

THE NATO CINEMA FOUNDATION: BUSINESS PLAN

DRAFT May, 2022

BACKGROUND

The Cinema Foundation came as an expression of great optimism for the future of cinema exhibition following the COVID-19 pandemic, which posed the single greatest threat to movie theaters in the last century. During the pandemic, NATO's advocacy was directly responsible for key law and policy wins that saved thousands of movie theater companies and brought new allies while strengthening existing relationships. For example, the Shuttered Venue Operators Grant brought over \$2.7 billion in aid to movie theaters across the country, an effort that required assistance from NATO's Executive Board, over 250,000 letters from consumer to Congress, and a letter to Congress by over 100 dedicated filmmakers. **The Foundation intends to build on the historic collaboration from all sectors of the industry to expand NATO's reach, diversify funding, foster innovation and grow volunteer leadership.**



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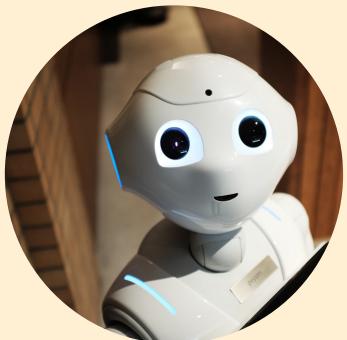
LOU DIGIOIA
CFO



BRYAN BRANLICH
Executive Director



TBD
Director of Cinema Careers,
Education & Diversity



TBD
Director, Center for
Innovation & Technology

KEY PRIORITIES

- 1. Cinema Careers, Education & Diversity:** Promoting the industry as a great place to work via recruitment campaigns, training programs, and opportunities for career growth.
- 2. Moviegoing Promotion & Creative Community Involvement:** Building on relationships with the creative community to grow audiences.
- 3. Center for Innovation & Technology:** Partnering with technology, hospitality and entertainment companies on the future of cinema offerings and technological capabilities.
- 4. Industry Data & Research:** Dedicating resources to funding useful data and research studies to help the industry and to support NATO's efforts.
- 5. Industry Charities:** Working with existing industry charities to expand their impact.



CINEMA CAREERS. EDUCATION & DIVERSITY

CINEMA CAREERS, EDUCATION & DIVERSITY

OVERVIEW:

The marketplace for employees is historically challenged, and this is particularly true in the hospitality sector. The exhibition industry is a great place to start and grow a career and the link to the entertainment industry is a desirable element that can be incorporated into internal and public-facing messaging. In the short term, the Foundation will leverage its resources to deal with the post-pandemic labor shortage while also helping rebuild a workforce that has fundamentally changed during the pandemic. Through research, targeted training and strategic promotion/recruitment efforts, the Foundation hopes to help solve today's crisis for tomorrow's workforce.

OBJECTIVES:

The Foundation will develop programs to promote working in the exhibition industry by creating promotional materials, education, and training for current and prospective cinema employees. This will offer an opportunity to begin a public campaign promoting the industry as a great place to work. Moreover, The Foundation will create a full educational center with training materials on career advancement and growth for current exhibition employees of all levels who are hoping to develop skills and progress in their profession. Industry diversity will be a core focus of recruitment and educational efforts. The Foundation also plans to create scholarship opportunities for cinema employees including scholarships to NATO events to grow industry leadership. Finally, the Foundation plans to hold an annual scholarship fundraising event.



GOALS

Improve Employee Recruitment

- Use research-backed strategies to make cinema competitive in this labor market and leverage new recruitment opportunities.

Build Employee Training

- Build best-in-class training programs for the cinema industry for employees of all experience levels and partner with other stakeholder groups (F&B, technology etc) to diversify skill sets.

Promote the Industry as a Great Place to Work

- Develop public-facing recruitment campaign that promotes the industry generally and as a great place to work; opportunity to leverage relationships with the creative community and marketing firms.

Create Networking Opportunities

- NATO's Summit and portions of CinemaCon programming can shift to the Foundation; opportunity to benefit donors and build alliances.

Improve Diversity Metrics

- Improving diversity within the industry and the association leadership is good for individual companies, will help us gather key data for messaging, and also allows for good opportunities for partnership with allies in the creative community.

