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Top Quality Group

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COMPUTING VISION

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What We Know & Where We'll Go

- Best interest to limit catastrophic failure by limiting capital expenditure to under 10 million dollars.

- As we gain familiarity and grow our entertainment portfolio, we can expand into higher grossing films.

Overview

Produce a plan for developing a new movie as a startup through statistical data,

Short-term

Look at genres under a 10-million-dollar production budget for the short-term.

Future Aspects

5-10 years in the future we should invest into movies with over a 10-million-dollar production budget.

Top Ten Studios by Average Profit
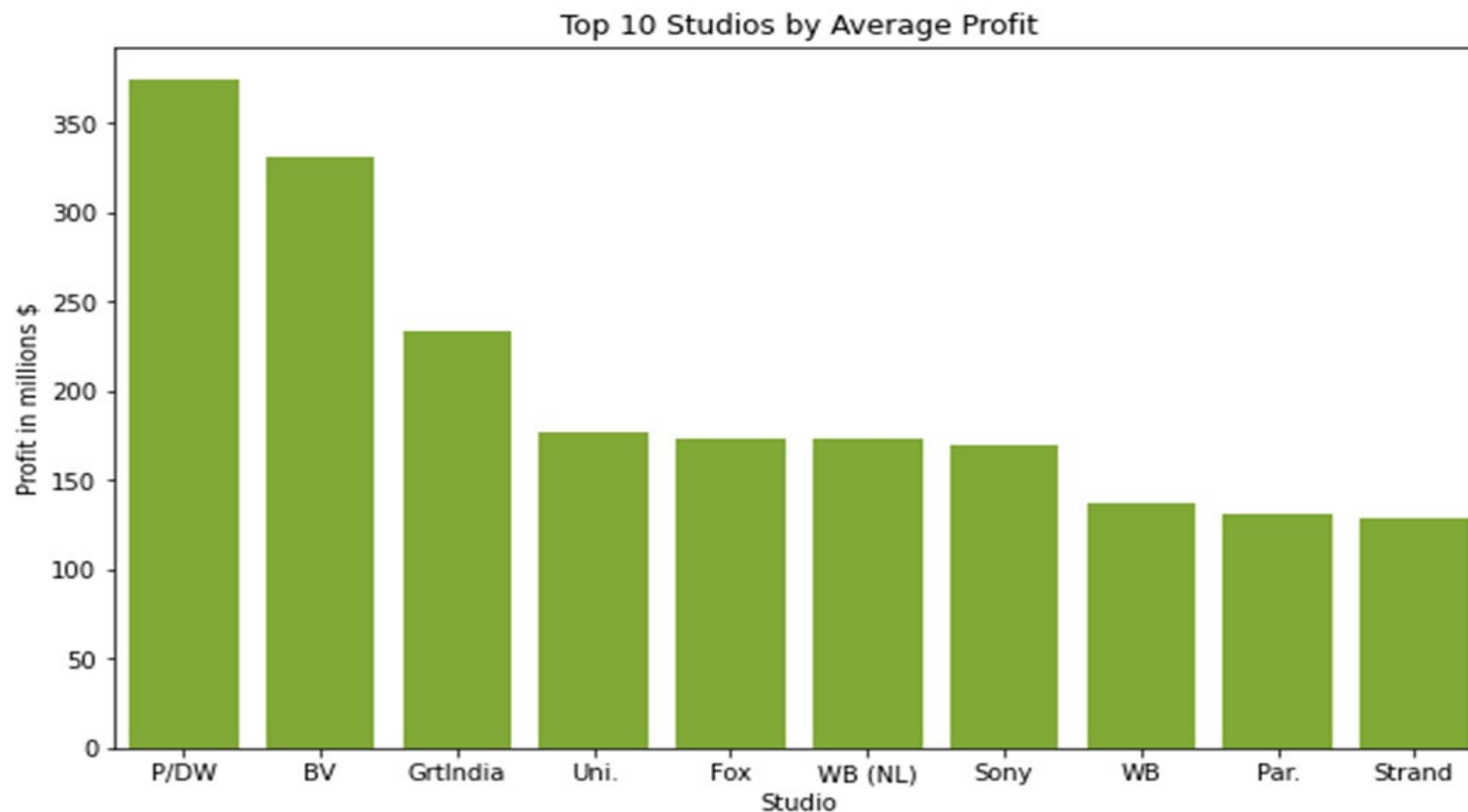
Statistical Data Gathering

