incorporate any part of these procedures.

However, if the production and insurance briefing specification or any other of the specimen documents within this procedures guide are completed and agreed between parties they will become part of the contract between the parties.

The form of the contract between the agency and production company will vary from country to country. In some countries, such as the UK and Germany, there is a standard agreement for the production of commercials which production companies and agencies use as a matter of routine but, in other countries, there are no standard agreements.

For any brand or service the production of a commercial is a significant step not just because of the money which has to be spent on it, but because of the expected and hoped-for creative impact that it will have upon the customers and fortunes of the business or service concerned. Its production should be approached with great care as the finished advertisement will represent a considerable investment, with potential returns that are rather greater than the basic financial commitment.

All advertisers should take necessary steps, with their agencies and selected production companies, to allow themselves the best possible chances of producing a commercial cost-effectively that really will serve their perceived needs.

It has been the consistent view of members of the working party that one of the keys to successful production lies in allowing adequate preparation time for the production to be planned and to proceed efficiently.

The working party advocates certain timetables for certain types of commercial production, but it does this in the clear knowledge that 'ideal' circumstances rarely prevail. That, however, does not invalidate the recommendations.

It is realised that, often, time does not seem to be available, but each advertiser must judge the needs for himself. In doing so he must appreciate that he may be putting his own investment at risk and might increase his costs in wanting particular commercials on the air 'as soon as possible' – or even 'yesterday'!

What is really important is that all concerned should be aware of the full implications of looking at attenuated timetables; these will inhibit all parties' ability to consider and negotiate budgets and prices and to get the desired result at the lowest possible cost.

At the same time, the working party advise strongly that all concerned pay due attention to the advised approval processes for all production stages. [SEE CHAPTER 3]



# 1 client planning and budgeting

- 1 Each advertiser will have his own ways of dealing with television commercial production, but it is highly desirable that all those involved with the briefing of the agency should have a broad understanding of television media, production and production costs and an appreciation of the importance of realistic timetables.
- 2 As a first stage in planning a commercial production, the client, with his agency, will determine a budget for the job. As planning progresses it is likely that the budget will require reconsideration but it is important to keep the total in mind when planning, allocating resources and when briefing the production company and negotiating the contract.
- 3 A realistic timetable must be discussed and agreed with the agency at the earliest opportunity. [SEE DOCUMENT (A)] It must be recognised that compressed or shortened production schedules will only serve to increase the cost and risk to which the production may be subject.
- 4 The client must brief the agency on the detail of his objectives and requirements, including, when necessary, the background marketing objectives and strategy, so that the advertising brief will be specific as to what it is designed to achieve. This should be confirmed in writing. This is particularly important if the advertiser/agency relationship is not long-established.
- 5 A full discussion with the agency as to the allocation of the advertising budget must take place (recognising the role of media buying agencies) covering both media and production requirements. Adequate provision must be made for all running costs eg Artist wage', which should be considered alongside the airtime expenditure. All budgets should be agreed in principle and confirmed in writing. The production allocation will need to be reconsidered in the light of creative development and the production company quote. Amendments should be confirmed in writing.
- 6 An individual in the client organisation should be nominated to carry the responsibility for all briefing and approvals. Extended or 'layered' approval stages tend to add costs to the job. [SEE CHAPTER 3].

# television / cinema commercial production schedule

**FOR A SIMPLE 2/3 DAY BUILD/SHOOT**

approved by EACA/CFPE



client		brand			
subject					
date schedule raised			revision no.		
week	minimum cost effective timetable stages	week	originally proposed dates*	week	revised/actual dates*
	Creative brief to agency				
	Present script to client				
	Client approval of script/ballpark estimate				
	Research				
	Client go ahead to production				
1	A Approval to proceed with production				
	B Select production companies				
	C Script meeting - agency/production companies				
	D PIBS to production companies				
2	A Production company quote to agency				
	B Agency submission of estimate to client				
3	A Review, award & commit contract				
	B Production company contract signed				
	C First 50% invoice to agency				
	D Briefings (casting, location etc)				
4	A Final pre-production meeting/final approvals				
	B Production company to receive payment of first 50%				
	C Shoot				
	D Rushes				
5	A Off-line director's cut				
	B Agency view director's cut off-line				
	C Off-line presentation to client				
6	A Final approval of off-line				
	B Video finish "on-line"				
	C Final agency and client approval on "on-line"				
	D Voice-over record/music and effects dub				
7	A Presentation of completed commercial				
	B Delivery of transmission material to stations				
	C Production company to invoice second 50%				

**NOTE For cinema:**

- a) allow at least two weeks for taking a 'standard TV' commercial to answer print.
- b) after approval of answer print, times for print and delivery will depend on your local requirements (Beware: this could take two-three weeks from answer prints.)

\*Including known delay factors which may be added in blank lines above

agency producer

account executive

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## **general principles**

- 1 It should be noted that, as a principal at law, the agency is held by production companies and other suppliers of creative services as solely liable for payment.
- 2 It is, therefore, essential that the agency is paid by the client in time to pay these suppliers.
- 3 The agency shall be required to finance its own service but not the advertising of its client.

