Valuing pre-distribution film projects:

praxis of the Polish audiovisual sector clarified through the conceptual lens of entrepreneurial finance.

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ABSTRACT

Commercial valuation has an important role in guiding resource allocation in high-risk and early-stage start-up projects. The rationale of assessment is under-examined in the context of the audiovisual sector. In the European context, in which cultural policy support coexists with market-driven decision-making — in particular the Polish audiovisual sector — understanding how commercial value is assessed at the distribution stage is crucial for guiding decision-making and addressing the sector's issues of undercapitalisation restraining its sustainability. This study contributes to the underdeveloped literature on valuation in cultural and creative industries and offers insights into how commercial reasoning is integrated into a publicly subsidised film economy. By drawing on entrepreneurial finance and strategic management literature, this thesis bridges the rationale of valuation in the audiovisual sector with financial and strategic perspectives, addressing the gap in existing literature that tends to emphasise marketing-oriented approaches. This thesis inquires how are independent film projects valued in the Polish audiovisual sector. The focus is on valuation at the distribution stage as this corresponds to the project selection and investment stage emphasised in the entrepreneurial finance literature on venture capital decision-making. I also include two sub-questions that address the risk-taking aspect of valuations. Firstly, how do valuation approaches reflect the strategic positioning of stakeholders within the audiovisual sector? Secondly, how do these strategies consider risk-taking at a portfolio-level? Namely, do stakeholders consider valuing projects with portfolio diversification in mind? A qualitative research approach was adopted, based on semi-structured elite interviews with key stakeholders of valuation at distribution: producers, sales agents, distributors, financiers. The findings show that valuation is derived both from project-level attributes (e.g. script quality) and strategic positioning considerations. Under conditions of high uncertainty the heuristic method of valuation employs both qualitative and quantitative approaches, but the focus is on the former, as numeric metrics are treated with reserve. The adopted from entrepreneurial finance literature dimensions of valuation (i) the resorce-based view, (ii) industry organization economics, and (iii) network theory proved right for conceptualising these dynamics. It seems that the line between valuation and pricing in the audiovisual sector is blurred as the primary tool of assessment is the method of comparison titles — past performance and prices of distribution rights of arguably similar projects.

KEYWORDS: *Valuation, Distribution, Audiovisual, Finance, Policy*

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1. Introduction

In many countries and regions of the world the audiovisual sector — originating filmed entertainment and cultural products like feature films, series, documentaries, animations, shorts — has become a seizable business contributing an appreciable part of the gross domestic product. The world box office and cinema advertising revenue is projected to hit over US$52 billion in 2027 with a CAGR of 13.01% for years 2022-2027 (PwC, 2023). At once, the audiovisual sector is in state of digital disruption with the market getting dominated by digital-subscription-platforms (DSP), which has seen an impressive growth of 35.4 per cent and 22.8 per cent in 2020 and 2021, respectively (PwC, 2022). OTT video (over-the-top video, meaning audiovisual products overpassing the traditional cinema and TV system, i.e. distributed via internet) is overtaking cinema as we speak and is aiming for a projected annual revenue of US$200 billion in 2028 (PwC, 2024). Platforms spend heavy on acquiring new content (Bloom, 2025) as they pursue content library acquisitions and mergers to support growth and gain strategic positioning in a fluid market (FilmTake, 2025). While theatrical grosses are no longer the unmatched performance benchmark, and DSP buyers are offering only partial transparency to business partners as they typically keep exact viewership data concealed, measuring profitability (future or present) is a puzzle. This complicates financing decisions for other market participants (Follows, 2025).

Distribution bridges production and consumption, and it's role is ensuring audiovisual works reach audiences through various channels, notably cinemas, streaming platforms, and TV (Hennig-Thurau & Houston, 2019). Despite the rapidly evolving make-up of revenue streams in recent years, some independent distributors grew notoriously in the audiovisual world through diligent and strategic deal-making (Gonzalez & Taylor, 2023). In a market in a state of flux (Follows, 2025) it seems that the role of distributors as plain intermediaries has diversified as they act also as early-stage investors and co-producers (Follows, 2025; Keslassy & Vivarelli, 2025). In the outlined context — when traditional monetisation standards are challenged — distributors emerge as a critical element of the audiovisual value chain with an expertise and market power for determining project selection and capital allocation.

In Poland a country with a reputable history of motion-picture and a stably growing market of filmed entertainment, the audiovisual sector faces it's own set of challenges, which are believed to restrict a more dynamic expansion and sustainability of production. While Poland's box office revenue is projected to grow at a pace of 10.76% in years 2022-2027 to reach US$321million, and the overall audiovisual production market was estimated at around US$2 billion, most of polish producers struggle from the undercapitalisation of the market (KIPA, 2023). The audiovisual production sector in Poland lacks dedicated financial offerings to support production as financial entities in Poland are not familiar with the *modus operandi* of the sector and are not willing to bet on investing resources to seize the market opportunity (KIPA, 2023). As discussed in a recent report commissioned by the Polish Producers Alliance KIPA (KIPA, 2023) the undercapitalisation of the sector is a key barrier to its sustainable development.

At once, Polish financial entities actively participate in other high-risk, high-reward profile sectors, like the domestic start-up (SMEs) ecosystem (European Investment Fund, 2024; European Investment Fund, 2025). Firstly, Polish private banks are growingly involved with initiatives designed to support start-ups equally with knowledge and financial capital (Santander, 2023). Secondly, Hybrid initiatives are exemplified by the likes of the joint efforts of the European Investment Fund providing guarantees to Polish private banks to channel debt financing for innovation-driven ventures, SMEs (European Investment Fund, 2024; European Investment Fund, 2025). Thirdly, the institutional (governmental policy-driven) support of the start-up (SMEs) ecosystem in the Polish market focuses around the Polish Development Fund (Polski Fundusz Rozwoju, PFR), a state-owned fund dedicated to supporting development through investment in innovation in the country. PFR Ventures is part of the Polish Development Fund Capital Group, and it is the largest fund in the CEE region investing into Venture Capital and Private Equity investment funds (Polski Fundusz Rozwoju, n.d.). Polish Agency for Enterprise Development (Polska Agencja Rozwoju Przedsiębiorczości, PARP) — another arm of the Polish Development Fund — focuses on directly and systemically supporting start-ups (SMEs) with financing and know-how (Polski Fundusz Rozwoju, n.d.). At the same time financial entities are not providing products tailored to the audiovisual sector.

It is important to note the specificity of markets operating in the European model of cinema — as a broader contextual setting for the Polish audiovisual sector — with it's developed system of subsidies designed to suport auteur cinema adds to this complexity (European Commission, 2023). Audiovisual production is strongly supported based on the merit goods characteristics by governments in many countries, in particular within the European model of cinema (Economou, 2025; European Commission, 2023; Loots, 2019; Weber, 2024). In this way the arts are not only an immense beneficiary of the public policy driven funding but are also contingent on the prerequisites it presents (Loots, 2019). In the realm of audiovisual sector most of the projects function on a diversified budget. Being in this position requires the stakeholders involved in the production and dissemination of such goods to balance an equalised set of objectives responding to both — public and private — logics (Lampel et al., 2000).

The governmental policy action of supporting the sector focuses around the efforts of the national film fund (PFI). Polish Film Institute is the national film fund of Poland which sets the institutional frame for how audiovisual projects should be valued. The fund operates based on a revised yearly policy documents called *Operational Programmes* (Polish Film Institute, 2024). The document is meticulous in providing operational prerequisites for public subsidy-seeking stakeholders (firms) of the audiovisual sector. The system of valuation relies on application assessment by peers and experts (Loots, 2019) and the deployment of predetermined criteria in realising policy-based goals.

The most recent *Operational Programme* (PFI, 2024) is rather operational than strategic in it's focus — the criteria of valuation are implicit, yet the required documents providing the basis of application assessment are clearly stated for all audiovisual project types. The operationalisation of the assessment is vague. For most, if not all, project types the basic criteria for assessment are coincident (the documents required by the PFI for evaluation of feature film projects were analysed and are enumerated after being grouped into categories for the purpose of clarity): the producer's credibility and track record, quality of ATL talent, cost estimate and details on external sources of financing, artistic and creative merit including the screenplay, film promotion and distribution plan. In short, the criteria focus on feasibility and creative merits of the project, as well as the capability of team. This approach towards project assessment, combined with a flexible and somewhat vague use of the proposed criteria is optimal for supporting auteur's within an auteur-driven model of cinema. As such, it falls short of establishing a funding allocation system that accounts for audience impact or systemically supports the development of a competitive and commercially sustainable ecosystem.

Study Aim and Contribution

This study's contribution lies in clarifying the rationale underpinning the decision-making and the praxis of commercial valuation of audiovisual works at the distribution stage in Poland.

In the course of the research I'm about to (i) contextualise the entrepreneurial finance (start-up) literature to the independent film industry in building a theoretical framework, (ii) apply the theoretical framework to researching the praxis of commercial valuation in the audiovisual production sector in Poland, (iii) provide an empirical contribution by discussing the valuation practices through a theoretically-grounded assessment model.

This thesis shows that the praxis of commercial valuation of audiovisual works can be meaningfully conceptualised and clarified using categories native to entrepreneurial finance and drawing from valuation methods used in venture capital funds.

The audiovisual sector shares key structural characteristics with the start-up ecosystem. This parallel is well exemplified by South Korea's cultural policy experiment of supporting the cultural and creative industries using venture capital — particularly the audiovisual sector (Lee, 2022). Both fields are (i) driven by project innovation (Hennig-Thurau & Houston, 2019; Zider, 1998); (ii) are bound to long development timelines (Przełęcki, 2024; Ruhuka & Young, 1987); (iii) depend on substantial upfront capital investment, oftentimes in form of sunk costs, long before the outcomes can be market tested and monetised (Debande, 2018; Hogrebe & Lutz, 2024); (iv) operate under conditions of high uncertainty (Goldman, 1983; Kim & Lee, 2022). Applying conventional quantitative assessment metrics at early-stages remains a challenge (Ferrati & Muffatto, 2021; Miloud et al., 2012; Walls, 2005). In such environments valuation becomes a pivotal practice guiding resource allocation. As using finance is an important part of the cultural and creative industry, difficulties arise due to dissimilarity of the overlapping but not perfectly aligned zones of interest and perspectives of the financial and cultural stakeholders (Lee, 2022, Vestheim, 2012). I argue that in the outlined context of the audiovisual sector, commercial valuation is the intermediary tool translating publicly supported creative and artistic ambition into the financial rationale that enables participation of private capital. In this sense, commercial valuation is a crucial element of the value chain, which allows culturally-driven projects to come to fruition in a market economy-driven milieu.

