

# LA SCREENWRITER

## 4 Reasons Your Script is in Development Hell



Today's guest post comes to us from Vanessa Frank. Vanessa is the presenter of *Film Funding from A-Z*, an on-demand course which teaches *film finance* to independent filmmakers.

**by Vanessa Frank**

“Development hell” is a term that no professional scriptwriter ever wants to hear. Spend any amount of time in Hollywood and you will inevitably be told innumerable stories of projects that have ended up in development hell, slowly languishing in limbo for years as writers watch with despair.

Indeed, some of these tales of formerly coveted properties turned toxic have become legends, often cited as a warning to starry eyed nascent filmmakers about just how abruptly the winds of fortune can change.

For the uninitiated, “development hell” is industry vernacular for when your script is abandoned, having been purchased but never put into production. And while most writers are all too familiar with the concept, very few can identify the precise causes that bring about this greatly disdained state.

While I realize that many a writer has their own explanation for this phenomenon, said explanations usually boil down to: “The producer is a (insert your preferred insult).” The reality is far less simple than that. The significantly less convenient truth is that development hell is most often the result of seismic forces far beyond the control of any film producer.

Here are four reasons why your script is in development hell...

## **1. There's a change of power at the production company or studio that purchased your script.**

In the film industry personnel changes often happen very rapidly. One of the most important realities to heed about Hollywood is that it's an incredibly fast-shifting landscape. Executives are often poached/fired/promoted

overnight, and the swift changes that occur in the wake of such a departure can mean life or death for a project in development.

This is largely because when a new executive comes in it's common for them to have their own ideas about what kind of content they want to put their weight behind. In fact, dispensing with their predecessor's existing projects is fairly usual, as the new executive seeks to mark their territory. As such, your project could go from firm favorite one day to immediately discarded casualty the next.

In the very worst of cases, this can be the result of a scorched earth policy. In that scenario, your project could find itself the unwitting bystander to a drama that you played no part in creating.

Such a change can also occur when a company is purchased by a third party. The new owners may very well have reasons for acquiring that company which don't involve developing projects. Indeed, they may have no interest whatsoever in pursuing your project or any other. In a high stakes industry, where one or two commercial losses can put a company in serious financial jeopardy, bankruptcies and acquisitions can happen with very little warning. As such, sadly, many a nascent project has found itself brutally abandoned.

As is so often the case in these situations, if the owner of your script is so apathetic towards your project that they can't even be bothered to sell it on to someone else, then your project finds itself in development hell. Your project will be in limbo, and there is absolutely nothing you can do about it.

**One solution to protect yourself from such a scenario** is to negotiate into your contract a clause that allows you to regain the rights in case of non-performance. Do be aware though that such a deal entails you buying back the rights, which means you will probably have to kiss goodbye any dollars that you were originally paid on the project... and possibly much more than that. Admittedly, for many writers such a solution just isn't financially

viable. But if you've made the provision for this, then that at least provides you with the option to pursue this remedy, or to find a partner who is willing to invest such funds on your behalf.

## **2. There's a fundamental issue with the produceability of the script.**

The tough truth about development hell is that sometimes it happens as the result of an "act of God" which even the best of film producers wouldn't have been able to predict.

For example, maybe the theme of the script was appropriate when it was purchased, but abrupt changes in world events have suddenly made it inappropriate. For example, if your script was about terrorists hijacking an airplane and then 9/11 happened, your project would probably have been shelved.

Or maybe your script was written and/or purchased for a specific star, and they've since been caught up with a scandal. There are many actors who have had a sudden fall from grace so spectacular that all the projects they were involved in were immediately forsaken — or required a significant reimagining.

Furthermore, more than one producer has seen their project come to a swift end when the star that the project was built around died unexpectedly. The more your script is tailored to a specific actor or is part of a pre-existing property, the greater its susceptibility to such a turn of events.

That said, sometimes the fundamental issue with the script isn't so much a question of an act of God as much as it is a question of unexpected analytical findings. It can happen that once a project gets into the analytics phase, the producer learns that the figures on the project are upside down. If the project cannot be made for less than a certain amount because it's a

money intensive genre like period drama, fantasy, or sci-fi, and for whatever reason the projections show that the projected earnings can't sustain such an investment, then it will likely be abandoned.

In many cases such an issue can be remedied through aggressive rewrites and creative reductions of expenses, but in some cases either it won't be possible or the producer just won't want to proceed on such a prohibitive and potentially precarious basis.

This is particularly true when it comes to studio projects, as studio executives tend to require that projects in development complete a thorough due diligence process before they will be greenlit for production.

And while, ostensibly, a good producer should be able to flag such projects before acquiring them, sometimes it just isn't possible to fully identify such financial issues until after one has actually acquired the script and put it through a comprehensive analytics process. Essentially, sometimes you only discover issues after you've looked under the hood of the car.