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## **suggested items for inclusion in the contract**

### **a] adherence to procedures**

The client and agency should agree to recognize the approved EACA/CFPE procedures for Producing Advertising Commercials and will follow them.

### **b] rights and liabilities**

The rights and liabilities between agency and client should correspond to those between the agency and the various creative suppliers under the terms of standard or individual conditions and contracts .

### **c] authority**

- i] The client's written approval of television and cinema scripts and/or storyboards with estimated costs, and approval of the standard production quotation will be the agency's authority to make production contracts.
- ii] Clear reference will need to be made as to what constitutes the client's authorisation for the agency to transmit.

### **d] amendments**

- i] The agency should, where possible, obtain the approval of the client before any changes in the estimated cost of various items of advertising or any changes in previously approved plans, schedules or work-in-progress are implemented.
- ii] The client may request the agency to change, reject, cancel or stop all plans, schedules or work-in-progress and the agency will take all possible steps to comply, provided that the agency can do so within the agency's contractual obligations to suppliers.
- iii] In the event of any such cancellations or amendment the client should agree to reimburse the agency for any charges agreed, to which the agency is committed, and also to pay the agency's reasonable costs and fees covering these items.

### **e] usage of material**

The client and agency should ensure that the contract includes a clear statement as to the client's usage rights in the production material (including territories covered) and on what terms the agency shall be remunerated for such usage.





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**f] production costs**

**i] production company contract**

The agency should immediately invoice the client on receipt of the invoice from the production company and will clearly specify by which date it must receive payment in order to comply with the production company payment terms. The client should put the agency in a position to pay the production company in accordance with the agreed settlement dates which are shown in Chapter 10 of the Procedures.

**ii] artists' costs**

The client should agree to pay agency/production company invoices for models' and actors' buy-outs (including renewed buy-outs) promptly on presentation.

**iii] up-front costs incurred before signature of the production company contract**

If the agency and production company agree that, in order to meet schedules, any "up-front" payments are necessary before the contract is signed, these charges must be dealt with in accordance with Chapter 9, paragraph 5 of the Procedures.

**iv] additional costs incurred after contract**

If the agency and production company agree that extra expenditure outside of the schedule is required, these charges must be dealt with in accordance with Chapter 10, paragraph 8 of the Procedures.

## 2 budgeting and briefing in the agency

- 1 Within the agency, responsibility for receiving budget information should be clearly assigned to a single individual, normally the account manager/director, who will also ensure that it is passed on to the creative team, the head of television and the assigned producer and be responsible for monitoring expenditure at all stages.
- 2 The account manager/director must explain the brief received from the client to the creative team and the agency producer if they were not present at the initial briefing. The brief should always be confirmed in writing.
- 3 A 'Television Commercial Production Schedule' should be drawn up by the agency producer. [SEE DOCUMENT **A**]
- 4 *The head of television and/or producer must be involved with all script development and should always see the script(s), including any visuals as well as text, before they are shown to the client in order that a 'ballpark' figure can be prepared.*
- 5 The ballpark figure will represent the best estimate that the producer is able to make for the production of a given script, or set of scripts, to the agreed brief. The figure should include an estimate of the production company costs, the agency's direct costs, the artists' buy-outs and other residual costs.
- 6 Whilst the ballpark figure will give the client an idea of the order of cost likely to be involved with any job, it should never be regarded as a firm quotation in advance of production company quotes and contract negotiations.

### 3 client approvals

- 1 The client should have a formal approval process and should nominate the individual(s) with the authority to approve the creative and financial aspects of each production.
- 2 It is the client's responsibility to give prompt approvals by the dates set out in the Television Commercial Production Schedule: [SEE DOCUMENT (A)]
  - to the scripts, with ballpark figures, before quotes are invited
  - to the agreed final Production Estimate
  - to any changes required to the production schedule.
- 3 Approvals of any changes should be confirmed in writing.
- 4 *Throughout the whole process, lest it cause delays, with consequent higher costs, it is imperative that the client should avoid the 'layering' of approvals (ie having decisions at differing levels), making changes to the script during production and changing the production schedule after the initial approvals.*

- 1 Following the client's approval of the script, the agency should make a decision whether to invite a quote from one production company which it recommends, or competing quotes from a short list of companies, from which a recommendation to the client will be made. This list should not exceed three companies.
- 2 The production company, or companies, should be informed from the outset whether single or multiple quotes are being invited. When a single quote has been invited and further quotes are then required, the original quoter should be informed as soon as possible.
- 3 As a first step, there should be a briefing meeting between the agency and the production company (or companies) concerned, including the creative team, to ensure agreement on all the major factors affecting the production. The points covered in this meeting should be set out and confirmed in the Production and Insurance Briefing Specification (PIBS). [SEE DOCUMENT 
- 4 The following rules should apply whether the quote is to be on a competitive or single company basis:
  - A All companies agreeing to quote must be given a PIBS in the agreed industry format, which should contain reference to any special features or requirements of the production.  
The brief must include all relevant information from storyboard research, animatics and quick and rough films.  
In the absence of a PIBS issued by the agency, the quotation will be subject to amendment if agency requirements, unknown to the production company at the time of the preparation of the quote, are briefed at a later stage.  
The client should be kept fully informed.
  - B If Local Authority clearance has not been obtained before quotes are sought, it should be obtained as quickly as possible and the company (or companies) should be kept informed of all developments, especially any that might affect the creative treatment originally set down in the brief.
  - C The company (or companies) involved must be given the all the relevant material to enable them to make a reasonable judgment of the parameters of the budget so that they will avoid the risk of developing concepts which are inappropriate to the budget or the expectations of the advertiser and agency.
  - D The agency must provide a clear timetable for the production and a date for the supply of the finished commercial, be it for a sales conference or for transmission.
  - E Adequate time must be allowed for the preparation of the quotes, especially when productions involve substantial set-builds, foreign locations or when the production company (or companies) is required to do research prior to finalising the quote. Where competitive quotes are being called for, all companies should be given the same length of time to prepare their quotes and the same date upon which to supply them. With the exception of fast-track production, a minimum of one working week should be allowed between the briefing meeting and the provision of a quote.
  - F All quotes must be provided on a standard production quote.