Scholarship

By drawing on entrepreneurial finance and strategic management literature, this thesis bridges the rationale of valuation in the audiovisual sector with financial and strategic perspectives, addressing the gap in existing literature that tends to emphasise marketing-oriented approaches. While commercial valuation has been extensively studied in the context of early-stage start-ups and venture capital decision-making, it lacks dedicated, industry-focused academic research within the cultural and creative industries — particularly in the high-risk and capital-intense audiovisual sector. In particular, there is a lack of research on the actual decision-making processes, and rationale of the stakeholders (Aberbach & Rockman, 2002) in the valuation process within the audiovisual sector, especially in light of recent developments. This research is further contextualised to the regional and developing audiovisual market of Poland — operating within the broader European model — with it's particular set of contingencies and challenges related primarily to financing and distribution (KIPA, 2023).

Existing research undervalues the fitness of sophisticated financial measures for the commercial valuation of film rights (Amram, 2002), yet some research based in marketing offer frameworks for such assessments (Kübler et al., 2021). In the stream of academic literature on marketing and economics of motion pictures there is an abundance of studies on film performance (Hadida, 2009; McKenzie, 2023; Walls, 2005), specific success factors (Elberse, 2007; Liu, 2006; Packard et al., 2016; Sedgwick & Pokorny, 1999), and data analytics-based competitiveness (Behrens et al., 2021). Hennig-Thurau, Fuchs, and Houston (2013) determine the monetary value of motion picture rights in the context of TV licensing. Hennig-Thurau, Houston and Heitjans (2009) conceptualise the monetary value of brands and extensions in their contribution to marketing literature and literature on valuations of intangible assets. Their research focuses on extensions of film brands — sequels and remakes. Following up on that, Hennig-Thurau & Houston (2019) go in depth on valuing brand equity of film projects in what they present as justified use of heuristics. Probably the closest to my purpose is the work of Kübler, Seifert, and Kandziora (2021) where the authors propose an elaborate framework for valuing audiovisual content pieces for DSP (digital-subscription-platform) — e.g. Netflix, Prime Video, Apple TV+ — distribution. Their model offers not only a measure of direct contribution from viewership but also other contributions accounting for contingencies of the contemporary DSP business models. While Kübler, Seifert, and Kandziora (2021) identify how individual content pieces can contribute to various DSP business models and their subsequent revenue streams, the proposed measures are designed as performance indicators but not a market valuation attempt in a financial sense. They do not touch upon the estimates of ROI, direct cash-flow contributions resulting from a purchase and distribution decisions at a certain price. The authors call for further research in that direction.

Entrepreneurial finance literature offers a conceptual basis and a blueprint for structuring this audiovisual sector-specific study of valuation. Within entrepreneurial finance, research on valuation decision-making in venture capital follows three general analytical streams: (i) processual research — focusing on the events constituting a VC valuation, decision-making (Ruhuka & Young, 1987), (ii) criteria research — focuses on metrics used in assessing ventures (Ferrati & Muffatto, 2021); (iii) some research represent the combination of the first two types (Silva, 2004). This type discusses phases and events in the decision-making combined with some deployed criteria. The proposed study of the third type is most likely bound to produce more general results than solely focusing on processual research or criteria research. Nevertheless, in case of an under-researched topic, this is arguably a desirable outcome.

On top of that, studies in the field can be focused on (a) particular finance tools and calculation methods used in valuation (Damodaran, 2007; Damodaran, 2012; Montani et al., 2020); or (b) strategic approach to entrepreneurial finance and valuation — focused on referencing strategic management-oriented factors (Cooper et al., 1994; Miloud et al., 2012; Silva, 2004).

All things considered, Silva's (2004) work on venture capitalist's decision-making in small equity markets as a combined research of the (iii) and (b) type is used as a blueprint for this study on the decision-making at the distribution stage in the audiovisual sector. The use of early-stage start-up valuation literature is justified in the context of film distribution as pre-distribution audiovisual works align with the defining features of early-stage start-up projects (Ruhuka & Young, 1987).

Research Question & Method

I'm inquiring how are independent film projects valued in the Polish audiovisual sector. I'm focusing on valuation at the distribution stage. I'm interested in independent film projects, meaning projects not produced by major Hollywood studios, and not produced by DSPs. Nevertheless, I'm not ruling out DSPs as buyers and distributors as major stakeholders contributing to the conventional valuation rationale. By "valuation" I refer to the process of estimating the economic worth of a venture, start-up or product, as described by Silva (2004). Silva (2004) understands valuation as a central part in the venture capital decision-making with regards to resource allocation in a start-up. In a theoretical model where decision-making happen sequentially rather than simultaneously, valuation is not a standalone stage but is a reiterative process structured around the key stages of venture-capital decision making from the informal screening till the structuring of the deal (Miloud et al., 2012).

I also include two sub-questions that address the risk-taking aspect of valuations. Firstly, how do valuation approaches reflect the strategic positioning of stakeholders within the audiovisual sector? Secondly, how do these strategies consider risk-taking at a portfolio-level? Namely, do stakeholders consider valuing projects with portfolio diversification in mind?

A qualitative method of semi-structured expert interviews is deployed. I use mostly open-ended questions, in interviewing the "elites" in the context of commercial valuation, as the goal is to get to the bottom of the decision-making process, and the thinking that drives it (Aberbach & Rockman, 2002).

Structure of the Thesis

The following theoretical background is focused around conceptualising the entrepreneurial finance literature to the audiovisual sector in building a framework of valuation and outline the theoretically-informed possible implications. The methods section presents the rationale behind conducting semi-structured elite interviews with mostly open-ended questions, as well as the practicalities and implications of the chosen approach. The results focus on providing an empirical contribution and are split into presenting the findings with regards to the process of commercial valuation and the criteria as grouped into the three proposed dimensions of valuation. The discussion offers insight with respect to the outlined theoretical and societal context, including a reflexion on the perceived significance of commercial valuation for the the industry at large and possible policy implications.

2. Theoretical Background

The conceptual foundation for the study and is divided into three main parts. Firstly, I discuss the value chain of the audiovisual sector, with a focus on the distribution stage. I outline how film distribution operates. I explore the key features of the sector at the distribution stage as relevant in the context of commercial valuation. I justify the use of early-stage start-up valuation literature in the context of film distribution. Secondly, I conceptualise a possible framework for commercial valuation in the audiovisual industry. I discuss how valuation is approached within the field of entrepreneurial finance, with a focus on early-stage ventures. The focus on the study blueprint provided by Silva (2004), and the dimensions of valuation (Miloud et al., 2012; Silva, 2004) is explored. I adapt the logic of start-up valuation to the context of the audiovisual industry. In doing so, it draws on key concepts from industry organization economics (Hoskins et al., 2004; Porter, 1980), the resource-based view (Cooper et al., 1994), and network theory (Cattani & Ferriani, 2008; Fraiberger et al., 2018; Potts et al., 2008). Finally, I elaborate on the implications of discussing valuation in the audiovisual sector.

2.1 Audiovisual Production Value Chain

This section discusses the audiovisual production value chain, with particular emphasis on the distribution stage as central to commercial valuation. It outlines the stages of the value chain, with a detailed account of distribution, and clarify the key characteristics of the audiovisual sector at the distribution stage that shape the dynamics of valuation. Expectations of approaching valuation at distribution are discussed and the use of early-stage start-up valuation literature in the context of film distribution is justified. Finally, the role of distributors acknowledging their complementary function as investors and co-producers is stated. In doing so, the argument draws comparisons between the industry-specific function of distributors and that of venture capital funds.

2.1.1 Stages of audiovisual production: from idea to screen. Film production is typically organised into four broad stages: (i) development, (ii) production, (iii) post-production, (iv) distribution (Przełęcki, 2024). Development is firstly about developing a script and completing it with Above-the-Line talent (also ATL talent: key creative and leadership roles in a project, incl. producer, director, and principal cast, but also screenwriter, director of photography, set designer, film editor, composer), secondly it's about budgeting, thirdly it's about securing funding. Development results in constructing a *film package* (ATL talent, script, cost estimate and budget, and other supporting explanatory and operational materials). Production is the stage of executing principal photography. Post-production is the stage of turning the effects of principal photography in a finalised film. Post-production is concerned with assembling a first-rough cut, which then is systematically refined into a final cut with editing, sound design, VFX integration, colour grading, music scoring — ultimately shaping the narrative, pace, and the audiovisual character of the project. Distribution is the dissemination of the finalised project — however, despite being listed as the final stage, it can be initiated simultaneously with the development phase (Przełęcki, 2024).

2.1.2 Distribution of audiovisual works. In the audiovisual market distribution bridges production and consumption, and it's role is ensuring films reach audiences through various channels, notably cinemas, streaming platforms, and TV (Hennig-Thurau & Houston, 2019). Distribution in the audiovisual sector can itself be split into key processual elements. Those stages include: (i) the acquisition of rights — negotiating the licensing of distribution rights deals; (ii) marketing — known as "print and advertising" is the development of strategies together with the required assets; (iii) logistics and delivery of localised formats — films are contextualised to specific markets in terms of language and format requirements and copies of the product are delivered to exhibitors; (iv) exhibition — the product enters the market; (v) revenue collection — revenues are generated and distributed among stakeholders (Nowakowska, 2022; Hennig-Thurau & Houston, 2019).

The scope of this research is concerned with the first phase of distribution. Key stakeholders for this first phase of distribution are: the Producer supplying content, who sells or licences the rights to the audiovisual product; the Distributor acquiring rights for exploitation; the Sales Agent playing an intermediary role, connecting the Producer with the right Distributor, in-sync with the needs of the project. Not every distribution deal is intermediated by a Sales Agent, as they typically facilitate international deals (Bojanowska, 2024).

Exploitation windows is the industry-specific term referring to the (sequential) revenue streams through which filmed entertainment is distributed and monetised — across different platforms and formats. It is hard to describe the typical order or relative importance of distribution windows not only because those considerations are project-dependent, but most importantly because in recent years the market with regards to the design of revenue streams is in a state of flux (Follows, 2025). As definite sequentiality is hard to claim I will enumerate all the main exploitation windows — Theatrical, Video, VOD (also TVOD, SVOD, AVOD), TV (both payed- and free-TV), Ancillary rights. Traditionally, a feature film would always be released Theatrically first, although today it is not necessarily the case anymore.

