

## International Media and Communications Management Centre at Saïd Business School

**A**s a key element of its ongoing commitment to develop a new generation of business leaders, thinkers and entrepreneurs, the School proposes to establish the International Media and Communications Management Centre which will work closely with practitioners to establish and sustain best practice, and to foster debate and dialogue.

Saïd Business School is in an unrivalled position to respond to this challenge: it is the fastest-growing

European business school, part of the historic and innovative Oxford University, and geographically situated close to the heart of the European media and communications industries.

The School will integrate a strong research programme into the existing leading undergraduate and MBA programmes, as well as executive education and the annual May Summit.

The proposed Centre will be fully integrated with all activities in media and communications within the University.



## Everyone who came wants to attend next year



Alan Giles, CEO of HMV/Waterstones in a master class Jon Gisby of Yahoo leading a master class

**I**n a survey of the students and VIP guests who attended the event, 100% of VIPs and 95% of students would come back next year even though, in the students' case 95% will have graduated by then.

When asked to rate the Summit as a whole, 53% of students rated it 'excellent' and 47% 'good' while 83% of VIPs rated it 'good' or 'excellent'.

"Overall superbly organised. People knew where they were going, there were great facilities and very nicely done. People felt very welcome" wrote one student. "I don't think you could have done much better on the logistics" wrote a student from HEC.

Other comments included: "The only suggestion I would have is if there's some way of arranging the schedule so that each person can attend more of the master classes."

"...it is exciting that the Saïd Business School has taken the initiative and attracted such a distinguished audience."

"Another item on my wish list is to have been able to attend more of the

master classes; it was really hard to make a choice"

"I like the variety of media addressed, especially broadcast, and the quality of the speakers. I also liked the welcome from the students and staff, and that it was so equally open to so many schools."

Planning for next year's event is already underway, mark your diary for Monday **15th May 2006**. To register interest in speaking or attending, please contact: Jonathan Black, Director, Media & Communications Summit, jonathan.black@sbs.ox.ac.uk



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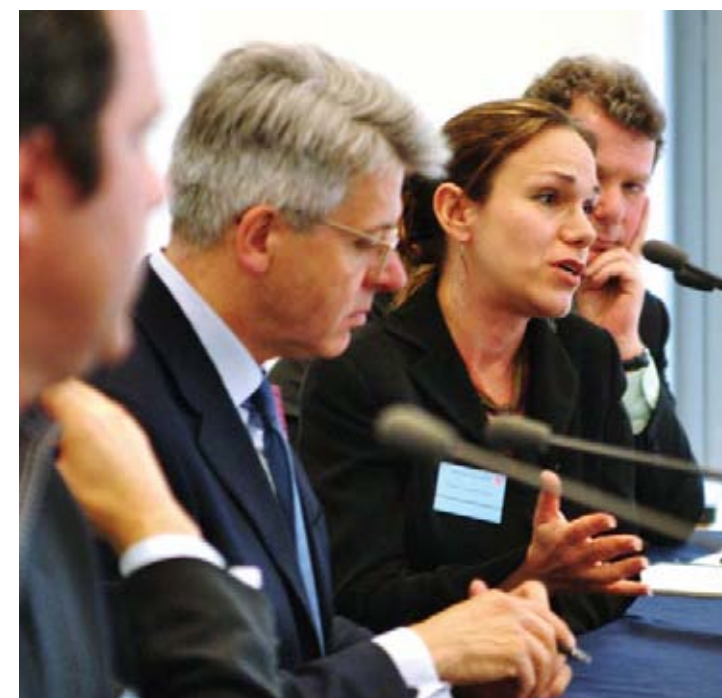


# Bulletin

1ST INTERNATIONAL MEDIA AND COMMUNICATIONS SUMMIT

Summer 2005

## Inaugural event "excellent"



Lunchtime panel in action

**O**n May 22nd and 23rd, over 100 students from 8 leading Business schools in Europe, USA and China met in Oxford to attend the first International Media and Communications Summit held at the Saïd Business School. 60 of the School's own MBA students attended a varied and stimulating set of 'master classes' led by senior industry practitioners.

Master class leaders included: Michael Heseltine, Luke Johnson, Richard Charkin, Peter Bazalgette and Melvyn Bragg. Senior media figures from the USA who gave classes included Mason Slaine, Maria Sendra (Baker & McKenzie) and John Barrie (iParadigms). Alan Giles, CEO of HMV/Waterstones, wrote later "As a speaker at a Masterclass, I thought the calibre, number and engagement level of the students was truly excellent".

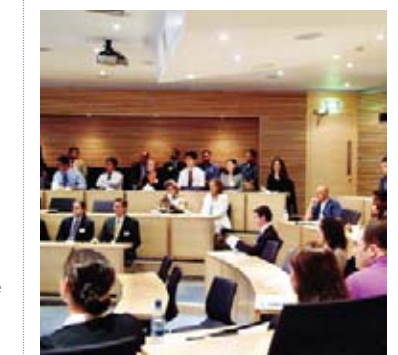
After the master classes, the students were joined by over 100 corporate guests from the media and communications industry at a keynote speech and discussion; the Vice Chancellor introduced the session emphasising how important the subject of Media and Communications is to the Business School.