# production briefing specification

approved by EACA/CFPE



**from:** (agency)

agency producer

creative group

**to:** production company

producer

director

client

product

length(s)

no.

title(s)

versions

format: 35mm [ ] 16mm [ ] video [ ] other [ ]

we would like you to provide an estimate for the production of the television [ ] cinema [ ] both [ ]

commercials listed above

the script(s)/storyboard you are quoting on is/are attached and is/are dated:

submission no.

we need your estimate by:

we intend to confirm the production on:

your delivery dates are as follows:

to the agency:

in what form:

to the client:

in what form:

this film(s) is being made for international use: yes [ ] no [ ]

See **special requirements**

please quote for use in the following countries:

the number of companies quoting is:

material may be required for use in future productions for the same client/product group. yes [ ] no [ ]

**creative brief and guidelines**

**special requirements**

the accompanying check list shows whether agency or production company will be responsible for particular areas of production. On acceptance of the detail contained within this specification please return with your quotation to the agency producer.

signed

on behalf of the advertising agency: date

signed

on behalf of the production company: date

# production and insurance briefing specification

\* These items are subject to special consideration

		responsibility of		
		agency	prod. co	not required
01*	Location recce	01*		
02*	International casting	02*		
03*	Casting	03*		
04	Video casting	04		
05	Artists test fees	05		
06	Artists fees - featured (BSF)	06		
07	Artists fees - extras	07		
08	Artists fees - stand ins	08		
09	Artists fees - stunts (BSF only)	09		
10	Artists fees - voice overs	10		
11	Child audition fees	11		
12	Child artiste fees	12		
13	Chaperone fees	13		
14	Hand artiste	14		
15	International voice-over	15		
16*	Animals & handlers	16*		
17	Home economist	17		
18	Stills photographers	18		
19*	Special personnel	19*		
20	Artwork/packs	20		
21	Product delivery	21		
22*	Wardrobe	22*		
23*	Props	23*		
24	Travel/hotel	24		
	A) Client			
	B) Agency			
	C) Artists			
25	Rushes only	25		
26	Director's cut	26		
27	To D1 master without opticals	27		
28	To D1 master with film/video opticals	28		
29	Kinescopage	29		
30	Intermediate pos & neg	30		
31	Recording - No. of hours.....	31		
32	Dubbing - No. of hours.....	32		
33	Sound FX	33		
34	Library music	34		
	A) Search & tech expenses			
	B) Rights			
35	Stock shots	35		
	A) Search & tech expenses			
	B) Rights			
36	Master safety copies	36		
37	VHS number	37		
38	Broadcast copies	38		
39	Artiste insurance	39		
	A) Employer's liability			
	B) Non-appearance fee			
	C) Travel insurance			
40	Other insurance	40		
41	Weather insurance	41		
42	Original music and recording	42		
43	Singers' session fees	43		
44	Music licence	44		
	A) Years.....			
	B) Territories.....			
45		45		
46		46		
47		47		
48		48		
	<b>Separate costings required for:</b>			
49	Weather days giving weekends separately	49		
50	Weather insurance	50		
51	Artists buyouts for.....months for.....countries as listed	51		
52	Individual country versions	52		
53		53		
54		54		



1 The whole production process is a high risk one and it is vital to ensure that the risks are covered by full and effective insurance policies. The responsibility for this will rest jointly on the advertising agency and the production company, but it is important that the client is aware of the arrangements.

2 The production contract should state those specific areas of responsibility for insurance cover, which must be undertaken by the agency and the production agency, but the contract will only be properly completed if full information is provided at the briefing stage.

As part of this, special attention should be given to the following areas:

### *Weather days*

A “Weather Day” is a day on which shooting takes place because it has not been possible to complete filming on the scheduled shooting dates as a result of unsuitable the weather on all or part of one or more of those days.

The cost of a Weather Day (being the costs incurred and quoted by the production company plus a mark up) should be met by the client.

The client can insure himself against such costs and the agency should advise him of both the cost of a Weather Day and the cost of insuring against a Weather Day, so that he can decide whether or not to take out the relevant insurance.

Contracts should provide that the client will pay the Weather Day cost to the agency within twenty one days of the Weather Day (whether or not the client has opted to take Weather Day insurance) and for the agency to pay the production company all Weather Day costs within thirty days of the Weather Day.