While distribution is considered a late-stage element in the value chain, distributors oftentimes engage with projects at various points of maturity, and well before their completion — even as early as the stage of development, when the project is in ideation, i.e. only a film package.

The expectations of approaching commercial valuation at distribution relate to the fact that this phase is pivotal for projecting financial returns of audiovisual works, as it directly determines revenue generation across various exploitation windows. Thus, approaching commercial valuation of filmed entertainment without considering distribution is arguably nonsensical. As it is important to note that valuation in the audiovisual sector is not bound to single point in a project's life cycle — the process of iterative appraisal between the producer and distributor (perhaps also sales agent) is the essential form of determining the market-fit of an audiovisual project.

2.1.3 Key characteristics of the audiovisual sector at the distribution stage. Among all, two defining characteristics of the audiovisual sector are particularly important for characterising the distribution market in which stakeholders engage in the process of commercial valuation of audiovisual works. They respectively reflect core dynamics on the supply and demand side: (i) innovation responds to the former, and (ii) persistent oversupply and gatekeeping to the latter. Arguably, these dimensions together define the conditions under which stakeholders engage in valuation process within the audiovisual market (Hennig-Thurau & Houston, 2019).

(i) The audiovisual sector is innovation-driven. The nature of entertainment markets require stakeholders of the audiovisual sector to constantly pursue innovation in creating new entertainment and/or cultural products in order to remain relevant (Hennig-Thurau & Houston, 2019). There is no perfect substitutes in this industry, as every new product is unique and the perceptions of it's quality will remain unknown prior to the moment it reaches the market. It is in this sense that cultural production, in particular when it comes to the audiovisual sector is an innovation-driven endeavour to its core. The result of this innovation-centric dynamic is the persistent oversupply of the market (Hennig-Thurau & Houston, 2019).

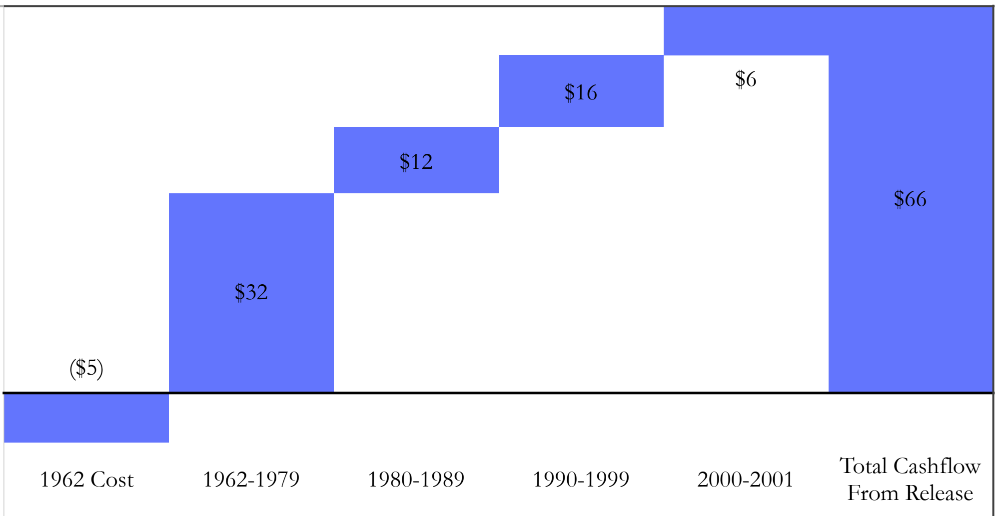
(ii) As explained in detail by Hennig-Thurau and Houston (2019) the entertainment industry is characterised by a "persistent oversupply" of creative goods. Because of this oversupply, an important role is assigned to the *filtering system*. Gatekeepers decide what is going to be easily accessible to the consumer, at the same time rising the cost of access to the non-anointed good by leaving them in obscurity. In filmed entertainment this filtering system is of course multi-staged and not homogenous across projects — but it is arguably focused around the distributor. This gatekeeping function is of special importance in the world of audiovisual products, for many reasons, one of them being the high complexity and cost of producing competitive products, and the concurrent fact that such products are intended for mass distribution. In other words, a film not shown in cinemas or via streaming can't be watched by audiences. Based on the report of the Polish Producers Alliance KIPA (2023) only 63% (71 of 112) of the full-length films produced in 2022 were intended for theatrical-distribution. For comparison — even though data of this kind is hard to access — Stephen Follows (2015) did a great job of gathering those numbers for the UK movies shot between years 2009 and 2013, and came up with a number of 44%. As a result, gatekeeping in distributors is both a question of having access to critical resources and of market power.

2.1.4 Early-stage start-up valuation literature in the context of film distribution. In this section I will argue why it is appropriate to use start-up valuation literature, which focuses on the early-stage valuation of projects, to discussing film valuation by distributors.

In audiovisual production distribution is perceived as the last stage of the value chain. This poses an apparent tension in such a proposed juxtaposition. As it is true that distribution in audiovisual production is the last stage in the value chain, it is only part of the story — going into detail can provide some more adequate ideas. Yes, distribution is the last element of the value chain — certainly from an audiovisual producer's perspective. It is the last major consideration for the product to be completed. In fact, it is so much down the line that some producers exhausted by the extensive production process, lack the resources — financial or personal — to aptly execute this final yet crucial stage. That's at least partly why a significant number of completed pictures never even gets onto screens, either in theatres or via streaming.

The production process, which can take years to complete, is in fact only the creation of the physical product — the IP. The actual market life of the product really begins with distribution and in the industry it is referred to as the *exploitation of rights*. **Figure 1.** is an illustration of the potential longevity of the market life of audiovisual works *in exploitation*. It illustrates the cash flow history of the Goldfinger movie, from the James Bond series. The movie premiered in 1962 and it's exploitation is ongoing for 63 years now. Unfortunately this data source does not account for revenue after 2001, but based on the forward reciprocal spillover effects (Hennig-Thurau & Houston, 2019) — when the brand extension affects the original brand, i.e. all the "classic" Bond movies enjoy boosted longevity thanks to the subsequent releases in the series, and the adjacently generated marketing effects — and the fact that the movie was theatrically re-realised in 2007, 2020, and 2022 (Box Office Mojo, n.d.), most certainly the movies continued to bring in revenue way past year 2001. Additionally, this is only data from theatrical releases. In parallel, the IP gets exploited in other formats such as e.g. online streaming, VOD, DVD, or by commercial airlines. Of course, a movie like Goldfinger is an outlier, and a great example of time-tested audience-appreciated entertainment. Nevertheless, my point is made clear — the market-life of film projects can span into decades. Distribution is the last phase of the production process, but at the same time, the initial distribution is only the beginning of the commercial exploitation of the IP. This example also makes another important point, being that despite resource allocation (investment) in the industry is project-based (Lee, 2022) their life-span is not necessarily bound to short periods.

FIGURE 1.
THE CASH FLOW HISTORY OF GOLDFINGER (IN M NOMINAL DOLLARS)



Source: Amram, M. (2002). The value of film studios. *Journal of Applied Corporate Finance, 15*(2), 24-31.

Start-up companies can be valued and funded at various points of maturity (Ruhnka & Young, 1987). What is more, typically they can get funded multiple times at various stages of maturity (Ruhnka & Young, 1987). The types of approaches to the conducted valuation at various stages will be different. The less financial data there is available (from tracking the start-up's previous performance) the more the valuation tends to rely on strategic considerations and their perceived influence on future value (Miloud et al., 2012).

I will further clarify what defines early-stage venture capital investment in the scholarship, and discuss if pre-distribution film projects align with those criteria. Miloud et al. (2012) conceptualise the early-stage of development based on the work of Ruhuka & Young (1987). Ruhuka & Young (1987) propose the venture capital developmental model, discuss the sequential stages of development and its features, based on a longitudinal study of venture capital funds. The authors established that the "early-stage" of a start-up is most commonly understood as all the actions progressing the project to the stage of having a formal business plan, getting the product ready for the market, making initial sales to determine wether there is real demand, assembling the managerial team, developing marketing plans. Typically, this is pre-revenue, as this stage is focused on preparing the product for entering the market. Ruhuka & Young (1987) found that there is strong consensus when it comes to the constituents of start-ups in early stages of development. Following Miloud et al. (2012) and Ruhuka & Young (1987), I understand early-stage to also include "seed stage" — as the very first stage in the development. Seed stage projects are projects at the concept phase.

Having considered the defining features of an early-stage start-up project and the alignment with the features of a pre-distribution, i.e. pre-commercial exploitation of an audiovisual project, I argue that pre-distribution film projects can be conceptualised as early-stage start-ups. An early-stage or pre-revenue valuation in a start-up is comparable to the valuation of a film project at the initial distribution, where no financial performance data exists and the product is yet about to eter the market with full force, and scale. This way early-stage valuation literature (e.g. Miloud et al., 2012) can be applied to discuss the valuations of pre-distribution audiovisual products.

2.1.5 Distributors as investors and co-producers: comparing distributors to VC. As noted, it seems that the role of distributors as plain intermediaries has diversified as they act also as early-stage investors and co-producers (Follows, 2025; Keslassy & Vivarelli, 2025). In this re-defined model, distributors exemplify functional characteristics analogous to the definitional features of venture capital funds. These include a focus on early-stage projects or companies with high growth potential, provision of financial and strategic support, assumption of venturing in high-risk markets, and a portfolio-based approach to project selection and investment of resources (Sahlman, 1990). This mirrors the logic of early-stage investment conducted in venture capital, where unproven projects or ideas are valued based on forward-looking assessments of potential return (Ruhuka & Young, 1987). A considerable difference is that cultural production is dominated by project financing and project-level investment (Lee, 2021).

2.2 Valuation in Entrepreneurial Finance

This section discusses how valuation is approached within the field of entrepreneurial finance, with a focus on early-stage start-up ventures. Establishing a valuation is considered a complex task because of the multitude of factors that influence the outcomes (Ferrati & Muffatto, 2021). The considerations are taken way beyond what is purely financial analysis of accounting data. Other, rather qualitative, points of analysis like firm characteristics, the market competition, market barriers, market maturity — which do not necessarily resort to financial forecasting — are of significance. Conceptualising those factors for the purpose of valuation requires implementing complementary theories to the study of finance. Theories in the field of entrepreneurship and strategic management provide the necessary insights in the determinants of firm performance and the mechanisms of value-creation in the entrepreneurial process (Miloud et al., 2012).