With all these scenarios in which there is a fundamental issue with the script, **there is certainly the possibility of turning the situation around.**

When your project is in a nose dive, you may indeed be able to avoid obliteration if you keep calm, you're willing to be highly flexible and creative with potential solutions, and you remain solution-oriented rather than playing the blame game.

That said, this is often a case where it's best to just cut your losses, give thanks for the experience you've gained, and move onto the next thing.

**3. As a result of any of the above, your script is sold to someone else, with the cost of the original owners development factored in to the price, plus interest. (This scenario is known as "turnaround.") Then another bad situation happens, and the new owner sells to another**

## **party, with the cost of their development now also factored in. Rinse and repeat a few times...**

This is, in essence, the mark of death for an unproduced script. The most that a responsibly managed production should spend on development is 5% of the film's anticipated production budget. So, for example, if a film has a \$1 million production budget, the development expenses shouldn't exceed more than \$50,000. Genuine development is a very expensive activity, and every company is likely to want to undertake their own personal development process.

As you can imagine, if the project goes through several companies, these costs can really rack up, eventually making the price of someone new acquiring the project completely financially untenable.

Investors, banks, and completion bond companies have clear mandates that they need to follow. There simply are just too many gatekeepers involved in the millions of dollars usually involved in a film's production for a project that is upside down financially to be approved.

So the point at which a project goes terminal and dies a slow death is when a project has gone through multiple rounds of "turnaround" and the acquisition cost is greater than what the development costs merit.

This is one of the reasons why "turnaround" is a really ugly word to most writers. Because aside from the delays and dashed hopes that such a setback represents, a savvy writer knows that you only need to go through this process a few times to end up in a position where your script has become financially toxic.

**4. You entrusted your project to an unscrupulous independent producer who has a reputation for buying or optioning lots of projects on a highly speculative basis.**

This is mostly the case when writers have accepted a cheap option with a producer or have sold their script for pennies on the dollar. Typically, the transaction was done in the hope that this producer would be able to generate enough interest in the project to get the film into production and eventually trigger a bigger payout for the writer.

Now, if Steven Spielberg calls you with such an offer, then yes, it may very well be worth taking such a risk. But we all know that if Steven Spielberg calls you with an offer, he's going to be paying you, at the very least, the standard industry rate. Because a legit producer who really believes in a project and who is genuinely committed to the process will *a/ways* put their money where their mouth is.

A professional producer realizes that proper development is going to require an investment of most likely tens of thousands of dollars. Analytics, a private placement memorandum, LLC formation, and legal bills are all expensive processes. Nobody who really understands how to bring an independent film to fruition is going to risk that kind of money on a property that they don't own outright! And any producer who is paying that kind of money for development will perceive the script acquisition cost as just one more item on that list of necessary expenses.

But sadly, unlike being a dentist or doctor or lawyer, there is no license required to be a film producer. Even though genuine independent film production is a process that necessitates a significant depth of knowledge of legal, financial, and industry guidelines, any buffoon with a dream and a business card can call themselves a "film producer." For this reason, you need to proceed with reasonable caution.

The independent film industry is replete with individuals who unscrupulously exploit the desperation and naivety of certain writers. Such hucksters will amass a significant number of screenplays that they've either purchased or optioned for pennies on the dollar. Their intent isn't to throw real money or time behind any one project – they're basically playing

the odds. Their strategy is to have as many properties at their fingertips as possible so that they have something to match whatever distributors might be buying.

Which may work well for them, but for you as a writer... not so much. This is the “sleazy salesman” approach to film producing, where the real investment of time, money, and focus that is required to get a film legitimately well made just isn’t being spent. Projects aren’t nurtured. In most such scenarios, the writer has been sold a bill of goods.

In which case, you’re right, the reason that your script is in development hell is indeed because the producer is a (insert your preferred insult)!

The truth is that such operators rely on the fact that nascent writers are often desperate to make that first sale and/or to have a script of theirs get produced. Such desperation is insidious, and it can make even the worst of offers seem appealing.

When you’re clinging onto hope with your fingertips, it’s easy to latch onto the most improbable of propositions as being the breakthrough that you’ve been waiting for. But unless you’re walking into such a situation fully understanding and accepting the implications of what you are actually signing up for, you need to take a big breath and say “no.”

Ultimately, the best way that you can protect yourself from such a scenario is to have good boundaries for what offers you will and won’t accept.

**If you really do feel that this is that rare situation where a producer legitimately has the expertise but doesn’t yet have the corresponding cash-flow**, then ask high quality questions. In particular, ask how many other projects they have previously optioned and/or purchased. And then do a significant amount of due diligence before you accept their offer.

Being aware of these four reasons for why a script ends up in development hell certainly won’t completely protect you from ever ending up in such a



situation. But it should at least provide you with a valuable insight into the potential pitfalls and some of the actions that you can proactively take to help mitigate your risk.

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