Weather insurance can cover different types of weather risks that make shooting impractical in accordance with the script:

- I Reasonable photographic conditions
- II Sunshine
- III No rain
- IV Wind

### *Special properties*

If “special properties” are involved, specific arrangements should be made. Where these relate to client products (eg cars, food, packaging etc.), the client/agency will need to insure such items until they are delivered on-set. From that point until the end of the shoot, responsibility will pass to the production company’s insurance. Thereafter it will revert back to the client/agency.

### *Artist insurance*

Whoever engages the artist will be responsible for his/her non-appearance up to the time when he/she is called onto the set. The artist will then be under the director’s control and fall under the production company’s insurance cover, until he/she is released at the end of the shooting day. Thereafter, the artist will, once again, become the insurance responsibility of whoever engaged him/her.

## 6 artists [performers]

- 1 Artists are an expensive part of any production and all should be fully aware of this. Normally the approved production estimate will have indicated the details of the artists being engaged, but this cost will only cover the shoot.
- 2 In most cases the transmission of a commercial will involve the subsequent regular payment of use, or residual fees, depending on transmission arrangements. Particular caution is required when separate media buying companies are employed in addition to the advertising agency to ensure correct information is given to the talent negotiator.
- 3 All concerned with the casting and engagement process should be familiar with the definitions applied to “Featured”, “Walk-on” and “Background” artists (or their local equivalents). It is very important that each artist’s category should be most carefully defined at the outset as any attempt at subsequent regarding of an artist’s status can be a very difficult, expensive and delicate matter ie featured or background extra.
- 4 Usage rights have to be negotiated individually with the artist’s agent. As a rule of thumb, the PMA and AMA charts are usually used across Europe as a starting point for negotiation. These illustrate the cost of using a performer country by country as a % of the basic daily rate on which the artist was originally engaged. Please note, however, these are only an initial guideline and final figures will depend on individual negotiation. As always, it is desirable to include all ancillary usages and all countries at the outset of negotiations – as later negotiation can be extremely expensive.
- 5 Particular attention is drawn to the separate and distinct status of children or minors i.e. any performer under the age of 16 years in any performance in a commercial.
- 6 The role and responsibilities of a ‘casting director’ (if employed) should be properly defined. Their brief, in respect of each artist, must be absolutely confidential and ‘secure’ as to each individual artist contracted and their positive confirmation of this understanding should be sought.
- 7 If the production company is commissioning talent, it should be informed by the agency about the media budget or the number of planned screenings to be able to negotiate the usage fee of the actor(s).

Music plays a major role in most television/cinema commercials.

In simple terms, it will break down into three types:

- a) specially commissioned music (ie written to fit your commercial)
- b) existing track (ie commercially available in shops or heard on the radio).
- c) production or library music (ie existing compositions for audio visual use, including commercials, and made available to professionals in film, TV and advertising on CD).

All three approaches should be discussed with the creative team/client/director and costs included in the original quotation to the client.

For each route, it is also necessary that the account team/client give the producer a full usage schedule/territories before any usage negotiations can take place. Similarly check if any alternate media to TV are intended (eg cinema, radio, Internet or other ancillary media).

It is better to negotiate ALL USAGES from the start than after the initial deal has been done.

#### *Specially written tracks*

- a) A brief to the music company should be written by the creative team and agreed by the agency/client/director before sending.
- b) After the demo and costs have been agreed then the agency should give a copy of the final film edit to the composer to produce his/her finished track.

#### *Existing tracks*

- a) The creative team will have a track in mind and this should be shown on the original script presented to the client.
- b) The publishing company or music negotiators should be asked to find out how much the track would cost to use and its availability on the basis of all the likely media usage options. Permission and payment will have to be made to both the publisher of the music and the record company which recorded it.
- c) A decision should be made prior to talking to any music company, whether it is intended to use an existing track without re-recording and changing the words or whether you wish to do so. This could affect the original performing artists' view on releasing the track and on the cost.

#### *Library*

The library track will be owned by a library music company and all negotiation should be carried out directly with them.

**NB** All parties have to keep in mind that beside the “moral” and “technical” rights being paid to a composer/editor/music company, in various countries additional charges have to be paid.

- 1 Production companies should prepare their quotes on a standard industry form. Each must be based on the agreed PIBS from the agency, unless otherwise indicated on the quote.
- 2 If there is a subsequent change in the PIBS, the companies should have the opportunity to revise their quotes.
- 3 It must be recognised that accurate estimation of many items is very difficult at this stage. If a 'recce' or some research will result in a more accurate quote, the production company should not be expected to bear this cost if it has no assurance of reimbursement from the agency.
- 4 All quotes should indicate the period during which the job might be commissioned at the quoted price, subject to any extra cost imposed by foreign government action.
- 5 The company and the agency should agree in advance any parameters which might be necessary for dealing with foreign currency fluctuations.
- 6 When competitive quotes have been sought, the agency should observe the following rules:
  - A Each must be regarded as strictly confidential and must not, in any circumstances, be divulged to competing companies.
  - B Each must be evaluated by the agency, taking into account all the relevant factors – and not just cost, before a decision between them is taken.
  - C The agency producer should present all quotes to the client with the agency's recommendation of production company and the reasons for any disparity between its quote and the agency's ballpark figure.
  - D After consultation between the agency and the client, a period not exceeding five working days should be allowed for discussions between the agency and the production company, in order to arrive at a finally agreed contract price.
  - E The final details of the contract must be settled before any work begins on the production so that written confirmation may be given before any costs are incurred.
- 7 Together with the production company's quote(s), the agency must present the client with an estimate for directly incurred costs. [SEE ABOVE]
- 8 The agency should confirm to the client the details of the Television Commercial Production Schedule, indicating any differences from preceding schedules.
- 9 When the client approves the quote presented to him, the agency should confirm the production to the company concerned immediately – and in writing.
- 10 Likewise, the agency must inform, promptly, those production companies whose quotes have not been accepted.