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Stats

Profit Stats- A quarter of movies lose money; the average make 59 million
We can expect profit ranges of the following:

Budgets under 10 million: -0.1 million to 13.3 million
Budgets over/equal to 10 million: -3.9 million to 44.4 million.

Hypothesis

Null Hypothesis: Profit has no relationship to any of the top 3 occurring studios.

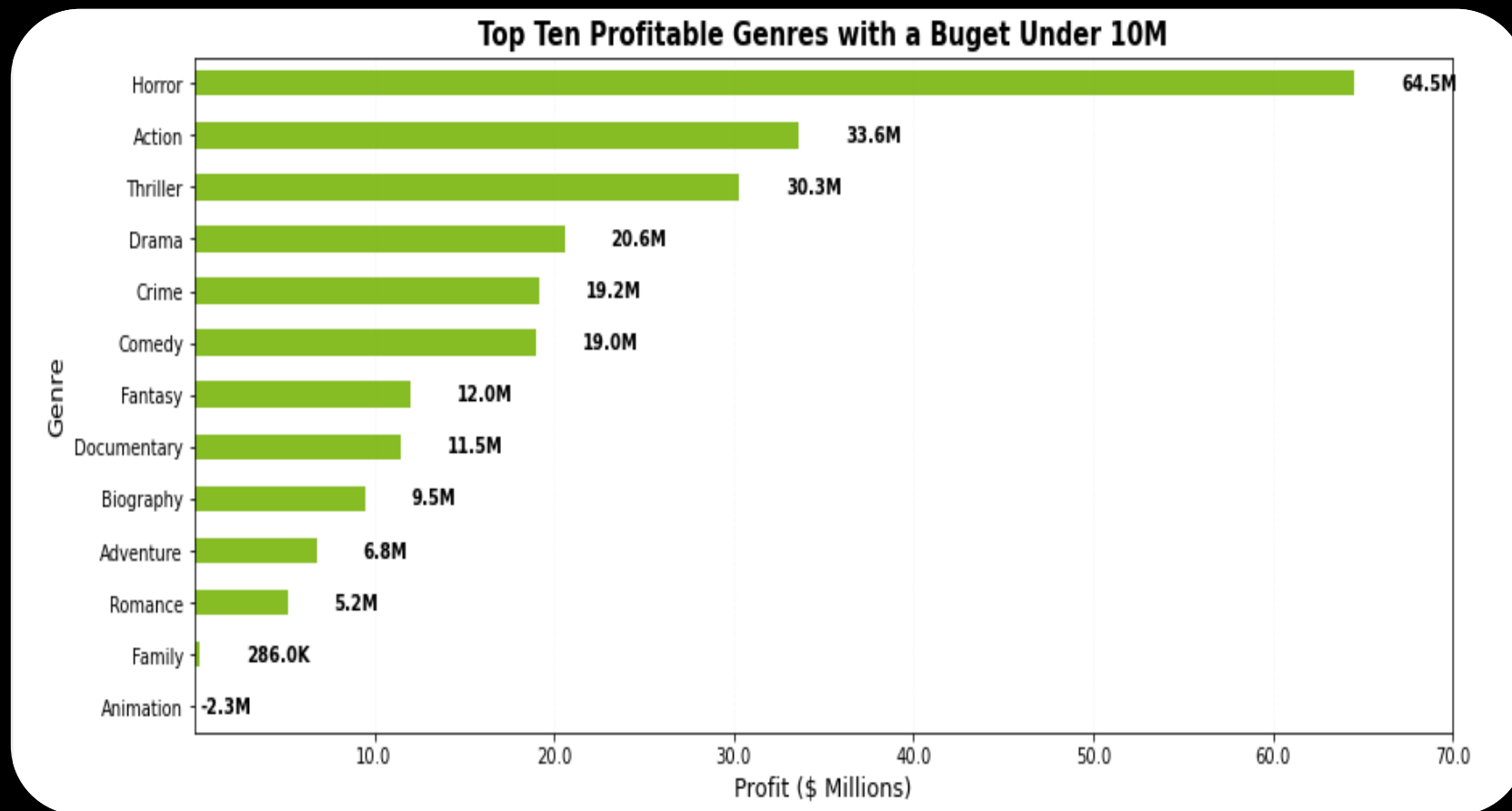Alternative Hypothesis: Profit has a relationship to all or some of the top 3 occurring studios.

