

ROTMAN MBA GOES HOLLYWOOD: MARNI WIESHOFFER

By Jennifer Peng

Halle Berry's Oscar win for her role in *Monster's Ball* not only broke new ground for women of color in the film industry, it propelled Lions Gate Films onto the 'A list' of film production and distribution companies, making it a magnet for top talent.

"*Monster's Ball* was a 'double' hit – if not a triple – for our company," says **Marni Wieshofer** (MBA '91), chief financial officer at Lions Gate Entertainment, based in Marina del Ray, California. As a member of Lions Gate's executive team since 1999, Marni has been a key player in the company's financial and strategic initiatives, arranging for its US\$200-million credit facility with a Chase Securities-led global syndicate of 15 banks. Marni was also instrumental in Lions Gate's acquisition and integration of Trimark Holdings, Inc. for US\$85 million last year.

In fiscal 2002, Lions Gate's revenue jumped to CAD\$426.6 million, the highest in its five-year history, and an increase of 51 per cent from the previous year. Over the past three years, Marni has watched the company grow nearly fourfold, firmly establishing itself as a leading independent producer and worldwide distributor of motion picture, home video, television and animation products.

Marni attributes Lions Gate's success to a combination of teamwork, fiscal mindedness, and creative agility – a magical ability to make things happen. At weekly 'green light meetings' – which include Marni, the CEO, the head of production, creative and casting, and the heads of distribution and legal – all the crucial decisions related to making and launching a film are made. "We can decide to green light a picture within an hour. In a larger studio, that process can take weeks, if not months," she says.

With its recent acquisition of Trimark Holdings, Lions Gate enhanced its existing domestic (i.e. North American) releasing capabilities with Trimark's retail video distribution network, which includes retailers Wal-Mart, Target, Best Buy and Costco. Lions Gate also has rental and revenue-share distribution agreements with rental chains Blockbuster, Hollywood Entertainment, Movie Gallery, NETFLIX and Rentrak Corporation. And as the video market evolves from being rental-based to offering revenue sharing and sell-through options, the Trimark acquisition ensures Lions Gate's foothold on the future.

"Trimark was a very proactive company," says Wieshofer. "It smartly invested in CinemaNow, which is the only IP-delivered video-on-demand ("VOD") distribution company. VOD is the next logical step in the life cycle of a film product."

Marni predicts that as Lions Gate grows, it will continue to focus on how it invests in the promotion of film releases. Unlike other studios that



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spend lavishly on 'theatrical P&A' [print and advertising] to support big ticket films, Lions Gate will continue to seek creative marketing opportunities to develop its hits.

"Our strategy is to mitigate risk on a film or television project through international pre-sales and government tax and co-production incentives, and to stay small and agile. We pick up a lot of projects from the major studios because we can move quickly and get things done. That's how we got *Monster's Ball* – and ten other pictures like it."

According to Wieshofer, other film companies fail because they are not careful in managing their own destinies. Lions Gate has succeeded, in part, by controlling its own distribution in the U.S., and building an international network to maximize revenue streams and attract government financing and co-production partners in countries such as Canada, Germany and the UK.

Prior to moving to Los Angeles, Marni worked out of the Toronto head office, and previously, for Alliance Atlantis as vice president of finance. A Toronto native, she regularly visits the city to meet with film executives, most recently during last September's Toronto International Film Festival.

Not surprisingly, effects from the recent corporate scandals have seeped into the entertainment industry: Marni is now required to sign a statement at the end of each quarter to validate her company's financial results. However, she believes these types of requirements cannot completely protect investors from fraud and questionable accounting practices.

"In all of the very public examples we've seen, it is the integrity of the individual that caused problems," she says. "You need a system of checks and balances on the integrity of an individual to make it work."

Since this interview, Marni has been promoted to executive vice president of corporate development for Lions Gate Entertainment. In this newly-minted role, she will continue to report to the CEO while working with senior management on all strategic initiatives. RM