1 **client/agency contracts**

- A There should be a formal written agreement between the advertiser and the agency which ought to cover all relevant responsibilities. These will include the detail of agreed payment arrangements, which will be compatible with the recommended payment arrangements between agencies and the production companies. [SEE DOCUMENT (B)]
- B Within the terms of this agreement, specific provision should be made for the payment of television production costs.

2 **production quote(s)**

- A The agency should secure from the advertiser written approval of the choice of production company before any production expenditure is incurred.
- B The production quote should be set out in detail on the agreed form. [SEE ABOVE]

3 **approval**

- A When he receives the quote from the agency, the advertiser must either give written approval or raise queries without delay. If further discussions are needed with the selected production company to reach an agreed contract price, this process should be completed within five working days [CF CHAPTER 8.6D].
- B The advertiser must make appropriate internal arrangements to ensure approval in sufficient time to meet the scheduled delivery date, including:
  - I allocations of responsibility for decisions at senior levels. [SEE CHAPTER 3]
  - II the methods for issuing purchase orders (or any other form of approval – see item D)
  - III the method for authorising payments.
- C If the approval is delayed, the advertiser must immediately inform the agency, who will advise the production company. This could lead to loss of key personnel, (eg the selected director), the postponement of the air date etc, with possible major budget implications.
- D The preferred method of advertiser approval of the quote should be specified in the advertiser/agency agreement.
- E As soon as approval is received, the agency should set in train the procedures outlined in Chapter 8.

4 **expenditure and payments**

- A When the agency receives the advertiser's approval, it should immediately invoice the advertiser for the first 50% of the quote.
- B When the production company's contracted work is completed, the agency should invoice the advertiser for the second 50%.
- C Payment terms for 'fast-track' commercial production (first payment of 75%) must be approved by the advertiser in advance.

D The advertiser must ensure, in all cases, that the agency receives payment prior to the date on which the agency has to pay the production company, as late payment by him is not a reason for a delayed payment to the production company.

5 **up-front costs incurred before signature of the production company contract.**

A If the agency and production company agree that 'up-front' payments are necessary to meet time schedules before the contract is signed, they must be approved by the advertiser, and confirmed in writing.

- 1 When the agency receives an advertiser's written approval of the quote to award the contract under the procedures detailed in Chapter 8 the production company must immediately be informed, in writing, that it has been awarded the job.
- 2 The agency must ensure, on the same day, that the production company has received a signed copy of the contract. The contract price must correspond to that shown in the approved estimate.
- 3 When the production company has received written confirmation of the job, it should issue its invoice for the first 50% to the agency. The amount should be paid at least 7 days before the first shoot day.
- 4 The production company should not proceed with any work on the principal production until it has received the written confirmation from the agency.
- 5 If it is necessary to undertake preparatory work before the written confirmation has been received, then this must be approved in writing by the agency on appropriate paperwork and the agency should have obtained the advertiser's prior approval. If the job does not subsequently proceed, the agency must reimburse the production company for the costs incurred .
- 6 The production company should issue an invoice for the second 50% when the contracted work has been completed and has been approved and accepted by the agency. The amount should be settled as within 30 days after the receipt of the invoice. In the case of "fast-track" productions, shooting abroad, or productions involving extensive post-production, other installments of payment may be agreed beforehand.
- 7 The agency is responsible for giving approval for the contracted work and this approval must not be unreasonably delayed or withheld.
- 8 Any work which is additional to the contract specification, or any alterations which result in additional costs, must be authorised in writing.

Pre-Production is defined as ‘the phase following the confirmation and contracting of the job, leading up to the shoot’. It culminates with the Pre-Production Meeting (the PPM). By this time, it is imperative that the scripts, storyboards etc. comply satisfactorily with the agreed creative brief and that, at the end of the PPM all those involved are agreed on the objectives for the production.

*As this is the single, most important meeting in the whole of the commercial production process, it is the last time to ‘speak out’ on any issues which have not been cleared previously, or about which any doubts might prevail.*

All those concerned must understand completely that any changes made after the pre-production meeting may lead to disruption, possible increased costs and might well compromise the final production.