MOVIEGOING PROMOTION & CREATIVE COMMUNITY INVOLVEMENT

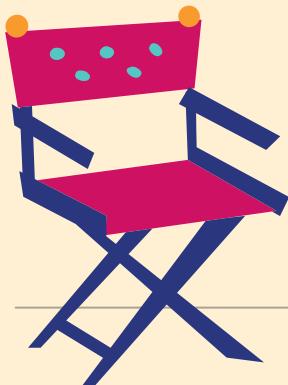
MOVIEGOING PROMOTION & CREATIVE COMMUNITY INVOLVEMENT

OVERVIEW:

Movie theaters and allies in the creative community are similarly impacted by studio focus and investment on streaming platforms to the exclusion of the financially and culturally-tested exhibition model. While there is a high likelihood of consolidation in the streaming sector, it is critical that movie theaters continue to have access to a steady supply of high-quality content for varied audiences. It is also critical that filmmakers and actors can access financing and distribution for content intended for theatrical exhibition. By working together, movie theater owners and filmmakers can arrive at innovative solutions that benefit the industry as a whole.

OBJECTIVES:

The Foundation will build on NATO's relationships with the creative community to grow audiences, promote the industry and diversify content options. Formalizing these relationships is a key benefit to the Foundation which can represent a wider set of stakeholders than NATO. Eventually, these relationships could lead to partnerships across the Foundation including industry promotion and NATO/Foundation events.



GOALS

Form an Exhibitor-Creator Committee

- Build on NATO's newly-formed creative community committee with expanded scope to tackle issues that NATO alone cannot tackle including innovation in film distribution and exhibition for a wider range of film content and diversity. The group will work together to tackle common issues.

Build Promotional Campaign Tied to Recruitment

- See above in Careers & Education section.



Incorporate NATO efforts with Foundation Efforts

- Integrate efforts like the Young Filmmaker program into Foundation efforts (such as creating films about core Foundation priorities like diversity and films with positive depictions of employment in a theater); incorporate talent into Foundation/NATO events.

CENTER FOR INNOVATION & TECHNOLOGY

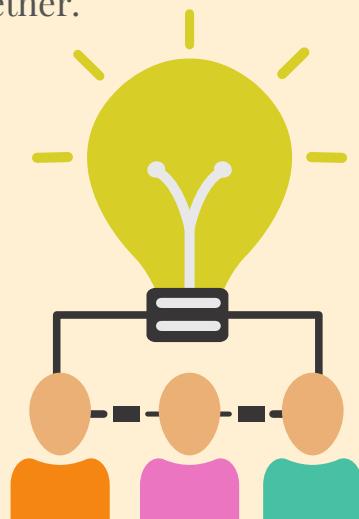
CENTER FOR INNOVATION & TECHNOLOGY

OVERVIEW:

The Center for Innovation and Technology will be the innovation heart of the movie theater industry. The Center will include experts both within and outside of the exhibition industry including technology companies, hospitality and entertainment companies and subject matter experts on the future of cinemas and ensuring the industry's technology is future ready.

OBJECTIVES:

The Center for Innovation and Technology will begin by creating two key think tanks/working groups: one focused on innovation in cinemas and one focused on technology issues. The groups will identify data and research projects, host educational webinars, events and workshops and possibly develop standards or guidelines. The Technology Center will begin building a testing center where filmmakers, technology companies and exhibitors can test emerging/developing technologies together.



GOALS

Identify Key Groups to Partner with the Foundation

- Identify key targets to partner with the Foundation.

Cross-Industry Innovation Think Tank

- Identify cross-industry thought leaders interested in working on identifying opportunities for the next century of movie theaters from content to food and beverage offerings; commission research.

