

# Video causes rifts in ad scene

Firms dying, starting, growing and shrinking

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Austin's video production landscape has been evolving as activity increases, driven in part by a growing appetite for visual storytelling.

Several well-regarded companies have dissolved in recent months, with former partners establishing new agencies. Meanwhile, small and large marketing agencies are getting on the bandwagon by adding video production departments.

One of Austin's most notable video production agencies, Action Figure, is no longer in action. The former partners have branched out into new companies. Former Action Figure Co-founder Matt Hovis is now CEO and chief operating officer of Exopolis, a creative agency that has done brand work for Formula One, Bossa Nova, DirectTV and Microsoft Xbox. Other former Action Figure executives have formed new agencies such as Region C.

On May 1, Rebel Rebel's fourth anniversary, its partners decided to amicably call it quits. While Rebel Rebel was successful, Dianna Colton and former partner Chris Blakenship had differing visions, so they dissolved the agency and immediately started new ventures.

Colton has gone on to establish Hack Creative, a four-person video production agency with a roster of freelancers.

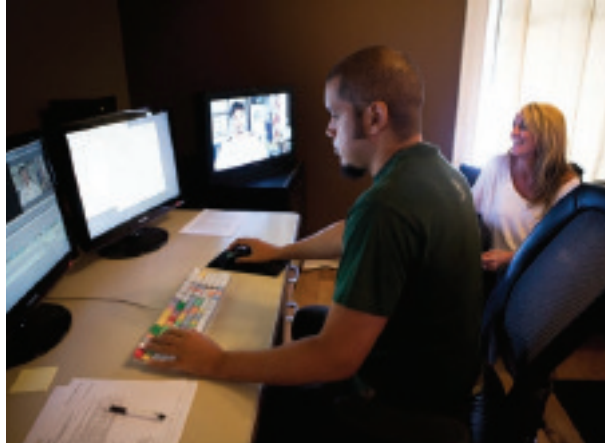
Blakenship founded ProductionFor with partner Clint Howell. Their agency offers video production, animation and interactive services.

Hack Creative provides an array of video and interactive services for its clients, which include the PGA Tour and Four Hands home furnishings.

Colton attributes the activity in the local video production industry to changes in video consumption habits.

"Businesses aren't spending a million [dollars] for a 30-second TV spot," Colton said. "And with the explosion of YouTube, you just have a tremendous amount of demand."

Blakenship agreed, saying his seven-person agency hasn't



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Hack Studios owner Dianna Colton working with Malcom Hardiman.

lacked business.

"There is an obvious need for video storytelling," Blakenship said. "And it's for uses other than just the website. It's [business-to-business]. It's trade shows. It's conferences. There are a lot of things that tell the story through motion."

The video production scene in Austin has also changed with bigger marketing agencies absorbing or creating their own video

production divisions, Colton said.

For instance, Austin-based Springbox bought equipment for its new video department. The company continues to work with freelancers.

And 2-year-old marketing firm Guerilla Suit added video production to its list of services about a year ago, which has been well-received by clients, founder and

SEE VIDEO, P22

# Bank calls itself the 'Netflix' of its industry

No cash, no checks, no tellers, no problem

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The Business Bank of Texas is combining two unlikely ingredients to attract commercial customers to a currency-free bank: old-school, experienced loan officers and the latest technology.

The Austin-based bank, founded in 2007 by a 40-year banking veteran, doesn't handle currency or physical checks, and operates without branches or conventional bank tellers. Instead, Business Bank of Texas, the only nationally chartered lender headquartered in Austin, uses the Web and digital capturing machines to get the job done.

As a result of its unconventional approach, the bank is able to operate with just eight employees — giving Business Bank of Texas a cost-saving advantage over traditional banks — and has grown despite the sluggish economy and a tumultuous time for the banking industry, CEO Ed Lette said.

"We're the Netflix of banking," he said. "We're using cutting-edge technology, and it expedites our processes. The savings are phenomenal."

In 2007, Lette said he planned to grow the bank through operations, instead of mergers and acquisitions, without a huge brick-and-mortar investment. He projected \$50 million in assets within three years.

