Entrepreneurship in Incumbent Media Companies

• This course will explore how media companies have confronted, adapted and transformed in the face of existential threats. The course will use a combination of case studies and in-class presentations from industry executives to examine the various strategies incumbent media companies pursue to address secular, life-threatening threats to their business models, in some cases remaking entire industries through decisive, bold action, in others ignoring obvious threats to the ultimate detriment of their business. Guests will include executives of companies who have faced these threats, executives of emerging companies that have or are threatening incumbent media companies, leading media analysts, and expert practitioners who will highlight practical approaches to achieving entrepreneurial success in the face of these existential challenges.

• The course will comprise six classes and each class will explore a different sector of the media industry. The first half of each class will examine a specific company that has faced significant existential threats. Students will be assigned a specific case study or materials about the company, and will be expected to have enough business background to meet the demands of the case study approach. The second half of each class will vary: In some classes, we will do a second case study; others will have a guest speaker or panel to discuss the Company we studied or that particular industry.

• The primary objective of the course is to enable students to develop a framework for understanding how the media and entertainment industries anticipate, confront and ultimately address the challenge of existential change. Through this process, students will develop a greater appreciation for how managers successfully (or not) work through such challenges, i.e. what questions they ask, what priorities they set, and how they ultimately define success.

• This course will focus on all aspects of a Company’s path to transformation - including understanding the core business and its drivers, identifying (early) potentially company-threatening problems, and implementing corrective operational, financial, and legal, marketing/communications, organizational and cultural solutions to such problems. The course will also focus on issues that help or hinder rapid transformation.

• The key issues for each case will be:
  o What is the Company’s historic business model?
  o What specifically are the secular issues it faces and how fatal could they be?
  o Is the core, or historic, business sustainable? All, part or none.
  o How specifically is the Company working to evolve?
    ▪ What are the main barriers and obstacles?
    ▪ Are there alternatives?
    ▪ What is the Company trying to achieve with its new business strategy? Is it trying to protect its old business, milk it, or jettison it for an entirely new business?
    ▪ What are the major impediments to future success and how did the Company navigate?
    ▪ What takeaways can be learned from the Company’s success or failure to adapt?
• Grading
  o Project - 65%. The class will be divided into groups of 4-6 students. During the course of the semester, each group will choose a specific media company that is facing secular change and prepare an approximate 10 slide PowerPoint presentation. The presentation must discuss: the Company’s business, the threat it faced, the specific issues that the threat required the Company to confront, how the Company adapted, what alternative strategies the Company could have pursued and then argue whether the Company acted correctly and was or will be successful. All students in a group will receive the same grade. Students will be expected to choose their group by Class Two, and to have chosen the company they will analyze by Class Three. Each group will present and defend their project during Class Six before a panel of experts and fellow classmates. A final prize will be awarded for best presentation at the end of Class Six.
  o Weekly Class Assignment/Participation – 35%. For each class, students will be expected to have read the course material assigned in the syllabus and to take active part in the class discussions and will be evaluated based on such participation.
Class One: 10/26 Overview and The Case of Townsquare Media

Overview/Introduction
- Course goals and objectives
- Why study media to understand corporate response to existential threats
- Guest
  - Michael Nathanson, Founder and Media Research Analyst, MoffettNathanson
- Analytic framework - Transformation Roadmap discussion
  - Reading: Some Thoughts on Business Plans, William A. Sahlman, HBR
  - Reading: End-Game Strategies for Declining Industries, Kathryn Rudie Harrigan and Michael E. Porter, HBR
  - Optional: Chapter 1 from Beyond the Core, by Chris Zook

The Case of Townsquare Media: An introduction to a company in transition in the face of existential threat
- Discussion and presentation on the secular challenges faced by Townsquare Media and what steps it has taken to evolve