This study adopts the dimensions of valuation as outlined in the work of Miloud et al. (2012). The dimensions as used in the reference are: (i) industry organization economics, (ii) resource-based view and (iii) network theory. Each of these theories approach firm performance from a different perspective, and their practical implications are widely used in valuation of start-up firms in the early stage of development. The criteria dimensions sourced from Miloud et al. (2012) are consistent with the ones used in Silva (2004), yet Miloud et al. (2012) conceptualise them in a more clear-cut and explicit way. Thus, in this study I look at the valuation decsion-making with the use of these three dimensions as sourced from Miloud et al. (2012) but consistent with the dimensions used in Silva (2004).

2.2.1 Quantitative and qualitative aspects of valuation. Valuation can be performed for projects at various stages of maturity. As ventures advance, different types of data characterising a project are available. As explained by Silva (2004), in early-stage proposals, financial projections are not necessarily imperative. Quantitative metrics are oftentimes considered unreliable in the absence of previous financial records available. This is not to say that early-stage projects are valued only non-quantitatively. However, the understanding is that in case of products with no previous financial track record, the development of numeric forecasts is *financial storytelling*. For this reason, in early-stage projects, financiers place significant weight on the assessment of qualitative strategic factors, while treating financial forecasts with caution (Silva, 2004).

2.2.2 Maturity of equity markets as a contextual factor. Research conducted by Silva (2004) suggests that the maturity of markets has influence on how venture capitalists select early-stage projects. The findings show that the decision-making process and the criteria used in small markets differ significantly from those used in developed equity markets. As such the maturity and size of the market is an important contextual factor.

2.2.3 Process of venture capital decision-making. Overall, it appears that in smaller, less developed markets, the process is more interactive and less rigidly structured (Silva, 2004). Stages of venture capital decision-making including deal origination, screening, evaluation, deal structuring (post investment activity is what follows) often occur simultaneously rather then sequentially (Silva, 2004, Tyebjee & Bruno, 1984). Early informal contact between the VC and entrepreneur plays an important role in screening, oftentimes preceding formal submissions. Valuation is not a standalone stage of the venture capital decision-making but an ongoing process based on the project's reiterative assessment based on project inputs and considerations related to structuring of the deal (Silva, 2004). Establishing a valuation is a central part of the decision-making facing both entrepreneurs and venture capitalists, which will determine negotiations on the price of the start-up and ownership stakes (Miloud et al., 2012). In case of early-stage start-up the decision-making largely relies on qualitative factors (Miloud et al., 2012, Silva, 2004).

2.2.4 Introducing the three dimensions of valuation. According to Miloud et al. (2012) in the recent half of a century multiple theories have been developed to model and predict firm performance. Three of them are in particular suited to the the valuation of early-stage start-up: (i) industry organization economics, (ii) resource-based view and (iii) network theory. Each of them delineates the problem from a different angle. The assumption made by Miloud et al. (2012) in their research on the venture capital valuation is that all of the factors used for assessing projects can be assigned to one of those three groups.

(i) Resource-based view (RBV) looks inside of the *black box* — a firm — and conceptualises it as a pool of strategically valuable resources. Internal assets are granted a central role in predicting firm performance. In particular the RBV focuses on resources that are a source sustainable competitiveness. The RBV perspective for early-stage projects generally focuses around the idea of assessing the quality of the core founding team, as a form of capital with a strong predictive power for assessing a firm's future performance (Cooper et al., 1994). As oftentimes with early-stage and high-risk projects targeted by VCs, the track record of the team — proving their historical ability to venture successfully — is the only real provision of projected outcomes (Kim & Lee, 2022). The team's commitment to the project, their understanding of the proposed business and its related market, as well as their qualification to successfully execute the venture were considered important factors (Silva, 2004).

(ii) Industry organization economics (IOE) focuses on the competitive environment, i.e. the market structure in which a firm competes as a predictor of behaviour and performance (Hoskins et al., 2004; Porter, 1980). In more colloquial terms used in venture capital valuation, this dimension is about factors assessing the business idea in the market context (Silva, 2004). VCs test the product and its relevance thoroughly (Silva, 2004). Ideas in growing industries as well as projects with a considerable growth potential are valued higher (Silva, 2004). The sustainability of the competitive advantages of the project are assessed (Silva, 2004). Silva (2004) also suggests that financial projections were not considered reliable and binding in early-stage proposals. Nevertheless, those projections were found important for the purpose of estimating the break-even point of the analysed projects.

(iii) Network theory (NT) highlights how a firm's external relations influence the flow of resources and the strategic decision-making, ultimately affecting its performance. This approach also focuses on the internal resources like the RBV but focuses on the relational characteristics of those assets in regards to external (market) entities. In this sense Miloud et al. (2012) presents it as a bridging between the previous two perspectives, in the context of assessing the value of a start-up. Venture capital funds place great emphasis on the network positioning of the key founding team developed through their previous professional activities (Silva, 2004).

This synthesis of perspectives is aiming at structuring the relevant approaches to estimating the value of a start-up in a theoretical framework. Each approach contributing to the framework is based on constructs that have been found significant for firm performance in the literature of strategic management. The framework implies that internal resources, external ties, and market opportunities are in conjunction responsible for a firm's performance. While the outcomes are not perceivable *ex ante* for early-stage projects, the framework offers a baseline for determining firm value, upon which stakeholders (founders and financiers) determine their individual assessments. In a negotiate process the individual valuations of future performance converge resulting in pricing the deal (Miloud et al., 2012).

The underlying assumption is that while financial methods designed to calculate future cash flows can result in a valuation, the strategic management approach can produce comparably valid — if not more so — results when the monetary values are hard to estimate, yet the inputs that would define those calculations present the possibility of objective assessment. When valuation based on a firm's outputs (e.g. present value of future cash flows) is unreliable, the inputs-focused analysis will be certainly of more value than arbitrary decision-making.

2.2.5 Valuation versus pricing. Considering the boundaries between what is valuation and what should more accurately be considered pricing within the broader "valuation" process is subtle but of importance. Typically both pricing and valuation are present in the process of start-up "valuation". While "valuation" *par excellence* refers to an analytical process of estimating a start-up's value based on some fundamentals (Montani et al., 2020); "Pricing" refers to the stakeholder's willingness-to-pay based on market conditions, which is reflected in the practice of negotiating a deal. In this sense, pricing is more behavioural and contingent (Zider, 1998).

2.3 Conceptualizing Valuation of Filmed Entertainment

In this section, entrepreneurial finance theory is contextualised to the audiovisual sector. The expectation is to identify and present the expectations with regards to factors that will guide the valuation of filmed entertainment.

2.3.1 Resource-based view. The resource-based view conceptualises valuation by focusing on internal strategic assets — key value drivers — that provide a project with sustainable competitive advantage (Cooper et al., 1994). In the audiovisual sector, they primarily show as intangible resources and include the key elements of a film package: the quality of ATL talent and script. These components are not only essential for creative execution but function as audiovisual market-specific quality signals that shape the perception of a project's feasibility and distinctiveness. In creative and cultural industries, these internal resources often outweigh tangible assets in determining projected value (Caves, 2000; Lampel et al., 2000). In this sense contextualising the RBV is mostly about recognising the importance and qualities of intangible assets in the sector. As such, the RBV dimension of valuation highlights how stakeholders assess projects through the lens originality, credibility, symbolic forms of capital embedded in the core team and the foundational IP. What's more, stakeholders evaluate audiovisual projects not only based on direct revenue expectations, but also in terms of pursuing unique strategic assets. Creative firms prioritize unique and hard-to-imitate project elements in decision-making as unique strategic assets that can be a source of sustainable competitive advantage through sustained product differentiation (Lampel et al., 2000). In the realms of cultural and creative industries quality talent is perceived as rare, and as such an function as strategic asset and a source of competitive advantage (Hennig-Thurau, & Houston, 2019).

2.3.2 Industry organization economics. The IOE perspective places emphasis on structural conditions, such as market trends, competition-related dynamics, market concentration and vertical integration — the expected profitability of a project based on its positioning within the market landscape (Porter, 1980). This perspective should inform considerations on how stakeholders interpret market intelligence to estimate future performance and projected revenue, as it links market structure with strategic behaviour and profitability (Hoskins et al., 2004). The IOE perspective is about gauging the anticipated revenue streams — including potential theatrical viewership (box office) and/or streaming performance and the potential for subsequent or alternative rights sales. The IOE dimension is expected to account for multiple factors in assessing market outcomes, including budget appropriateness, promotional potential, franchisability, or the the characteristics of the licensing agreement itself (Hennig-Thurau, & Houston, 2019). Additionally, the IOE dimension is also discussing the impact of institutional logics, such as the (commercial) benefits of festival participation and awards. In media markets, recognition (symbolic capital) — like festival selections — translates into commercial value. Festival awards may lead to distribution deals, or marketing leverage. There is an institutional mechanism shaping what's perceived as "prestigious" or "marketable" (DiMaggio & Powell, 1983). In the deployed IOE perspective, commercial valuation is about assessing the significance of competitive positioning within a complex and dynamic audiovisual market for a firm's/ project's future performance.

2.3.3 Network theory. NT synthesises the views of IOE and RBV as it looks at internal resources in the context of their interaction with external networks. Network theory emphasises the role of social capital and embeddedness in facilitating access to resources, reducing uncertainty of outcomes, and enabling trust-based repeated co-operation (Miloud et al., 2012). The special importance of network theory for shaping outcomes in the broader cultural and creative industries was underscored on many accounts. Potts et al. (2008) provided a new definition of the cultural and creative industries by conceptualising them as "social network markets". This new definition was proposed with respect to the networks-contingent dynamics of value creation and perception cultural and creative industries (Cattani & Ferriani, 2008). Other research has shown how network embeddedness is a strong success predictor in art markets (Fraiberger et al., 2018; Packard et al., 2016) — which sets a promising light on explores the role of network centrality and social capital in audiovisual markets. The expectation is that network positioning influences the perceptions of artistic quality and innovativeness (Cattani & Ferriani, 2008). It also plays to the value assessments by projecting trust in a risk-intense market (Walls, 2005). The expectation of the network effects expand to promotion. Key talent — in particular key cast members — with strong social media presence are considered marketing assets (Hennig-Thurau, & Houston, 2019). As presented, network theory bridges the internal, intangible asset, focus of RBV, with the structural and strategic, market-based lens of IOE, in a perspective underscoring the importance of relationality in shaping access to resources and projecting outcomes within the industry.