## pre-production

- 1 During pre-production all relevant steps in the process must be put in place in order that the job may proceed successfully – and to schedule. The steps would include, for example, confirmation of the crew and equipment reservations, special effects (FX), locations, sets, models, casting, key props, etc. and booking key personnel.
- 2 Proposed location photographs and/or videos need to be approved by the agency for presentation to the client .
- 3 Sets must be agreed at the drawings stage by authorised agency and client representatives, who must also be available for consultation during construction to attend the final ‘dress’ and ‘pre-light’ sessions.
- 4 It may be necessary to call a ‘pre’-pre-production meeting where decisions need to be taken at an early stage.

## the pre-production meeting

- 5 The final Pre-Production Meeting is a ‘confirmation’ meeting; it is *not* a ‘creative’ meeting, as all relevant issues should have been dealt with and agreed by this stage.
- 6 The meeting should be attended by the responsible and authorised representatives of the client, agency and production company.
- 7 It should be held at least 7 days before the first shooting day.
- 8 The agency producer will be responsible for issuing the agenda, co-ordinating and chairing the meeting and for ensuring that proper minutes are taken.
- 9 The agenda for the meeting should be based on the format shown. [SEE DOCUMENT 
- 10 During the meeting responsibilities for each step in the process should be clearly assigned to the appropriate individuals.
- 11 The minutes must be circulated, promptly, to all those concerned with the production; any queries arising must be settled immediately with the agency producer.
- 12 After the meeting, if appropriate, the agency and production company may review the PIBS and agree any changes to the contracted price which might follow any changes in circumstances and any such amendment must be approved by the client.
- 13 Any changes to the contracted price must be confirmed in writing by an agreed amendment to the contract and duly signed by the agency and the production company.

# check list for a pre-production meeting agenda

approved by EACA/CFPE



		responsibility		
		agency	production co.	client
1	Legal script approval			
2	Director's interpretation			
	i Script and storyboard			
	ii Casting a) featured b) walk-on			
	iii Wardrobe			
	iv Set drawings			
	v Recce/location stills			
	vi Props			
3	Post production work			
	i Clarification of responsibility			
	ii Titles/special effects			
	iii Versions			
	iv Cinema versions			
	v Music			
	vi Voice over			
4	Hands artist/stand-in/extras			
5	Stunts/precision driver/other specialist personnel			
6	Special models			
7	Test shoot			
8	Animals/veterinary supervision			
9	Product and special packs/artwork			
10	Special effects			
11	Food and home economists			
12	Copyright art permissions			
13	Schedule			
14	Stills photographer			
15	Subtitling			
16	Visa/work permits - for this country and abroad			
17	Location shooting permissions			
18	Safety and security			
19	Insurance - including weather			
20	Address studio/location			
21	Any other business			

Responsibility for circulation of agreed minutes to be with agency producer.

Minutes to be approved by agency producer, production company producer and client prior to shoot.

## 12 the shoot

- 1 The shoot should proceed as agreed at the final pre-production meeting and under the control of the production company.
- 2 A call sheet and shot list/storyboard with intended timings of crucial stages should have been made available to the agency producer by the production company before the shoot.
- 3 Agency attendance at the shoot should consist of the authorised agency producer and/or other authorised representative(s) and members of the creative team.
- 4 The agency representatives should be present from the *call time*, or such other time as may be agreed, and should be available for consultation throughout the shoot. They should be encouraged to observe the industry practice of 'one agency voice' on the studio floor.
- 5 It is desirable, though not always essential, that an authorised representative of the client should attend the shoot, accompanied by a member of account management, and should be available for consultation on specific aspects of the film. ***The individual client concerned must always have authority to make decisions where required.***
- 6 Any specialist contributors or advisers supplied by the client, agency or production company (eg a home economist, product technician, etc) must come under the authority of the production company director and producer during the shoot day for purposes of hours of attendance and work discipline.
- 7 The attendance of other visitors at the shoot should take place only by prior arrangement between the agency and the film production company. Visitors must report to either the agency producer or the production company producer on arrival at the shoot.
- 8 Everyone attending the shoot, including visitors, should observe any requirements or restrictions which are introduced by the production company in the interests of safety and efficiency.
- 9 It is the client's responsibility to ensure supply of product and packs are dealt with as agreed at the pre-production meeting.
- 10 Any request of agency representative(s) to check the shot or to view the linked video should be addressed to the director or his assistant. Excessive use of the video replay facility should be avoided in order to prevent delay to the shooting schedule.
- 11 It is for the production company, in consultation with the agency and client representatives, to determine whether, after the requirements of the script, storyboard and animatics have been met, further filming should take place, without addition to the approved cost estimate, to enhance the creative interpretation.

- 12 Any alterations or additions to the commercial during the shoot must be by agreement between the parties. If changes are required which involve additional cost, a quotation for the cost, wherever possible, should be given on the spot and the agency's authorised representative should give written confirmation prior to the work taking place. These costs should be recorded on an 'Extra Charge Authorisation' form [SEE DOCUMENT ⑤]. The client should only sign off extra charges if they are supported by this form, duly completed and signed by representatives of the production company and agency.
- (It is recognised that sometimes it may not be possible to give a totally adequate quote 'on the spot' but, if it is agreed that the work is necessary to the successful completion of the shoot, any uncertainty about the quote should be noted on the form, to be followed up later.)

