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Generate, a video creation shop, joins Velocity's digital media portfolio

By Eric Eldon

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Generate is a two year old effort run by executives who have left their big companies for the startup life. The company creates compelling short videos on small budgets, that are distributed across the web, television and mobile devices.

The Santa Monica, Calif.-based company has just raised \$6 million from Velocity Interactive Group

— this is also another move by Velocity to assemble a portfolio of complementary media companies. More on that in a minute.

Generate's model is one sense a "throwback to the early days of Hollywood," Velocity's Ross Levinsohn tells me. Like in the old days, Generate handles nearly every aspect of production and distribution for the 100-some its actors, writers and directors it counts as partners. For example, it will produce and distribute the next 25 episodes of "Pink: The Series," a series of short videos featuring a female assassin, that has been viewed more than four million times since it launched last September (see below). Other Generate shows you may have heard of include comedy the "Home Purchasing Club" for VH1's Vspot, as well as TV series like "The Andy Milonakis Show" and "Wonder Showzen."

Generate was founded by a group of executives including Jordan Levin, its new chief executive. He left a successful, decade-long career at The WB to start the company, bringing along contacts in media and advertising.

The company has been finding success selling video advertising, with the pitch that they offer premium content that highly targeted groups of users like, that advertisers can feel comfortable associating their brands with. Ad formats range from pre-roll, mid-roll and post-roll to overlays and other forms of video advertising.

Although there's no formal agreements between Velocity's portfolio companies, here's how they are positioned to work together. First, Generate creates the content and cuts deals with advertisers. Then, Broadband Enterprises, a company that distributes videos and video advertising to many other partners (our coverage), helps Generate to distribute its content across the web, mobile devices and TV networks. Meanwhile, widget company Mixercast (our coverage) offers a way for Generate to get its content to spread virally among social network users, as they add and share widgets that feature its artists' works.