2.4 Implications of Discussing Valuation in the Audiovisual Industry

Discussing commercial valuation in the audiovisual sector has several interconnected implications for the industry. I elaborate on the choice to purse commercial valuations among other possible types of valuation. The possible implications of addressing decision-making in researching valuation are stated. The expected implications are stated in analogy to the documented impact as presented in the literature of entrepreneurial finance.

2.4.1 Commercial aspects of valuation. When discussing the valuation of start-up ventures, it might be clear that the intention is to discuss the commercial, market-oriented dimension of what can be considered valuation. In case of cultural or creative products — like audiovisual entertainment — it is not necessarily obvious. Cultural goods are multi-dimensional and can be valued with different purposes in mind than purely the commercial one. We can distinguish at least three types of valuations relevant for the audiovisual sector: (i) a commercial valuation (Silva, 2004); (ii) valuation of artistic quality (Chiaravalloti, 2005); (iii) cultural value (Throsby, 2003).

This study is focused on discussing the dynamics in the economic value-chain of the audiovisual industry, and it's impact on the sector. For this reason, the primary focus is on the commercial valuation. The notions of artistic quality of the audiovisual goods or their cultural value are certainly in an interplay with the commercial value, i.e. they play to the perception of commercial value. Yet, the study in itself is more focused on debunking the ways of translating those intangible notions of cultural and artistic merit into the logics of market-driven production that is realised in the process of commercial valuation of distribution rights — than it is about accounting for those qualities in other, non-commercial types of valuation.

There is an explicitly expressed need for discussing and clarifying the business decision-making in the industry to support governance for a sustainable development of the sector (KIPA, 2023; Pratt, 2009). Yet, in line with the argument of Pratt (2009) this focus on the commercial aspect is not to exclude or devaluate other dimensions of value. The study aims to provide a focused commercial approach to be considered hand in hand with non-commercial ones, as accounting for the cultural and creative sector-specific interplay of the for-profit and non-for-profit, commercial and artistic considerations and objectives (Lampel et al., 2000).

2.4.2 Decision-making aspect of valuation. Since the study is inquiring about the actuality — the praxis — of valuations in audiovisual production and compares it with academic literature, the implications of such research are more about structuring the practices in place and providing recommendations for the sector than it is about contributing to the theories of valuation.

Following the conclusions found in the entrepreneurial finance literature on start-up valuation the research focus on the decision-making aspect of valuation can have multifaceted motivations. Firstly, it can be about determining whether the market allocates resources properly (Fried & Hisrich, 1994). Secondly, the purpose can be to present a framework to help the decision-makers better understand their own decisions with the expectations of improving aptness of valuations (Shepherd, 1999). Thirdly, it can be about aiding the founders in getting funded (Timmons & Gumpert, 1982). Analogous contributions but with respect to the audiovisual sector would be of importance considering the lack of processual research in this field. These contributions stemming from processual research on commercial valuation are foreseeably consistent with the expectations presented in the entrepreneurial finance literature of venture capital decision-making. In what follows, I discuss in detail the implications of researching commercial valuation with a focus on decision-making, through the lens of the threefold distinction.

The first group is considering a *macro*-level of analysis. It is about asking: A*re the resources being allocated reasonably?* — with the industry at large. This level is crucial for institutional governance of the industry.

(i) Researching and conceptualising the praxis of valuation is vital for an informed discussion of how capital is allocated in the market. This has implications for access to capital in the sector, and what follows — the overall financeability of production in the market. At once, the undercapitalisation of the audiovisual production sector in Poland is seen as a principal hurdle constraining the development of the industry (KIPA, 2023).

(ii) A structured documentation of the valuation practices in place supports transparency and professionalization of the industry. The undercapitalisation of the Polish audiovisual production sector is believed to be largely stemming from the obscurity of it's operations in the eye of potential financiers — the banking sector, investment funds, and private investors in general (KIPA, 2023).

(iii) The practice of commercial valuation determines the outputs of the audiovisual sector. In this sense, valuation is important for discussing implications of power and access related to the gatekeeping functions in the sector — the viability of the "filtering system". A prime determinant of what will be considered distribution-worthy is the outcomes of the commercial valuation process. In this sense, commercial valuation is a key factor in the business decision-making and it determines the overall quality of outputs in the audiovisual sector. It implies both what will be made available to the public, and retrospectively what will get produced.

(iv) Unlike typical startups, audiovisual products are based on intangible, and hardly quantifiable cultural value. The research on commercial valuation adds to the understanding of how notions of creative and symbolic capital are translated, conceptualised, to fit into financial logics or heuristics of the industry. Commercial valuation is a way of translating the artistic qualities of audiovisual projects into a language that enables their realisation within a market-driven economy. In this sense, the characteristic of valuation are a likely determinant of a project's artistic integrity as brought to the market.

(v) Discussion of standardisation in a creative industry. Standardised valuation models in an industry relaying on novelty and creative inputs may introduce biases and promote formulaic outputs. In this sense the contributions of the study might be an invitation to discussing the implications of risk-taking stances of individual firms, stakeholders (most importantly producers and distributors) in a famously risk-intense market.

(vi) Lastly, all of the discussed considerations are of importance for informing policy and public support for the industry.

The second group is about the decision-making of individual stakeholders. The goal is to inform decision-makers to promote a structured understanding of the problem, which should lead to improving aptness of valuations and finally to an improved decision-making in the sector.

(vii) Valuation as a risk assessment tool. Risk is a major decision-driving force in the audiovisual industry. The sector is bound to significant risk factors, primary among them are high sunk costs in production and uncertainty of returns. *Nobody knows anything* (Goldman, 1983) is the famous proverbial and traditional way of referring to the latter in the industry. In this sense, valuation acts as a tool to gauge from an individual stakeholder's perspective whether a project is *worth the gamble* — anticipating potential risks and assessing returns. Researching valuation promotes the development of systemic approaches to managing risk.

Business risk can be managed on two fundamental levels: the individual project level and the portfolio level (or, in the context of the film industry, the 'slate' level). According to Hennig-Thurau & Houston (2019) risk management on individual level is inevitable but can only be effective to a certain extent. In other words, it is not possible to fully eliminate risk on individual project level.

It is important to give weight to recognizing that there is no single 'correct' answer when it comes to defining the framework for valuation in terms of risk management. The profile and objective of an entertainment, cultural and creative product — or portfolio of products — ultimately depend on the perspective of the beholder, whether that be a producer, distributor, or investor. However, a lack of a clear framework is a source of disadvantage (Hennig-Thurau & Houston, 2019).

(viii) Valuation shows its importance by supporting strategic planning and portfolio-level thinking. For each individual stakeholder in the value chain, it provides a basis for structured comparison across multiple projects. Firstly, this implies the possibility of making strategic choices in regards to project selection or development. Secondly, in effect valuation enables portfolio-level thinking.

Both of them are important in terms of project selections and development with the objective of maintaining a strategic fit between the stakeholder's objectives and the characteristics of the project. It is of special importance in the context of the broader European system of audiovisual production, in which the commercial facet tends to be only one of the many considerations, and the stakeholders tend to find themselves in situations of weighing decisions around balancing high-risk artistic projects with more commercially secure ones (Lampel et al., 2000; PFI, 2024).

(ix) Valuation supports negotiations. A sound and transparent valuation framework facilitates collaboration and reduces conflict in negotiations on capitalisation of project (Miloud et al., 2012). The relevance of this point seems to be supported by the observation that the products "traded" in the discussed industry are considered intangible assets, i.e. they are hardly-quantifiable. In this context, stakeholders who can clearly justify their pricing decisions hold a distinct advantage in conducting productive negotiations.

The third level of implications is all about aiding founders — i.e. producers, in the context of the audiovisual industry — in getting funded.

(x) Advancing valuation research enhances producers' capacity to secure financing. Difficulties in securing financing in the audiovisual production sector constitute a major bottleneck, holding back producers from venturing in the Polish market (KIPA, 2023). *Soft money* in the Polish (and broader European audiovisual market) is every kind of non-recoupable funding usually related to state-aid — subsidies, grants, tax incentives. *Hard money* relates to funds that need to be repaid, i.e. loans, private equity, distribution pre-sales (Przełęcki, 2024). The aforementioned undercapitalisation is believed to stem from a shortage of *hard money*, underscoring the potential competitive-edge of producers fluent in the language of commercial valuation of film projects.

3. Methods

3.1 Research Design and Approach

In terms of the study design, this research is better-off prioritising richness and quality of the collected data, over the sheer quantity of responses — as the goal of the thesis is to get to the bottom of the decision-making process, and the thinking that drives it. The operations of the movie business are culture-coded, contextually nuanced. Silva (2004) stresses the importance of real-time data gathering (participant observation) for apt reporting of the decision-making process. Limited with practical constraints, this study reports on the decision-making from in depth "elite" interviews. A qualitative study with a number of 8 semi-structured elite interviews was chosen for this research (Bryman, 2016). Open-ended question allowed for a full articulation of respondents' nuanced views, engaging in discussions, inquiring about their reasoning and implicit premises (Aberbach & Rockman, 2002).

Elite interviews are appropriate for studying valuation practices in independent audiovisual production. As Aberbach & Rockman (2002) argue, elite interviewing is particularly useful when the research probes how judgements are formed, and seeks to examine attitudes in semi-formal practices. In the audiovisual sector where decision-making is accompanied by experience-based heuristics, elite interviews provide organic insight into how stakeholders negotiate value, and arrive at strategic choices. In addition, the practice of valuation is of concern only for top-level management or entrepreneurs. What follows, the study has to be concerned with the high-profile stakeholders (elite) of the industry. As described by Aberbach & Rockman (2002), highly successful and/or educated interviewees tend to be unappreciative towards the idea of having to express their opinions or rationale in a closed format, be it structured interviewing or close-ended questions. In a conversational interview format like the one proposed, there are some costs incurred in terms of what is believed be the scientifically most proper way of collecting data. For example the interviewees might not be asked all of the questions in the exact same order. Nonetheless, the advantages of the conversational flow and the nuance of the recorded answers might be worth the tradeoff (Aberbach & Rockman, 2002).

According to Aberbach & Rockman (2002) there are three main considerations when deciding upon semi-structured interviews with open-ended questions: (i) the degree of prior research - as presented in earlier sections the topic of inquiry is under-researched; (ii) desire to maximize response validity; (iii) the receptivity of respondents — high-profile respondents might be more willing to part-take in a conversational data-gathering, like the one proposed. Considering all three factors, the use of a qualitative study method, with semi-structured elite interviews and mostly open-ended questions, seems reasonable.