Business Bank of Texas, which operates from a 5,749-square-foot building on West Braker Lane, now reports assets of \$74.5 million, according to the Federal Deposit Insurance Corp. It also plans to enlist a loan officer in Houston, followed by Dallas, Lette said.

Houston-based investment banker Dan Bass, managing director at FBR Capital Markets & Co., said the business model is not unprecedented, but it is unusual. Such banks typically evolve into more traditional models as customers call for the bank to handle



Lette



Volkening

since 2007, when it directed the city manager to recommend strategies to reduce the number of single-use plastic bags.

This led to a voluntary 18-month plastic bag reduction plan approved by the city and backed by the Texas Retailers Association.

The city said that plan failed to meet a 50 percent goal. Matt Curtis, spokesman for Mayor Lee Leffingwell's office, said the main comment he heard was that as long as the plastic bags are available, people will use them.

"We take issue and disagree that we failed to reach our target," said Ronnie Volkening, president of the retailers association. "Fifty percent was never the target."

Rather, he said the goal was simply to reduce the number of plastic bags going to the landfill, deeming the pilot program a success.

SEE BAN, P22

# City debates: plastic bag ban or new fees?

Retailers will know fate in November

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George Scariano's customers now have the choice of paper or a free reusable bag when they buy groceries from one of his three Austin-area Royal Blue Grocery stores.

The urban grocery store chain yanked plastic bags from its check stands at the end of July because Scariano "saw the writing on the wall" after two cities that Austin strongly identifies with implemented plastic bag bans. San Francisco became the first city to ban plastic bags in 2007, and the Portland City Council in Oregon passed such an ordinance in July.

"We had been contemplating it for some time now," said Scariano, and after hearing that



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Royal Blue Grocery voluntarily ditched plastic bags and gives out canvas bags for free. They're not cheap, owners said, but there are benefits.

the Austin City Council planned to discuss whether to phase in a bag ban, he and co-owner Craig Staley decided to get ahead of the curve and ditch plastic bags.

The store does minimal marketing, so Scariano thinks the free reusable bags with the store's logo is a great way to recycle and get the store's name out there.

"They're not cheap," Scariano

said. "But it's an investment we've been willing to make for quite some time."

## Mixed reviews for voluntary bag reduction

Talk of phasing out plastic bags in Austin is not new.

The Austin City Council has been working to limit the city's dependence on plastic bags



Leffingwell

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Notice is hereby given that original Letters of Independent Administration for the Estate of JERRY KENT McCREA were issued on July 19, 2011, under Docket No. C-1-PB-1-11-000254, pending in the Probate Court No. 1 of Travis County, Texas to TERRY B. McCREA. Claims may be presented in care of the attorney for the Estate addressed as follows: TERRY B. McCREA, Estate of JERRY KENT McCREA; C/O Thomas F. Virr, Blazier, Christensen, Bigelow & Virr, P.C.; 221 W. Sixth Street, Ste. 2000; Austin, Texas 78701. All persons having claims against this Estate which is currently being administered are required to present them within the time and in the manner prescribed by law. Dated this 19th day of July, 2011. Blazier, Christensen, Bigelow & Virr, P.C. By: Thomas F. Virr, Attorney for the Estate.

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## BAN: Plastic bags difficult to recycle

FROM PAGE 3

Eighty-eight Austin-area retail stores, including HEB, Randalls, Target, Walmart and Walgreens, participated in the program, reducing the number of plastic bags used by 20 percent and resulting in the sale of 907,000 reusable bags.

Besides providing the option of reusable bags to customers for about \$1, these retailers offer collection bins for shoppers to recycle their plastic bags.

Volkening said a ban on plastic bags would damage a growing industry of second-generation consumer products made out of recycled bags, such as fence posts, decks and pet products.

Whole Foods Market Inc. stepped out of the pilot program and became the first U.S. grocery chain to voluntarily eliminate plastic grocery bags in 2008. In Austin, the natural foods giant gives a 10-cent bag refund to shoppers who use their own bags.