Class Two: 11/9 TV/Film: The Case of HBO

The Case of HBO and its decision to go “over the top” with CEO Richard Plepler
- Topics/Questions
  - What are HBO’s historic assets, business model, revenue streams and customer base?
  - Why did HBO decide it needed to transform and what did it do?
  - Did HBO have alternatives – i.e. would status quo have been a successful strategy?
- Readings
  - HBO Investor Presentation, October 2014
  - Analyst Reports
  - News reports around the OTT/Apple launch
  - Internal research deck from Doug Schoen
  - Fast Company article: HBO to Netflix: Bring It On
- Guest
  - Richard Plepler, CEO, HBO
• Class Three: 11/16 The Challenge to Print: The Case of Time Inc.
  o The Case of Time Inc.
    ▪ Topics/Questions
      • What was the existential threat to Time, and how if at all does it differ from the threat other print-based companies faced or are facing?
      • Was the spin-off the right decision for Time Warner and for Time?
      • What are Time’s key assets?
      • Are any of the core businesses sustainable?
      • How should Time allocate resources between the core and new businesses?
      • What action steps did new management take?
        o Assess their success
        o What were alternatives they could have pursued?
    ▪ Reading
      • Analyst Presentation for Spin-off dated May 14, 2014
      • Current public filings including current investor deck
      • Selected research reports
      • Optional: Chapter 3 “The Turnaround” from The Outsiders by William Thorndike, Jr.
    ▪ Guests
      • Richard Battista, President of People and Entertainment Weekly
      • Lon Jacobs, General Counsel, Time Inc.
  o Panel on Print
    ▪ Joanna Coles, Editor in Chief, Cosmopolitan
    ▪ David Lebow, CRO, YP (Yellow Pages)
    ▪ John Steinberg, CEO, Daily Mail North America

• Class Four: 11/23 Facing the Future in Cable News and Media Advertising
  o The Case of CNN with CEO Jeff Zucker
    ▪ Topics/Questions
      • Aging and changing audience
      • News vs. reality TV vs. entertainment
      • Objectivity vs. political subjectivity
      • Advent of digital and video threats
    ▪ Readings
      • Selected articles and reports
    ▪ Guest
      • Jeff Zucker, CEO, CNN
Changes in Advertising and the Effect on Incumbent Media
- Topics/Questions
  - Changing Consumer Behavior: The impact of changing consumer media consumption habits on the distribution of advertising experiences.
  - Data Enablement: Increased usage and application of big data to improve buying and selling decisions.
  - New Media Trading: The rise of programmatic buying and selling; where it is today and where it’s going?
  - Messaging: How is creative messaging evolving to take advantage of greater target-ability & sequencing?
  - Measurement: Attribution and measurement challenges in a time-shifted, multi-platform universe.
- Readings
  - Selected research reports on advertising industry
  - The Quest for Resilience by Gary Hamel and Liisa Välikangas
- Guests
  - Quentin George, Co-Founder and Principal, Unbound Company (the only independent systems integrator exclusively focused on the marketing technology landscape)
  - Kristen O’Hara, SVP and Chief Marketing Officer, Time Warner Global Media Group
  - Rob Master, Global Vice President of Media, Categories and Partnerships, Unilever

Class Five: 11/30 Sports/Live Events: The Case of NASCAR
- The Case of NASCAR
  - Topics/Questions
    - Who was NASCAR’s traditional customer and what happened?
    - How did NASCAR deal with digital rights and social media and was it successful?
    - Did management wait too long to act and, when they did, did they ask the right questions?
    - What were the issues with the event day experience?
    - Generally, which issues posed the greatest risk to NASCAR’s survivability?
    - Did management prioritize them correctly?
  - Reading
    - NASCAR Case
    - Selected articles on football and baseball
  - Guests
    - Tom Garfinkel, CEO, Miami Dolphins and former EVP, Chip Ganassi Racing Teams
    - David Levy, President, Turner Broadcasting System and CEO, Turner Sports
- Panel Discussion on existential issues facing sports and other live events
- Tom Garfinkel, CEO, Miami Dolphins and former EVP, Chip Ganassi Racing Teams
- Steven Greenberg, Managing Director, Allen & Co. and former Deputy Commissioner, Major League Baseball (baseball’s aging demo and 3 plus hour games in a fast paced world)
- David Levy, President, Turner Broadcasting System and CEO, Turner Sports

- Class Six: 12/7 Class Project Presentations, Course Wrap-up and Summary
  - Presentation and Discussion of Class Projects
    - Guest Panel to Assist in Review of Class Projects
      - Jeff Bewkes, Chairman and CEO, Time Warner, Inc.
      - TBD
  - Course Wrap-Up, Summary and Evaluation