3.2 Sampling

The target population is the group of key stakeholders in the valuation at the distribution stage in the Polish audiovisual sector — distributors, sales agents, producers, financiers (experts). The unit of analysis is industry professionals involved in the valuation and decision-making process concerning the commercial potential of audiovisual projects in the Polish film industry. I interviewed the "elites" in the context of commercial valuation, meaning high-profile stakeholders in audiovisual sector engaged in valuation of filmed entertainment in Poland (e.g. producers, sales agents, distributors, financiers, studio executives, consultants, and economic experts — those features are not exclusive, as one interviewee can be more than one of those at a time; for a detailed list see Appendix A).

At first, I employed non-probability, purposive sampling, selecting experts — producers, sales agents, distributors, financiers, studio executives, consultants, and economic experts — based on their roles and experience in the industry, as relevant to the research questions (Bryman, 2016). I specifically targeted the highest-level of stakeholders in the Polish audiovisual industry. The goal was specifically to interview individuals with a strong "brand" related to a sustained career in the industry, a notable track record, and expert status. Alternatively, representatives of such stakeholders may also be included — top-level executives of stakeholder organisations with a strong "brand", sustained presence in the industry and a notable track record. The dedicated target in it's entirety is quite small and the access to such individuals is gatekept. As a result, the actual sample was largely determined by the availability of experts and their readiness to share their know-how and experience.

3.3 Data Collection

The data collection happened between April and June 2025. There were 8 elite interviews conducted, with a duration of between 30 and 89 minutes. I was contacting the selected group of potential interviewees, using e-mail and messages on online professional networking platform LinkedIn. They have been informed about my research in a short written pitch format and encouraged to agree on making time for the interview. The participants were informed about the legal conditions of the interviews — anonymity, and confidentiality — and provided informed consent. The meetings with interviewees were held both online (via Microsoft Teams, and Zoom US), and in person. There is an interview guide structured along the dimensions of valuation as explained in the theoretical part. The interview guide consists of mainly open ended questions. An example of an open-ended question in my interview guide is: "How are formal and informal relationships and professional networks important in shaping valuation decisions?". The interviews were recorded and transcribed.

3.4 Coding and Analysis

A thematic analysis approach was employed to analyse the gathered interview data — as described by Bryman (2016). All interviews were transcribed verbatim to ensure the retention of the richness of the in-depth interview data. Thematic coding was applied. The themes follow the mian theoretical concepts and considerations, as they emerged in the literature review. The themes follow the applied framework as they relate to processual considerations, the resource-based view, industry organization economics, network theory. An additional theme is added which relates to the strategic considerations of the two sub-research questions (see Appendix C). The process of coding was reiterative in the sense that the themes emerged from the theoretical framework, but codes were refined based on recurring patterns in the content of the interviews, but also with respect to overall coherence of the data and of the coding process. For example, a primary code derived from the theoretical framework is "resource-based view". Then, as most if not all of the interviewees discussed the significance of assessing RBV elements such as ATL talent or script, there are secondary codes of "ATL talent" and "script" as they emerged from the data (see Appendix C). The codes only refer to commonly discussed topics across all the collected data. I conducted the coding independently, with attention to consistency of analysis and coding across the dataset. Since I have coded all of the interviews independently, acknowledging potential bias of researcher influence is a must.

3.5 Limitations

Opting for a non-probability, purposive sampling method clearly introduces a bias. Nevertheless, considering the need to collect data from a limited pool of elite interviewees, the choice of a sampling method seems to be a justified trade-off. The limited access to elites results in introducing a barrier and potential biases in the resulting sample. Since the interviewees are active industry stakeholders there might be a bias introduced related to the perceived (social) desirability of answers. Namely, the interviewees might be reluctant to admit that they act on gut feeling, rather than sophisticated analytics in a post-big data boom business environment. They might be introducing this kind of bias both consciously and subconsciously. Even though the interviews are anonymous, as active elite industry stakeholders they might be accustomed to protecting their public expert-image. Then, the interviewees might purposefully want to protect parts of their know-how, as a measure to safeguard information that constitutes a competitive advantage. Finally, they also might be bonded legally to withhold some sensitive information.

4. Results

This chapter presents the empirical findings of the study, based on in-depth elite interviews with key stakeholders involved in commercial valuation of audiovisual projects at the distribution stage in Poland. The analysis was conducted using a thematic coding approach, with themes and codes derived from both the theoretical framework and the collected data. The findings are grouped according to the themes derived from literature and expanded in a reiterative coding process. First, processual considerations are discussed. A presentation of the valuation criteria is what follows — where the criteria are organised along the three dimensions of valuation sourced from literature: (i) RBV, (ii) IOE, (iii) NT. Finally, consideration relating to the two sub-research questions are discussed in a section focused on concerned with maintaining a strategic fit in the context of the European film sector.

The baseline of my findings is that the valuation criteria in both sectors are aligned, and correspond to the dimensions sourced from entrepreneurial finance. In conditions of high uncertainty, audiovisual works (similar to start-ups) are valued primarily on the basis of factors corresponding to the resource-based-view, as relating to points of sustained competitive advantage. Quantitative metrics are treated with caution in pre-distribution (early-stage, pre-revenue) audiovisual works. Significant differences are to be found on the processual level, as the institutional setting in which decision-making happens is differs significantly across the sectors.

4.1. Valuation Process

Similarly to Silva (2004) the focus of presenting the valuation process is not to claim discrete phases which stems from the fact that in the Polish audiovisual sector just like in some smaller equity markets (Silva, 2004) the valuation-related activities might take place simultaneously and a clear universal structure is hard to identify. The focus is on then not necessarily on linearity but on acknowledging the indispensable elements of the process.

Valuation typically begins with the first screening, assessing the elements of the film package — key talent behind the project together with a script or a treatment. This initial step is highly qualitative and networks-based. In case of projects traded at the development stage, the film package is the only project-related input for the valuation.

In the script analysis process a target audience and comparables (comparison titles) are ideated. Distributors assess the past performance of comparable films to develop benchmarks for expected revenues across various exploitation windows and to conceptualise the basis for comparability. While, based on the existent literature, the expectation was that comparables are going to play a vital role in the assessment of market potential, the interview data suggest a more nuanced picture. Comparables are part of the valuation process, but their role is arguable. Some interviewees suggested that in itself the use of comparables as a method is not expected to have any predictive power for the aptness of assessing future market performance — since it is hardly adequate to conceptualise comparison titles in a market where every product is essentially an innovation. Yet, in the rights trading process they tend to be used by the seller as a marketing, communication tool — the seller communicates the project in comparison to known titles to potential buyers.

Following the analyses of the key elements of the package, and related comparables, estimates of a project's profitability are based on revenue stream forecasts, analysed in correspondence to the various exploitation windows: Theatrical, Video, VOD (also TVOD, SVOD, AVOD), TV (both payed- and free-TV), Ancillary rights. When it comes to independent distributors and producers the most sensible valuation relates to the historically most important window — Theatrical. It is because in that case the number of viewers translates directly into sales and revenue. Meanwhile, when assessing the commercial value of VOD exploitation window significant information asymmetry exists, as the exact viewership data is most often not made available and does not translate into variable income for the seller of the rights. In the case of such exploitation windows, the projected worth of a sales-deal (value of the given exploitation window) is based on historical performance of comparables with regards to exact values of transactions for the same exploitation window and not traditionally understood market performance.

Valuations can be structured as scenario projections — the viewership is estimated as a range of possible outcomes (from pessimistic, through probable, to optimistic). Distributors model potential revenue streams against the cost of rights acquisition and planned promotional (P&A) expenses. Estimating the break-even is key (revenue from the exploitation of acquired rights offsets P&A and acquisition costs).

Additional considerations of strategic nature impact the value assigned to a project. This can relate to a distributor's brand strategy and/or portfolio (slate) strategy. Distributor's might choose to value and acquire the rights to audiovisual projects at various stages of maturity: at an early-stage (as a script or as a film package), in production (the film package is locked and some early footage available), in post production (starting with the rough-cut to completion), after completion but pre-distribution (with or without a premiere at a festival). A project is assessed differently depending on the state of maturity — when it's just a film package (development), and differently when it's a rough cut, and again — differently, when a fully finished but unreleased project. The agreement among the interviewees is that the closer a project is to completion, the more valid and reliable it's valuation becomes. With one interviewee in particular arguing that typically the most significant reduction of uncertainty in terms of projected outcomes occurs between the stages of ideation (early-stage, film package) and the first rough-cut. This in itself is a strategic consideration that influences the risk-profile and value of a traded project. A distributor might prefer to work with projects from an early-stage (development), to maintain significant influence on the future shape of the project (e.g. influence development decisions). At once, maturity of a project influences valuation in a direct sense, meaning that the closer to completion a project is the higher the valuation tends to be, reflecting the diminishing perception of uncertainty of outcomes.

Once the value range of a project is established, negotiations begin and additional deal-structuring factors come into play.

4.1.1 Valuation versus pricing. A lot of weight is placed by all of the interviewees, that valuation is part of a process that is always negotiative. Valuation is important for setting a proper strategy for negotiations and an asking/bidding price. In the end, the outcome of commercial valuation is sealed through negotiation — reflected in what the market is willing to pay for a given project — it is a price. Film markets are industry events that serve as key focal points for the trading of audiovisual rights. Distributors attend the fairs with a list of potential purchases and previously prepared analyses to inform the negotiation and/or biding processes. Film markets signal currently available projects at different points of maturity. Understandably, transactions happen also outside of the context of film markets, in-between producers and distributors, with or without the brokerage of a sales agent.

4.1.2 Maturity of the market - qualitative and quantitative heuristics. It seems that the audiovisual market in Poland is heterogenous or inconsistent when it comes to the practice of commercial valuation. Commercial valuation in the decision-making process matters differently for various stakeholders. Stakeholders focus greatly on qualitative assessment of key elements of a film package. For some, the quantitative methods are clearly given a secondary rank. In that case, the rigidity of the valuation method is played down. Even the most methodologically dedicated stakeholders express the understanding that the quantitative results of valuations are essentially a bet. References to gambling arise frequently when discussing strategies for placing financial stakes. The importance of valuations for the process of negotiating a favourable price is mentioned unanimously. Usually it's the same fundamentals being assessed across all projects, but the interviewees agree that the significance of individual factors matter differently depending on the type of production. To illustrate this, the priority of factors of valuation would typically be different for a high-budget sci-fi film, than an art-house production. Valuation in the given context seems to be a heuristic-centric assessment based in experience and knowledge of the historical performance of titles.