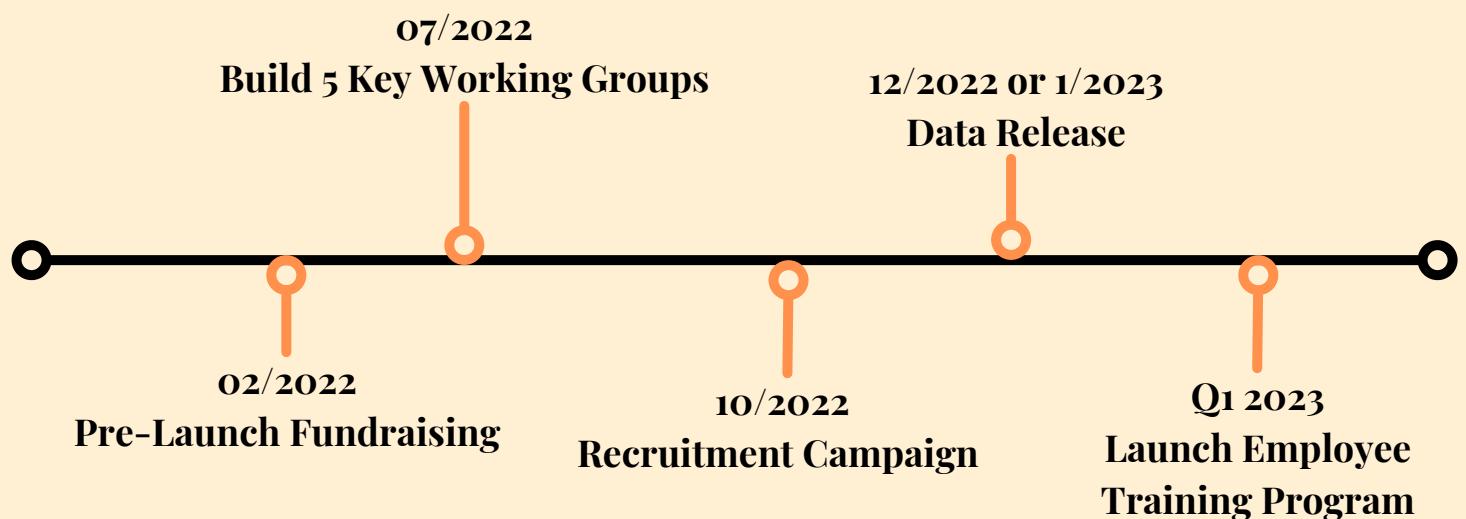
Develop Educational Programming

- Incorporate ideas and leaders into Foundation education including webinars, workshops, and events.

Create Cinema Technology Think Tank

- Group of cinema technology leaders working on the intersection between cinemas and technology; commission research. Development of industry-wide cinema technology laboratory.

Timeline of Initial Milestones



INDUSTRY DATA & RESEARCH

INDUSTRY DATA & RESEARCH

OVERVIEW:

The Foundation will commission best-in-class research supporting each of the Foundation's priorities and supporting NATO's messaging. It is clear that industry executives rely on a homogenous data set which they use to support an often lockstep approach to decision-making. The Foundation will expand and/or refine the current data and will help create new conversations focused on innovation and promotion of moviegoing.

OBJECTIVES:

Data will be the key to effective industry messaging, promotion and innovation going forward and the Foundation will prioritize a data-based approach across all initiatives. Data and research efforts will be used to inform each priority area at the outset and then may be used to bolster each of the priorities as new objectives are defined but early research will likely include topics related to employee recruitment and the impact of piracy. Improved data and research can also help NATO when it is lobbying governments or studios.



GOALS

Commission data to build recruitment and educational programming

- All data/research will be used to further the mission of both the Foundation and NATO wherever possible.

Commission data on diversity

- All data/research will be used to further the mission of both the Foundation and NATO wherever possible.

Commission data on the importance of theatrical exhibition to culture/community

- All data/research will be used to further the mission of both the Foundation and NATO wherever possible.

Commission data on the importance of theatrical exhibition on economy

- All data/research will be used to further the mission of both the Foundation and NATO wherever possible.

Commission data on innovation

- All data/research will be used to further the mission of both the Foundation and NATO wherever possible.

INDUSTRY CHARITIES

INDUSTRY CHARITIES

OVERVIEW:

The Foundation plans to build on the industry's long history of charitable giving by partnering with existing industry charities and donating to organizations that support the Foundation's mission. In this way the Foundation can also increase efficiencies in giving by allowing members to make a single donation where they may otherwise have to make multiple, with an earmarked portion passed through to a charity that meets the Foundation's criteria for giving.

OBJECTIVES:

The Cinema Foundation will partner with existing industry charities to expand their impact and to maximize benefits to industry stakeholders. The initial focus will be on developing key relationships and increasing Foundation awareness through presence at key events. The Foundation will eventually leverage these relationships for partnership, funding and/or programming opportunities and possible merger or direct funding of specific programs. The Foundation will also be able to learn best practices in fundraising and grantwriting/grantmaking from allies.



GOALS

Target & Develop Relationships with Key Industry Charities

- The key industry charities are both our competition and our potential beneficiaries and partners. It will be critical to know the key industry charities as well as their leaders and primary fundraising events/initiatives so we can identify partners.

Attend Key Industry Charity Events

- Support the industry and build alliances via charity events that either support the cinema industry or that are important to our biggest allies/supporters/donors.

Partner with WRMPPF

- WRMPPF already does a lot of important work for cinema employees and hopes to expand its training on topics like financial literacy and budgeting that will likely be outside the scope of Foundation educational programming. This offers an opportunity to partner with an important industry charity on programming that will benefit employees in exhibition.

Determine Parameters for Charitable Giving

- Once it is sufficiently funded, the Foundation will likely give to multiple charitable causes each year. The Foundation will need to determine metrics for charitable giving to ensure transparency and objectivity.

Develop Scholarship Program & Event

- The Foundation plans to commence a scholarship program that will likely be included in an annual fundraising dinner/event. The Foundation will need to determine the goals of this program, the key scholarship categories/targets and how to ensure the fundraising event is exciting enough to generate significant revenue.