### Mandatory plan in the works

A 2010 report by the city manager's office determined that the cost to Austin taxpayers to process bags in the waste stream is about \$850,000 annually.

The city has again directed the city manager to prepare a comprehensive plan to phase out plastic bags, but this time it will not be voluntary. City Manager Marc Ott will have meetings with all stakeholders, with the main target being large grocery stores.

"We hope to have input in the shareholder process," Volkening said.

Curtis said the city has been diligent about working with all stakeholders, and the reaction from the community has been overwhelmingly positive.

Many other cities have taken steps toward banning plastic check-out bags. One option taken is to charge customers a fee for using plastic bags.

## VIDEO: Who's doing what, and where?

FROM PAGE 3

partner James Moody said. Since adding the capability, the agency has completed video projects for ACL Live, Pearl and Alamo Drafthouse Cinema LLC.

There are more freelancers and agencies getting into the video business now because there are fewer barriers to entry.

"The short answer is that there's more equipment that is more affordable to buy and video is easy to share," Moody said.

That also means more businesses can afford video than previously, he said.

"There used to be only big video contracts. The only people that could afford them were the Dells of the world," he said.

The video space has seen significant growth this year over last, said Craig Parks, a partner Arts + Labor, which has about 30 employees. The company has doubled in size and revenue in a little more than a year.

The growth in competition is actually good for existing video production companies in terms of working with freelancers, and good for Austin's reputation, Parks said.

"More companies are coming to Austin for work. It used to be that they would go to the East Coast, but Austin, as a whole, is being recognized for its creative talent," he said. "And it's only going to help the film and video production companies here grow their market share."

"The primary objective is to keep plastic bags out of the system, so if we simply charge a tax on them, that will not keep them out of the system," Leffingwell said.

In a city work session August 2, council members Bill Spelman and Mike Martinez discussed the possibility of levying a city surcharge, maybe a penny per plastic bag, rather than an outright ban, but city lawyers questioned whether that would be legal. They're investigating whether such a fee would qualify as a surcharge or a tax.

Leffingwell stuck with the idea of a ban, pointing out that plastic bags cannot be recycled in the city's single-stream system and must be picked out by hand. Otherwise, they may get caught up in the machinery. He called paper bags the best alternative because they can be recycled by the city.

In Texas, Brownsville, Fort Stockton and South Padre Island have approved bag bans.

Brownsville's policy is still in a transition period, during which customers are allowed to use plastic bags by paying a \$1 environmental fee per transaction. An environmental advisory committee was created to monitor the effects of the ordinance, and it will make its recommendations regarding the policy at the end of the year.

Portland's bag ban, which takes effect in October, only affects retailers that make \$2 million or more in gross annual income. Also, it only applies to bags at checkout counters and allows pharmacists to use plastic bags to protect customers' privacy.

Keeping the ban out of the hair of smaller shops acknowledges that there's a cost and impact to businesses, Volkening said.

Curtis said that while Austin has looked at bans in other cities, the city manager will be charged with cultivating ideas that are unique to the city and presenting a comprehensive plan to the City Council in November.

## BANK: Technology cuts costs for clients

FROM PAGE 3

their personal accounts as well, he said.

During the last four years, the Business Bank of Texas reported a steady increase in lending while most other banks have decreased lending as a result of the global recession. During 2010, Business Bank of Texas posted \$9.4 million in net lending versus \$616,000 in 2007, the year it was established.

Lette said the bank took a conservative approach to lending during the run up to the recession, giving it plenty of capital to lend when other banks pulled back.

Business Bank of Texas is Lette's fourth, newly launched, or de novo, bank project.

Previously, he was executive vice president and regional manager of First Community Bank in San Antonio.

Lette also spent 15 years with San Antonio-based Security National Bank — until 2000 when it was acquired by Birmingham, Ala.-based SouthTrust Corp. He was also the founding president of First National Bank of South Padre Island.

Brannen's Inc., a McDade-based fastener distributor, was one of Business Bank of Texas' early customers. The 45-person company reports saving time and money.

Instead of an employee spending an hour at the bank each week processing checks, it's done remotely, owner Rusty Brannen Jr. said.