4.2 Criteria Discussion

4.2.1 Resource-based view. RBV provides the main four criteria for assessing a project's potential at an early-stage: (i) producer, (ii) director, (iii) script, (iv) cast. Those are the essential elements of the film package. The respective weight of those factors depends on the nature of the project. For example, it seems that in a strictly for-profit oriented project the most important is the cast, while in an arthouse film the script is considered prime. The producer usually is the least important of the four elements — but the more accurate answer would be that the *brand* of the producer matters differently. Since the *producer brand* is not visible to the consumers but to industry stakeholders, it influences the valuation and distribution decision through projected credibility of the project, and the belief of the stakeholders that a respected *producer brand* attached to a project increases the chances of delivering on the promises with respect to the project's operational execution, business outcomes as well as artistic quality. The pivotal role of ATL talent for the perceptions of vale are in accordance with the literature. Depending on the contingencies of a given project also additional ATL talent might impact the valuation (including Principal Cast, Director, Producer, and sometimes Screenwriter) is considered crucial as expected. With respect to the script, the importance of original IP for capturing value in the market was underscored by most if not all interviewees. Script analysis is the starting point for analysing the market positioning of the project at hand.

4.2.2 Industry organization economics. While the four most important factors were part of the RBV dimension, the remaining four fall within the IOE framework. Arguably the most important IOE factor for commercial valuation of early-stage projects is the (v) budget. The budget analysis entails assessing how other projects with comparable budgets have performed — assuming appropriate cost allocation, and in effect a similar production value. Thus, the budget analysis is important for grasping the scope of the project, especially in early-stage scenarios. The budget-fit assessment entails analyzing the project's cost in relation to market expectations regarding budget appropriateness for the given category, and offsetting those costs against projected revenues within the same category. Reviewing the allocation of costs and the overall composition of the budget serves as additional means of evaluating the producer's competences. The budget analysis is listed as the prime IOE factor because a budget is usually predetermined even in case of early-stage projects — as it is considered part of the film package, similarly to factors (i)-(iv), and as opposed to additional derivative factors (vi)-(viii).

The interviewees indicated three additional derivative factors for commercial valuation: (vi) potential for marketing the project in a given market or region (audience estimates), (vii) product placement potential (the project's fit with potential sources of patronage), (viii) promotional potential (special features of a project that increase the chances of creating a successful marketing campaign).

There are other important considerations taken into account by the stakeholders which are not necessarily conceptualisable as *factors* but shape the perceived commercial valuation of a project.

Firstly, franchises are typically valued higher, as they project a safer bet, and lower advertising costs for successful dissemination. All filmed cultural and creative products are innovation as already stated. At the same time, franchises at least partially escape this proposition as the sequel of a franchise is based on a *proof of concept*. The interviewees underscore the fondness of audiences towards known and trusted brands. What, more a sequel benefits from the advertising spend of all of the previous parts of the franchise — thus the prospect of mobilising audiences seems easier and less costly, which positively affects the valuation.

Regional characteristics are important for valuing projects in respect to their international marketability potential. Topics considered "local" will typically be valued lower, because of the low expectations for international exploitation of rights. The arch-qualitative notion of *timeliness* of the subject matter is also taken into consideration.

Another closely related consideration is the recognition of the fluctuating perception of the commercial potential of different genres. In this sense, market trends, shifting consumption patterns influence commercial valuation and significantly shapes decision-making. Producers and distributors unanimously agree that audience preferences have shifted over the last years. For example, some genres don't attract audiences into cinemas anymore. Only limited audiences watch dramas in cinemas most currently — the genre is going to be valued low with respect to commercial theatrical exploitation but might be valued higher for other windows. On the flip side, some genres are perceived as presenting mostly advantages within the current market structure — e.g. horror is trending.

Institutional logics impact the perceived value mostly through film festivals. Being considered a *festival movie* is not necessarily an advantage for the commercial valuation of a project. But having received an award or being considered for an award increases the commercial prospects — because of participation in *symbolic capital* and perceptions of prestige which translate into ticket sales, but also because quite literally an awarded project is having it's marketing resources pulled together with that of the festival.

There are also considerations external to the features of the project itself, relating instead to the formal details of the licensing deal. For example, the exclusiveness of the license influences the value of the traded rights, as it relates to the notion of market competition — specifically, the extent to which the prospective acquisition enhances the buyer's competitive position. Exclusive rights are valued higher.

4.2.3 Network theory — an interplay of RBV and IOE criteria. In a market with dense networks and strong relational ties, network embeddedness plays a great role in enabling access to opportunities and trust-based repeated cooperations are favoured. Network embeddedness of ATL talent is impactful on a more fundamental level than merely shaping the determinants of the bidding price — it affects whether a project is perceived as credible enough to be at all.

Moreover, cast can also be influencers now — a novel development in valuation that bridges considerations from both IOE and RBV. Inversely, a crucial dimension of valuing the cast (of professional actors) is their profile as social influencers, in a move to play to the strength the factor of promotional potential.

4.3 Maintaining a Strategic Fit in the Context of the European Film Sector

The framework of commercial valuation allows to gauge the strategic positioning of stakeholders in the process o project selection and the related decision-making processes. Based on the interview material, it seems that stakeholders asses the projects along two primary axes. The first concerns the project's orientation between aiming at commercial outcomes and generating symbolic capital through the realisation of artistic objectives. This observation aligns with Lampel et al.'s (2000) account of the tensions inherent in the act of balancing artistic value and mass entertainment. The second axis relates to the perceived level of risk associated with a given project. The insightful observation is that the two axes, while interrelated, are not necessarily perceived as aligned. Not all artistically-focused projects are viewed as inherently riskier in terms of economic outcomes than any of the commercially oriented titles. The relationship between artistic intent and perceived risk is more nuanced and can't be fully understood without considering both the specific dynamics of film economics under current market developments and the complex architecture of the European film incentive system.

Stakeholders emphasise the European identity in movie-making, and how it's logics are distinct. In particular, the orientation along the commercial-artistic axis is seen as matter of discretion. A governmental subsidy system offers support in aligning with the objectives of auteur cinema for producers and distributors — which adds to the complexity of the commercial valuation-related decision-making.

The issue of market trends in the context of the research is an issue of maintaining a strategic fit. In the European model of filmmaking market trends are considered important. But more precisely, it depends on the exact profile of a production — the degree in which it is commercially oriented — as most projects tend to be financed with soft money, the model considers also non-monetary objectives. The question is nuanced since producers and distributors are bound to consider market trends, yet trend-chasing is perceived as a threat to originality and creativity.

Distributors tend to asses individual projects also in terms of portfolio-fit. Based on the interview data, stakeholders in the Polish audiovisual sector think of portfolio-management primarily in terms of harnessing a deliberate brand identity within a reputation-based cultural and creative industries context on the one hand, and ensuring the sustainability of cash-flows and profitability, on the other.

However, none of the interviewed stakeholders indicated employing portfolio management strategies in a systematic or deliberate manner as a means of mitigating the inherent risks associated with venturing in the sector.

5. Discussion

While it might be analytically tempting to draw parallels between valuation processes in the audiovisual sector and those of venture valuation capital, a direct comparison presents a challenge. This is due to significant differences in institutional structures and modes of operation. The audiovisual industry with it's highly specific and sector-bound operational logics, and the added complexity of a developed system of cultural policy instruments distinguishes significantly this cultural and creative sector from the more standardised and finance-driven context of venture capital.

Comparing the valuation criteria used in the audiovisual sector with those proposed in venture capital valuation scholarship reveals a promising analytical perspective. The findings suggest that the valuation dimensions derived from entrepreneurial finance — start-up valuation — are adequate for conceptualising criteria applied within the audiovisual industry. The strongest emphasis seems to be placed on the criteria related to the resource-based view (RBV) in both of the sectors. Similarly, the literature seems to align with the findings in emphasising the of factors conceptualised within the IOE framework. Once again, there is agreement regarding the prioritisation of RBV factors over those associated with IOE.

Implications for the sector and policy

While there is general convergence between the valuation fundamentals applied by stakeholders in the private sector and those used by the PFI — key differences emerge at the level of operationalisation. The proposed framework relating to factors on a strategic level does not prescribe a fixed method of application, as the exact operationalisation remains context-dependent and is the firm-specific know-how, which can be a source of competitive advantage. In this line of thought, valuation process aligned with the proposed framework may range from data-driven, informed or disciplined to highly discretionary, depending on execution.

In the broader context of the challenges facing the Polish audiovisual sector, particularly under current market dynamics, the issue of undercapitalisation — closely related the limited commercial viability of production — underscores the need for further research on the implementation of best practices in commercial valuation.

The results relating to valuation-related strategic decision-making in accordance with the scholarship of entrepreneurial finance suggest that it is impossible to entirely de-risk audiovisual production on individual-project level. For this reason policies focused on sustainable and commercial development of the Polish audiovisual sector should rather think in terms of portfolio-, slate-financing or in terms of supporting private entities capable of doing so. This further emphasises the strategic importance of the distribution stage for the sustainability and value-creation within the sector, and the role of distributor entities is put forward. This is coherent with the previously mentioned market trend assuming a diversified objective of distributors as some of them transcend the plain intermediary role to additionally act as early-stage investors and co-producers in a move to exercise strategic impact on the undertaken projects (Follows, 2025; Keslassy & Vivarelli, 2025). Realising this development is an opportunity for policy makers in an attempt to impact the commercial viability of the sector.

Based on the finings, the extent to which the practice of commercial valuation is a guiding factor in stockholders' decision-making remains inconclusive. The size and maturity of the market might be associated with the underdevelopment of systemic, non-heuristic and non-individualistic ways of discussing commercial prospects in the market. What is more, the significant presence of public funding with it's particular set of strings attached (Loots, 2019) is indicated by some interviewees as being associated with the underdevelopment of solutions supporting commercial sustainability of production and mechanisms of devising and communicating value to non-governmental actors in the audiovisual sector. The applied method of in-depth expert interviews is not suitable for providing a definitive conclusion regarding the importance or consistency of commercial valuation practices as part of the decision-making at the distribution stage.

Limitations and future research

A significant limitation stems form the regional context of the study, as it is likely to influence the results. While the interviewees are among the most influential and experienced stakeholders in the industry, the sheer number of interviews might raise questions about the validity of reflexions related to the local market at large. At a micro-level, the convergence among the respondents in describing the process and criteria deployed in commercial valuation is a promising indicator of the validity of the results.