# extra charge authorisation

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production company

producer

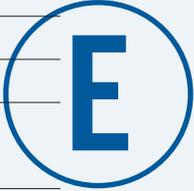
agency

producer

client

product

date



details of extra work

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

estimated cost

accepted by

for and on behalf of

production company

authorised by

for and on behalf of

agency

- 1 A considerable number of productions are either wholly animation or have an animation component. While the traditional crafts of cell/character and stop-frame animation are alive and well, the nature of animation has changed significantly and will continue to do so. Through advances in digital technology, ideas that previously would only have been possible to execute as traditional animation. may be achieved by applying 3D animation, modelling and rendering.
- 2 Even when applying digital animation, consideration should be given to involving an animator. Animators are highly trained in the craft of creating life-like movement.
- 3 Where character design is involved it should always be scheduled as a separate precursor to the production process. Even more than with live action, agreeing in detail the proposed storyboard elements of character, design and colour is critical. It becomes progressively more difficult and expensive to make changes. Approvals by the agency and the client are needed during the animation process.
- 4 Where characters or a specific graphic intellectual property are exclusively created by the animator, they are separate from the moral/intellectual rights waived by the contract. This should always be discussed at the outset. Where possible, prices should be agreed for further or ancillary use. These ancillary areas may be defined as internal use, other advertising and merchandising.
- 5 As a rule, animation productions are more time consuming than live action productions. When undertaking to schedule jobs which involve a combination of live action and animation, think of it as making two consecutive commercials. Whilst some corners can be cut, the correct amount of time is seldom allowed. For cost effective production, respect the schedule, [SEE DOCUMENT (A) ] and allow time in it for possible changes.
- 6 Note should be taken of the specific detail of the animation quote.

**general**

*It is very important that any changes that might be considered should be made at the film's 'rough-cut' stage, before getting into full post production .*

'Post production' is the process of finishing the commercial, after the footage has been shot up to the supply of transmission material and covers many areas from editing to complex visual and audio effects and, often, cinema prints. It can be a very expensive and time-consuming part of the total production. Usually, it will involve one, or more, of the specialist companies which are equipped to provide a range of versatile facilities for finishing commercials and, probably, 'new technology', which, by definition, is in a state of constant change and development.

As, in an increasingly large number of productions, the use of video and audio effects is a fundamental part of the agency's creative requirement and the execution of the concept, it is vital that the post-production process is conceived, planned and adequately budgeted for, from the outset, preferably involving the post-production suppliers.

Thus, when the production company prepares its quote, based on the PIBS and the director's interpretation, all probable post production elements, including the likely time required, should be considered and provision be made for them. This quote will be given to the agency and presented to the client (and where appropriate, to their cost consultant). It will embrace all the envisaged costs up to the completion of the commercial(s), including the those of video and audio effects, as a part of the original contracted price.

Once the production company has been chosen and, when possible, prior to the finalisation of the contracted price, the agency and the director should meet with the proposed post production supplier(s), to confirm, in detail, the post production requirements, how they might be effected, in what time span and at what cost.

**NB** It is vital that the availability of versatile post-production facilities should *not* be regarded as a 'production crutch' for amending or correcting shooting shortcomings in material, for mind-changes on the shoot, undue creative pressures 'on the floor' or as a substitute for a properly disciplined approach to the original basic requirements. *Be warned that all changes from the agreed storyboard/script at any stage in this process, which might be deceptively easy to achieve, can be very expensive.*

### some basic principles

- 1 Best practice requires full consultation from the start of the production process between all the parties concerned, including, where possible, the editor and facilities house, to ensure complete clarity amongst them as to what is required and 'absolute transparency' about the costs involved. It is important that it is clearly defined at the start of the production where the contractual relationship begins and ends with other suppliers.
- 2 The agency producer will normally be responsible for obtaining production approvals and authorising any extra charges.
- 3 *Again, it is important to emphasise that any 'layering' of approvals – be it at the client or agency end – particularly during post production, may lead to very substantial cost increases.*
- 4 Advertisers and agencies who wish to limit their costs should keep their requirements for extra editing to a minimum. Whilst new technology can facilitate a succession of different cuts or versions very quickly, it is very expensive.
- 5 The PIBS, quote and contract will specify clearly, in detail, the production and post production requirements and responsibilities and the point up to which work is covered by the basic contract price. It ought, also, to indicate what variations to the finished commercial might be needed.
- 6 Based on their director's interpretation and the agency specification, the production company's original quote should include, in detail, the post production requirements and schedule. Any alterations which might involve extra costs may be dealt with by the 'Extra charges authorisation' procedures.
- 7 The director's creative involvement and the production company's contract will end at the same, specified, point and should be clear to all concerned,

### editing

- 8 The footage shot will require editing, which is a fundamental part of the physical and creative process. The production company quote must make it clear what editing work is provided for within the basic contract price. This editing must be under the creative control of the director, whose presence will be required, and must be included in the production company's contract.
- 9 The first stage is for the director, with the editor, chosen for the appropriateness of his skills, to select the shots needed to arrive at a, creatively satisfactory, director's preferred cut, meeting the brief. This will then be presented to the agency creative team and agency producer for discussion and, if required, amendments made (which will be the responsibility of the production company), to arrive at an agreed 'Director's cut' for presentation to the agency.