MARKETING & OPERATIONS

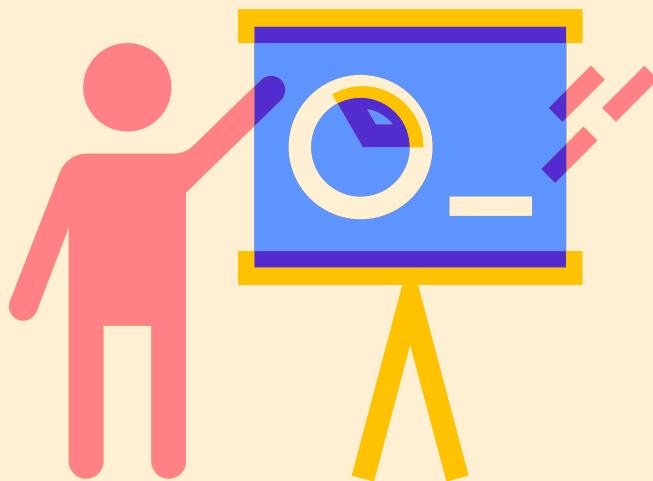
MARKET ANALYSIS

MARKET

The Foundation's key market is the entire moviegoing economy including (1) exhibitors, (2) exhibition staff, (3) filmmakers and other content creators, (4) distributors, (5) suppliers including technology and concession suppliers, and (6) audiences. If the Foundation is intended to work toward the next century of moviegoing it will be critical to learn from each of these sectors of the industry to ensure that efforts are aligned toward common goals where appropriate. Data and working groups will help define the true market in order to properly create and refine any marketing plans.

MARKETING PLAN

A long term marketing plan cannot be determined before we define our initial programs and collect our initial round of donations. Therefore, the initial marketing focus is simply to our likely donors to solicit feedback and funds as we build the Foundation's first year.



Marketing Plan

Marketing Initiative	Goal	Due By
Pre-Launch Fundraising Drive	\$5m in pledged donations for 2022	April 15, 2022
Building Alliances	Develop committed working groups for key priorities	July 2022
Employee Recruitment Campaign	Create a positive public-facing campaign to recruit employees for jobs in exhibition	October 2022 (before holiday rush)
First Public Data Release	Release at least one set of data that promotes the industry; will depend on working groups and funding	December 2022 or January 2023 depending on data
Launch of Employee Training Program	Launch of full employee training program focused on entry level employees but with programming for mid-level and senior as well (more webinars and Summit/ICTA for the latter)	Q1 2023; launch at CC?

OPERATIONS PLAN

1-YEAR PLAN

- Raise \$7 million.
- Hire Key Staff.
- Launch Event at CinemaCon.
- Form Key Committees (education and innovation) to determine long and short-term priorities.
- Fund initial stud(ies) for employee recruitment and retention (optimizing data points for lobbying as well).
- Integrate Foundation into NATO Summit.
- Identify Key Partnership Targets.

5-YEAR PLAN

- Raise \$15-\$20 million in years 2-5.
- **Education:** Build out of best-in-class training program for employees from entry-level to senior.
- **Recruitment:** Public-facing recruitment campaign that also promotes the industry generally.
- **Center for Technology & Innovation:** Create R&D center for the cinema industry.
- **Creative Community:** Integrate creative community into industry promotion and recruitment; create programs to increase supply (festival?); build strong alliance of supporters.
- **Data & Research:** Release steady stream of essential industry data across programs.
- **Charities:** Have annual giving campaign with key partners and major scholarship program and event.

FINANCIAL PLAN

5 Year Fundraising Goals

Industry Sectors	Sponsorship / Pledge Amount
Exhibitors: SVOG Recipients (pledges made in year one)	\$15,000,000
Exhibitors: Large Exhibitors/non-SVOG; International Exhibitors (years 3-5)	\$5,500,000
Technology Vendors (target 75 companies in year one)	\$3,000,000
Other Suppliers (target 30 companies in year one)	\$1,000,000
Filmmakers	\$2,000,000
Public	\$500,000
TOTAL AMOUNT	\$27,000,000

FUNDRAISING: FIRST 24 MONTHS

Future fundraising potential depends upon our initial success; the more we can raise in the first year, the more we can achieve and the more stakeholders will realize that contributing to the Foundation is essential for all industry participants. Therefore, the fundraising goals below are for our first 24 months only.

Event Type	Anticipated Amount Raised
Direct Donation Campaign (received from SVOG recipient pledges)	\$10,000,000
Donations incorporated with dues invoices (from exhibitors not making 1% SVOG pledge)	\$1,500,000
Fundraising Event	\$1,000,000
Summit/Seminar Revenues	\$500,000
TOTAL AMOUNT	\$13,000,000

*Thank
you!*