Future research could investigate how valuation processes and criteria used in the context of a regional market like Poland differ in comparison to larger and more developed audiovisual markets. A dedicated study focused on qualitative modeling of valuation variables would provide a valuable insight for the sector. This would entail an in-depth analysis of how valuation methods are operationalised, aiming at increasing transparency and reducing information asymmetries in the market.

6. Conclusion

The stakeholders of the decision-making process use similar criteria to those used in the venture capital milieu but contextualised to the particularities of the audiovisual sector — as presented in this research. The employed factors of valuation are theoretically grounded in scholarship of strategic management — namely RBV, IOE, and NT. There are added complexities within the valuation of audiovisual works stemming from their unique qualities related to contingencies of the sector — a heterogeneous set of objectives in the audiovisual industry is underscored by the significant presence of governmental policies. Those policies offer public financing schemes altering the original logics of commercial valuation. With regards to the sub-research questions — valuation approaches reflect the strategic positioning of stakeholders by balancing artistic orientation and commercial intent against perceived project risk. While stakeholders claim portfolio-level thinking in terms of managing brand identity and financial sustainability, there is little evidence of portfolio diversification being implemented as a systemic strategy to manage risk associated with allocation of funds across a slate of projects.

This study's contribution lies in clarifying the rationale underpinning the decision-making and the praxis of commercial valuation of audiovisual works at the distribution stage in Poland. The research places an informed emphasis on the praxis of commercial valuation as an indispensable element in the broader proces of value creation in the market. The findings hold potential for practical policy application, particularly as they relate to the persistent issue of undercapitalisation — and commercial sustainability — of the Polish audiovisual sector.

The deployment of the framework based-in entrepreneurial finance shows that concepts grounded in the language of financiers, venture capital decision-making, are flexible enough to take into account the publicly supported artistic dimension of audiovisual production. In this sense, this thesis succeeds in bridging the two realms with commercial valuation being the intermediary tool. In addressing how value is generated and perceived by the stakeholders of the industry, as seen through the framework, it appears that no valuation tactics, approaches or metrics, be it heuristic, qualitative or quantitative, or even "scientific" data-driven, is devised to replace the value stemming from crafty innovativeness of genuine artistry. To put it more plainly, no amount of analytics is able to change the trajectory of mediocre IP in cinema. It is not to devalue the role of commercial valuations in the industry — but to restate the basics. It is a thin line when the knowledge of success-related factors becomes a command, effectively compromising the potential (both artistic quality and commercial) of what should be innovative creation at heart. It seems that experienced stakeholders with a sustainable career in the industry realise that by responding reluctantly to the auto-generative spirit of many outputs of the "contentized" industry. It is a paradox of some sort, the realisation that the indiscreet adherence to established valuation knowledge might, in fact, decrease a project's market valuation. And this relates to the original ways of value creation in the more general cultural and creative industries. The significance of pursuing project-level innovation for capturing economic value in the audiovisual sector is implied bu the framework as sourced from entrepreneurial finance literature of early-stage start-up. The entrepreneurial finance-based framework implies a perspective where the focus on de-risking individual projects (instead of systemic and institutional modes) is counterproductive as it works opposite to originality. In this sense, this thesis also challenges the notion that commercial value is by necessity to be linked with repetitive and derivative cultural production — and/or the idea that the inclusion of modes of participation of private capital in cultural production systems has to be linked with promotion of derivative work.

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Appendix A

List of Interviewees: This is an overview of the (anonymous) respondents (e.g. in terms of age, gender, level of education, place of residence, international background, occupation, and/or type of organization they work for).

Interviewee 1. Distributor. Age ~ 50-55y.o. Level of education: n.d. Place of residence: Warsaw, PL. Executive of one of the biggest independent distributor firms in Poland, media business lecturer.

Interviewee 2. Producer. Age ~ 55-60y.o. Level of education: n.d. Place of residence: Warsaw, PL. Producer, consultant, and economic expert of the PFI.

Interviewee 3. Distributor. Age ~ 60-70y.o. Level of education: n.d. Place of residence: Warsaw, PL. Distributor, Producer, Entrepreneur. Founder of one of the most important Polish independent distribution companies.

Interviewee 4. Financier. Age ~ 35y.o. Level of education: n.d. Place of residence: Warsaw, PL. Private equity investor, representative of a significant investment fund, also involved with CCI, audiovisual sector.

Interviewee 5. Distributor. Age ~ 40-50y.o. Level of education: n.d. Place of residence: Warsaw, PL. Distributor, excecutive, film consultant, author publishing books on film distribution.

Interviewee 6. Producer. Age ~ 45-55y.o. Level of education: n.d. Place of residence: Warsaw, PL/Los Angeles, USA. Producer and consultant. Works both on the Polish and US markets.

Interviewee 7. Sales Agent. Age ~ 30-35y.o. Level of education: n.d. Place of residence: Warsaw, PL. Executive of an internationally recognised Polish sales agency firm.

Interviewee 8. Distributor. Age ~ 40-50y.o. Level of education: n.d. Place of residence: Warsaw, PL. Executive of a key independent Polish distributor firm, head of film rights sales.

Appendix B

Interview Guide for Stakeholders of Commercial Valuation in Audiovisual Distribution
The purpose is to explore how key stakeholders understand, evaluate, and make decisions about the commercial value (potential) of audiovisual projects in distribution, using lenses from industry organization economics, the resource-based view, and network theory.

Section 1: Warm-Up / Contextual
1. Can you briefly describe your role and background in the audiovisual industry?

Optional 1B. What types of projects do you typically work on (genre, budget range, target markets)?

Why: Introducing question (Bryman, 2016).

Section 2: Sector-Specific Valuation Criteria
2. What information (or quality signals) do you prioritize when getting familiar with a project proposal, or while designing a project from scratch?

Why: Questioning what are the native criteria used by the stakeholders (Ferrati & Muffatto, 2021). I'm trying to get an unbiased, unprompted answer, while the subsequent questions introduce some specific concepts.

Section 3: Valuation as a Process Embedded in the Industry's Structural Context - Industry Organization Economics

General references: Hoskins et al., 2004; Porter, 1980

3. Do you assess potential market share or revenue streams when evaluating a project? How?

Why: It's about profit expectations. Are decision-makers trying to project potential box office, streaming views, further sale of rights? Firms aim to maximize returns based on anticipated demand and competition (Lampel et al., 2000).

4. How do you consider the current market dynamics, trends, in assessing whether a project is worth taking on?

Why: To explore whether and how macro-level market structures shape stakeholders' value perceptions. Questioning the significance of structural factors e.g. market concentration, competition, or vertical integration on decision-making. Porter (1980) links market structure to strategic behaviour and profitability. In cultural industries, structural dynamics constrain or enable what gets financed, produced, and distributed (Hennig-Thurau, & Houston, 2019). E.g. in a concentrated market, distributors may prioritise safer, commercial bets; vertical integration might lead to internal project prioritisation over external acquisitions.

5. How do institutional logics (festivals, awards, certifications) affect the perceived value of a film?

Why: In media markets, recognition (symbolic capital) — like festival selections — translates into commercial value. Festival awards may lead to distribution deals, or marketing leverage. There is an institutional mechanism shaping what's perceived as "prestigious" or "marketable" (DiMaggio & Powell, 1983).

Section 4: Valuation Through the Resource-Based View (RBV)

General references: Cooper et al., 1994

6. In your experience, which internal resources make an audiovisual project more valuable? - (e.g., IP, talent, production company, production budget)

Why: Identify key value drivers — among the internal resources — relevant in the industry.

Optional 6B. How do intangible assets (e.g., a director's track record, script quality, production company reputation) affect your valuation decisions?

Why: This question goes into detail with respect to the importance of intangible assets for valuation. This contextualizes the RBV to the specificity of the sector where intangibles are of key importance (Caves, 2000).

7. In your experience, does a resource or feature considered "rare" or "hard to imitate" increase the perceived value of a project?

Why: Prioritising strategic assets. Stakeholders evaluate audiovisual projects not only based on direct revenue expectations, but also in terms of unique strategic assets. Creative firms prioritize unique and hard-to-imitate project elements in decision-making — as unique strategic assets can be a source of sustainable competitive advantage through sustained product differentiation (Lampel et al., 2000).

Section 5: Valuation Through Network Theory

General references: Cattani & Ferriani, 2008; Fraiberger et al., 2018; Potts et al., 2008

8. How important are formal and informal relationships and professional networks in shaping valuation decisions?

Why: Investigates how connections (e.g., with known producers or sales agents) influence value assessments.

Optional 8B. Describe how trust, prior collaboration, or endorsements affect distribution choices?

Why: Network embeddedness might be an avenue of reducing uncertainty and signalling quality in risk-intense AV markets (Packard et al., 2016).

9. Are there gatekeepers or network influencers whose opinion significantly impacts perceived value?

Why: Explores the role of network centrality and social capital in AV markets (Fraiberger et al., 2018).

Section 6: Understanding the Valuation Process

10. Do you have a valuation methodology that you tend to follow most of the times?

10B. In your experience, is the valuation process in the industry a structured and systematised process?

Why: Processual aspects and maturity of the process in the sector.

11. Do you always end up with a numeric estimate of a project's value prior to sealing the distribution deal?

Why: Questioning the qualitative vs. quantitative dualism in commercial valuations. Some research suggests that financial projections were not considered essential in early-stage proposals in the VC environment (Silva, 2004).

Section 7: Portfolio

12. Do you consider projects as contributing to a broader portfolio strategy?

Why: Constructing portfolios of projects is one of the tested ways of managing risk in the industry (Hennig-Thurau & Houston, 2019).

Section 8: Final Reflections

13. Is there anything you think is overlooked or misunderstood about how value is assigned in this industry?

Why: Ending question (Bryman, 2016).

14. Looking back, can you think of a project that surprised you in terms of how its value was perceived or changed over time?

Why: Ending question (Bryman, 2016)

Appendix C

Themes & Codes

Themes	Codes
Process	
	Negotiation
	Market Maturity
	Qualitative or Quantitative
	Phases
	(Exploitation) Windows
	Pricing (or Valuation)
RBV	
	Talent (ATL talent without the cast)
	Cast
	Script
	IP
	Originality (Innovativeness)
IOE	
	Budget (Fit)
	Audience (Size)
	Patronage Fit
	Comparables
	Previous Success (of ATL talent)
	(Market) Trends
	ROI
	Data (-Driven Analysis)
	Franchises
Network Theory	
	Embededdness
	Trust (and Collaboration)
	Festivals (Institutional Logics)
	Promotional Potential
Strategy and Portfolio	
	Strategic Fit
	Risk (Diversification)
	Porfolio