10 The director, editor and creative team/producer, will then, if required by the agency, continue to collaborate to produce the agreed 'Agency cut'. Acceptance of this cut (by the agency on behalf of the client) defines the point after which additional picture editing work may become chargeable, at a price to be agreed by the agency and production company producer.

11 It should be recognised that if, after discussion between the client and the agency, there is a need for yet further editing beyond the end-point stipulated in the contract, this could result in additional charges.  
If changes are needed to bring the project back to the agreed interpretation of the script and/or storyboard, then any additional costs must be borne by the agency. If this work is the consequence of the client altering his original brief, then the costs are their responsibility.

#### **video finishing on-line**

12 The production company's quote should, where specified, include both off-line and on-line (including video and audio) costs and might, where appropriate, involve getting competitive quotations from on-line facility houses, particularly where costs might be substantial and technical solutions to the directors' shot list or storyboard might vary.

13 Where grading or on-line post production is integral to the director's agreed interpretation of the concept, responsibility for finishing the commercial will normally remain with the production company; the PIBS, estimate and contract should provide for this.  
Strict control of the creative requirement is essential because the capability of current equipment which allows for many variations and/or embellishments to agreed work. All concerned should be well aware when experimentation goes beyond the agreed storyboard and budget.  
All concerned should be made aware of the exact parameters of the agreement with the on-line facility house, so that they know the point from which additional charges may be incurred.

#### **audio finishing**

14 Music, as well as sound design, are often very important elements in the creative concept, so it is essential that the complexities of the track be taken into account at a very early stage in the production process. Both scheduling and budget implications should be considered so that proper provisions will be made and reflected in the PIBS and the quote.  
Care should also be taken to check the duration of any music licences that might be involved.

Similarly, care should be taken to check the availability of the selected voice-overs by the party contracting them. The agency and the client prior to recording should have approved them. Voice-over scheduling and budget implications should be costed so that proper provisions will be made and reflected in the PIBS and the production company quote.

### **television versions**

15 When known versions are required, these will be included within the PIBS and quote.

[SEE CHAPTER 15 MULTI-NATIONAL PRODUCTION]

If further local versions are required, beyond the contract, the agency should ask the production company to quote for this work.

### **cinema requirements**

16 If it is known that a cinema version will be needed, this should be included within the PIBS and original quote.

17 If this version is not included within the original brief, it should be quoted for separately.

The agency should give the production company an opportunity to quote on this work, if it is appropriate.

18 If the work is to be completed directly with the film editor, a separate contract should be drawn up between the parties.

19 In either case, the quotes should be made available to the client (and/or their cost consultant), prior to the work starting.

20 In preparing material for use in the cinema, in consultation with the editor and the post-production house, special care and attention should be paid to the following:

- cinema requirements as to film lengths the certification process, if applicable
- its special titling needs
- the scheduling of the cinema production work
- grading
- special sound requirements
- bulk print checking
- delivery requirements

21 It would be appropriate, depending on the advertisement, to make special reference to some, or all, of these details in the PIBS.

It is important that an advertiser should be thinking about multi-national production at the very earliest stage, ie at the creative brief. They should give particular consideration as to when a commercial might be needed for use in another country or market than that for which it was originally created. Failure to recognise this need, or opportunity, until after the script is written or has gone into production will lead to all manner of unforeseen costs. Once a commercial is made, any change to the basis of the contract can be very expensive.

Therefore, those concerned in a multi-national advertisers' organisation with foreign markets should be made aware of the potential of any proposed commercials, even if the brand or service is sold under a different name. Any decision to apply the commercial for multi-national use must be made at a high level and be the responsibility of a single executive, with authority to take the appropriate decisions.

A commercial which has been properly planned and produced need not be more expensive than the same commercial made for a single country, apart from local editing needs eg titling, or commercial length. Where there are recognised national variations and payments of clearly defined costs for cast or music rights, these must be negotiated before the shoot.

In considering a multi-national commercial, it is recommended that the following points be borne in mind:

- 1 The ideal multi-national commercial will have the same product, same pack-shot, same cast and sound track. This is the most cost-effective route. It is unlikely, however, that it will meet every creative solution.
- 2 Whilst every commercial needs the proper amount of pre-production, the multi-national will need even more time.
- 3 The client should be encouraged to hold their own pre pre-production meetings to iron out the differences which might arise as between one market and another.
- 4 This will allow the main pre-production meeting between the agency, client and production company to be truly productive.
- 5 Ideally, the pre-production meeting should be attended by only one client representative who should be the one with total control over the project.
- 6 During post production most countries will prefer to record their own voice-overs, put titles on, etc, so provision must be made within the timetable for this. Further, it must not be forgotten that each country has its own delivery dates to TV stations and cinemas, which vary from country to country.
- 7 The client representative should also be the paymaster for the agency and production company. It should never be any part of the remit of the agency to collect money from separate client companies.
- 8 All contracts with the production company, artists and music composers must be completely negotiated well before the shoot.

With more and more commercials being filmed abroad, it is important to ensure that everyone understands the potential impact of currency and exchange rate fluctuations.

To avoid later disputes, it is important that agencies and production companies agree at the outset who will be responsible for extra costs in the event of major changes.





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