Reject the null

Reject the null, accept the alternative: Creating, and emulating the right studio HAS an impact on a movies profit.

Test Significance

Test significance of Uni, Fox, WB, against profit – they are all significant.

Phase 1: Short-Term Strategy

Deloitte. Top Ten Genres Under $10 Million Budget – Average

Top Ten Profitable Genres with a Buget Under 10M

Genre	Profit ($ Millions)
Horror	64.5M
Action	33.6M
Thriller	30.3M
Drama	20.6M
Crime	19.2M
Comedy	19.0M
Fantasy	12.0M
Documentary	11.5M
Biography	9.5M
Adventure	6.8M
Romance	5.2M
Family	286.0K
Animation	-2.3M

Phase 2: Growth Strategy

Most Profitable Genre by Average

Average Profits by Genre

Genre	Profit ($ Millions)
Sci-Fi	671.1M
Adventure	207.6M
Animation	197.1M
Action	167.2M
Fantasy	164.0M
Mystery	151.9M
Family	104.7M
Horror	81.4M
Thriller	58.6M
Biography	58.0M
Documentary	57.8M
Comedy	52.0M
Drama	43.9M
Crime	42.4M
Romance	12.2M
Music	-8.9M
Sport	-13.3M
Western	-21.4M

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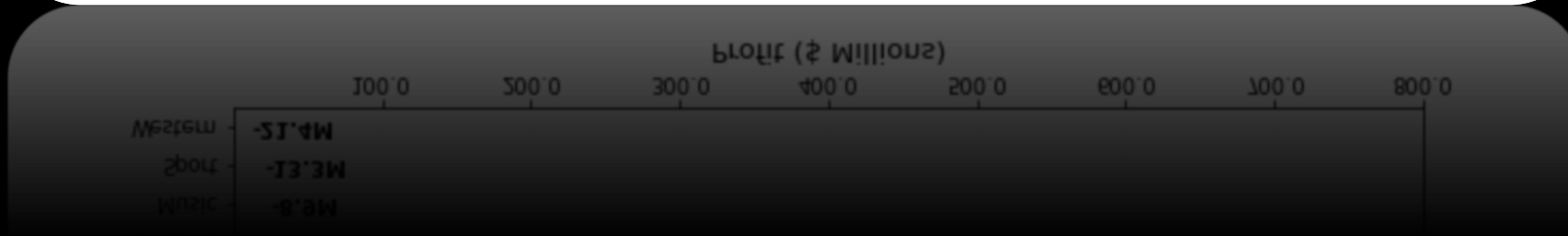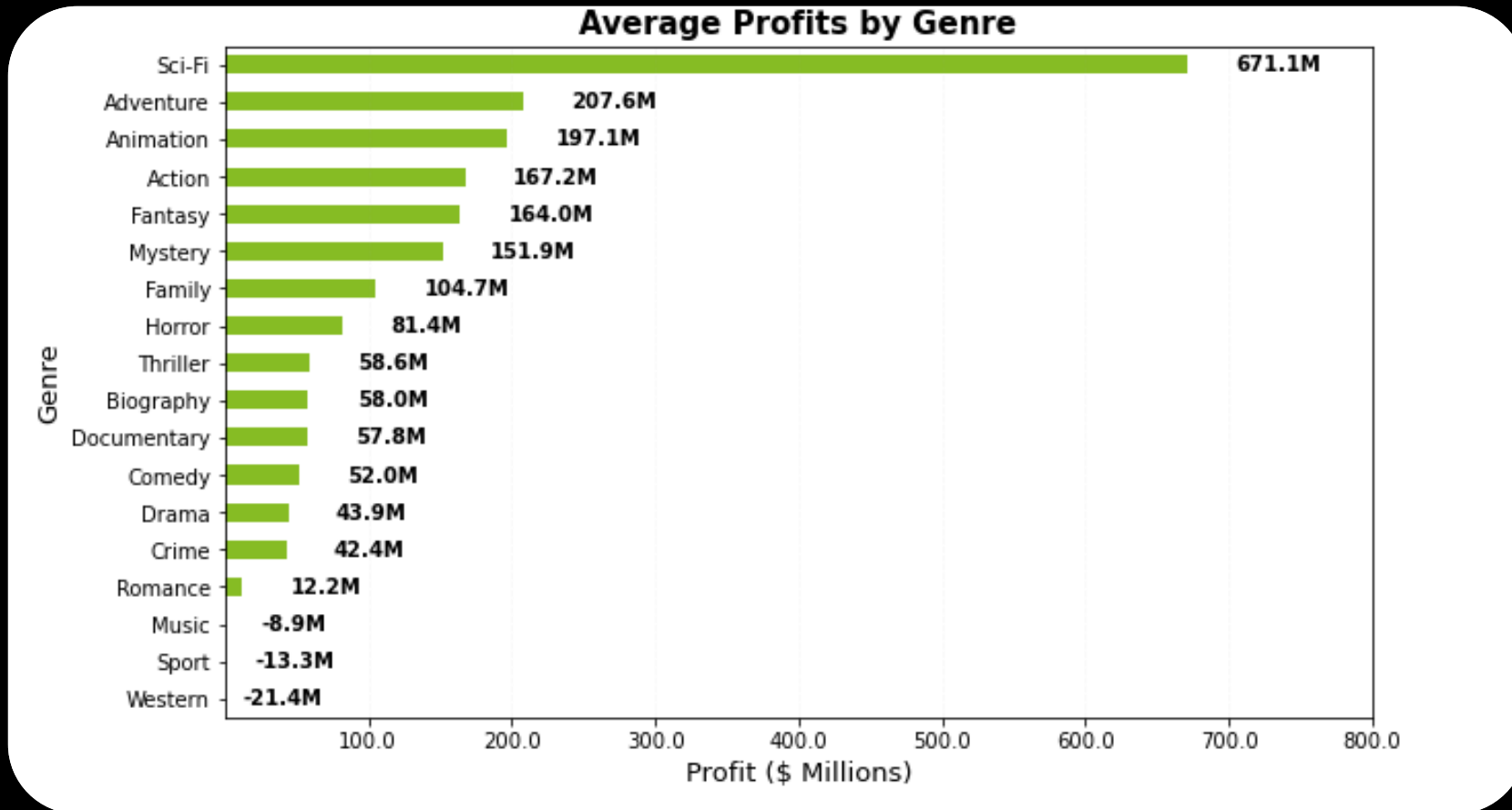
Business Recommendations

Short-Term

- Make horror movies with a $10 million budget in the short-term.

- The genre itself has the **highest profits** on average for a budget under $10 million and also consists of 9 out of the top 10 most profitable low budget films.

Growth Phase

- Branch into Sci-Fi, adventure, and animation films once you are established.

- While these are the top profiting genres we do caution about high production budgets.

Emulating a studio

- Emulating the right studio, since we have found that they can influence profits.

- The top 3 we recommend are Pixar, BV (Buena Vista International), GrtIndia

Future Plans

1. Look into other variables that have effects on profit (Director, Revenue, Ratings)

2. Regression testing to determine data relationships

3. Predictive modeling with machine learning

4. Perform thorough risk analysis for upcoming projects

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Thank You!

Questions?

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