

search-consult

*The International Executive Search Magazine
Published by Dillistone Systems*

Introducing FileFinder 10 - The Next Generation of Executive Search Technology

Missing your FREE demo CD?

**Visit www.dillistone.com
to view the video online.**

**How To Win Business:
A Corporate's View**

Knowing Your Executive Talent

**Are Expatriates A Dying Breed
In The Asia Pacific Region?**

**How To Minimise The Risk Of
Making A Wrong Hire**

**The Downturn Is Over,
Now Comes The Hard Work**

Digital Convergence: Where Is The Industry Heading?



By Neil Smith

Convergence has been a favourite topic of media conferences for many years. It is actually 12 years since the first digital television signals began to be transmitted in the UK. In that time so much has been said and written about the changes that would result from digital broadcasting and the growth of the Internet and, of course, the PVR (Personal Video Recorder). Everyone was clear that the old “legacy” broadcast model was doomed – the world no longer needed or wanted the lumbering public service broadcast model that Britain had carefully cultivated over some 60 years. People would simply stop passively watching television.

And yet, at least so far, it has not really worked out that way. BSkyB has been highly successful with over 10 million subscribers, generating annual revenues of over £5.5 billion. Broadband is in 17 million homes with penetration rates of more than 70% of households and the UK Government is set on making “superfast broadband” available to all by 2015. And yes, iPlayers gets well over 100 million requests a month. But despite all of this, the old style linear public service models still seem to be more than holding their own.

In the US, an equally interesting challenge is unfolding. Cable companies have long enjoyed operating

in a monopolistic market; amongst themselves, there is a fraternity as most do not compete in each other’s territories. And traditionally there were no other service providers who could provide the bundle of voice, video and data to consumers. While they were competing with the Satellite Providers on video, the challenge was not threatening their growth.

But now the top two Telecom operators, ATT and Verizon, have entered into the video space, and the war for talent has intensified. With the rise of video players and the rapid growth of Internet and the likes of You Tube and Hulu, content is no longer distributed through the traditional TV network. Executives are now freely transferring their skills from TV to Telecoms and vice versa, as these two fields are converging.

Back in the UK, ITV - which only 2 years ago was being written off with warnings about its pension deficit - is still able to command 15 million viewers on a Sunday night with its X Factor results show. The main terrestrial broadcasters actually still account for over 60% of all television viewing if you aggregate all the individual channels they offer. And, despite our multi-media world, television viewing has actually been rising – albeit that many people seem to be simultaneously watching TV and using

the Internet, texting, or both; they are often on social networks commenting about the programmes they are watching.

So perhaps all good news for shareholders of ITV and other terrestrial broadcasters, but what does this mean for Executive Search?

THE IMPACT ON EXECUTIVE SEARCH

Search consultants must understand this industry, where it is heading and the changes that are transforming it. Firstly it has meant that, whilst an understanding of new media is absolutely essential for all aspiring television executives, the old skills of running linear channels; commissioning programmes, nurturing creative talent, scheduling, channel branding and promotion have still been seen as crucially important. Also, companies have still tended to recruit from a relatively small pool of top talent and when vacancies arise, the same group of names seem to get mentioned.

The continuing importance of network brands has also meant that any new blood at the most senior levels all tend to have a marketing or advertising background. Andy Duncan came to the BBC from Unilever to head up its marketing and then moved across to Channel 4. His replacement at Channel 4, David Abraham, actually came from St Lukes. Even established news provider

ITN is run by John Hardie who controlled Disney's TV interests in Europe for a number of years and was once ITV's Commercial Director.

Finally it's now possible to say with more confidence that there are big changes afoot and that things are likely to be very different in the coming years. The success of iPlayers and digital PVRs heralds the emergence of a very different media experience where viewers are looking to watch individual programmes, not channels. This is likely to change the relationships that the industry has with the end user - relationships that the industry has taken for granted for many years. A parallel can be made with the cinema: audiences are now sold individual films - people go to watch the new Harry Potter film, they don't simply go to the cinema to see the latest release from the big studio brand Warner Bros as they did in the past.

In the next two years major events will further drive this change. Full integration of broadband and the television set is finally happening. All this will inevitably change the relationship between media companies and viewers - channels inevitably will increasingly reduce in importance, whilst individual programmes will become more and more important. Viewers will seek out Dr Who, Casualty, The X Factor or Mad Men and will cease to be concerned about which video stream was used to access the programme. Companies will, therefore, seek to promote programmes and franchises - not channels. Companies will also have to worry more about how to monetise this viewing. As a result, the ability to persuade viewers to watch your programme will become the real challenge. Understanding the relationship with the customer will become a key part of a media company's success. This implies new skills sets will be needed. Companies will need to seek talent externally and will need to turn to experienced Executive Search consultants to help them identify the appropriate talent.



Neil Smith

LOOKING FOR TALENT BEYOND YOUR INDUSTRY

For a search consultant, a strong network in broadcasting is not enough. Perhaps in programme-making where there is a track record in developing and producing shows, there will be no change in the talent needed; but, the shift in business models highlighted both here and in the US means that skill sets found in other sectors are extremely attractive to the traditional media businesses.

Brand building is key to the traditional FMCG and Retail business and, therefore, more and more are we looking to attract talent from businesses within these sectors. However, persuading senior management from a relatively consistent business model to enter the world of converging media is not an easy one as considerable time and resources must be spent on nurturing these candidates throughout the entire process. Whilst it is unusual (but not unheard of) for US candidates to interview for UK positions (and vice versa), the changing business model that sees traditional Telecoms companies competing with traditional Media companies means that talent is also coming from outside these industries.

ITV already seems to recognise this important change. Its decision earlier

this year to appoint a Chair and Chief Executive from outside the cosy world of television showed just how different things will be in the coming years. Archie Norman (who helped turn Asda around, taking it to the number two supermarket in the UK before it was sold to American giant Wal-Mart) and Adam Crozier (latterly running the Post Office) are both people with limited experience of media organisations, but very aware of the importance of customers and the need to put them at the heart of what a business does.

It will be interesting to see how much the profile of our top TV Executives changes over the next 5 years. I certainly believe far fewer will have a career drawn solely from television and that we have a key role to play in reporting the latest trends that are going to currently affect the way media companies operate so that we can help our clients prepare themselves, searching across borders and across industries to find the appropriate talent that will help move the digital convergence forward. S

Neil Smith is Founder and Chief Executive of Robert Lindsay Associates, a specialised search firm focusing exclusively in the broadcast and entertainment sectors. Neil has over a decade of search experience with leading companies including Korn/Ferry International and Hanover Fox International where he built and led the firm's media and entertainment practice. Before founding Robert Lindsay Associates in 2008, Neil was at DHR International where he was Executive Vice President and UK Managing Director.

With offices in London and Los Angeles, Robert Lindsay Associates partners a variety of UK and International brands such as Paramount Pictures, BBC, ITV, Zodiak Entertainment and Ginx TV. Assignments undertaken include not only commercial roles such as CEO, COO and divisional Director, but also creative positions such as Controller and Creative Director.

Robert Lindsay Associates is also behind the brand, 'The Presidents' Lunch', an informal lunch for the CEOs and COOs of the main broadcasters and content businesses to listen to and engage with a key speaker.

www.search-consult.com

For more information visit:

Web: www.robert-lindsay.com