Mark Getty, of Getty Images, gave the keynote speech (see page 2) on the effects of Convergence and Divergence; "an engaging address that promoted an interesting ensuing discussion" commented Liam Clogger, Head of Communications at Williams F1.

Les Hinton (Exec Chairman News Intl), Nigel Newton (Chair Bloomsbury Publ), Curt Marvis (CinemaNow) and Mason Slaine then joined Getty for a stimulating panel discussion. (See page 3).

"It was extremely impressive – the quality of speakers, quality of corporate guests, the organization"

Anne Groves of Clifford Chance.



## An incredible educational experience



Michael Heseltine leading his master class

**M**aster classes offered a great opportunity for MBA students to learn first hand about current issues facing Media and Communications companies.

Downloading music for free was one issue discussed by several class leaders and the actions their companies are taking to counteract the loss of revenues. While students can study and read papers, at the Oxford Summit they could question class leaders directly and informally.

"The best thing was that you focused on the benefits to MBA students, rather than treating MBAs as the kids at the grown-ups' table" wrote a student from HEC, France.

And a student from CEIBS (China) commented: "The best impression given to me is the quality of the master class."



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# Convergence and Divergence in the World of Technology and Media

The following are extracts from Mark Getty's keynote speech.



Mark Getty delivering the keynote speech at the inaugural event

The almost unavoidable consequence of the mountain of information now available to all of us through various mediums is that plagiarism has become inevitable. Nothing I say this evening is likely to be in any way original. This is the first and most obvious sign of convergence. We all say and think the same things.

The internet was supposed to be the great disintermediator OK. Name ten industries which were disintermediated by it. No, name five. It's not easy. I can come up with many examples of industries which have been transformed by the web – including my own – but not many where the basic structure of the industry has changed.

One good example is open-source software. However, Linux and Apache have yet to replace commercial web-server software and applications.

Another example is peer-to-peer file sharing companies like Napster and Gnutella. They did get rid of the middle man – in this case the record labels – but they got rid of revenue and profit for the producers as well and are now in the process of being replaced by the likes of record labels

plus Apple, Yahoo and Real Networks.

Interestingly, in some cases, the advent of the internet has actually created intermediation where it did not exist before. Surely the internet was about getting rid of middle men? What about e-Bay then? The activities which now occur on e-Bay originally occurred in garage sales, car boot sales and church socials without an intermediary. E-Bay now stands in the middle. What was a previously disaggregated disintermediated global activity is now aggregated and intermediated.

Part of the youthful enthusiasm surrounding the internet is to always see it as revolutionary. Search engines were going to replace almost all known media because all media is digitisable and therefore search, selection and distribution could all happen on-line and bingo! you have Yahoo! You don't need Time Warner or News International or, in our case, Getty Images.

My God, what if Yahoo! or Google actually start manufacturing things – we might only need one company worldwide. It would certainly make investing easier.

Convergence means lots of things. What it does not mean, however, is that great companies with great products and great values are going to disappear in a kind of technological apocalypse.

So that's it. A simple story. Conclusion: convergence means lower costs and greater profitability. Well yes, and no. Like all simple things in life, it is actually much more complicated.

On the face of it, the internet has created a level playing field and eliminated some traditional barriers to entry in a wide range of industries. This leads to a slightly counter-intuitive conclusion which is that the internet is the key medium to date in the convergence story and is both an anarchic medium favouring dis-economies of scale and, at the same time, is an environment which favours aggregators.

So, if, in theory, the internet has flattened the competitive environment, lowered distribution costs and lowered barriers to entry, why would anyone argue that it is an environment for aggregators?

The simplest answer is that it is a victim of its own success. The internet is at one and the same time an interactive distribution and information medium. It knows that you know and you know that it knows. It is direct marketing and real time product development on steroids.

What convergence of media on to portable and interactive platforms allows us to do is to radically transform the landscape of product marketing. To replace art with something closer to science.



“Convergence means lots of things. What it does not mean, however, is that great companies with great products and great values are going to disappear in a kind of technological apocalypse.”

Real time, localised and subject specific knowledge of consumers' desires and behaviour will dramatically increase the effectiveness of advertising and marketing with the related enormous benefit of bringing down the cost of product development and inventory. Everyone benefits and hopefully they will all need a picture.

Predicting the future is a bitter sweet sort of dish. On the one hand, I cannot be wrong today and, on the other hand, I will be completely and utterly wrong some day soon. Hopefully, for both you and me, this speech will be over before that second eventuality.

Firstly, the mobile revolution will overtake the computing and internet revolutions in both commercial scale and behaviour. Secondly, the role of virtual businesses will greatly expand.

Finally, I will end with a hope rather than a certainty. This is that government will catch up with the changing environment faster than it seems to. The organisation of political power always lags behind industrial and economic development, leading either to lost economy and, if not lost opportunity, then political obscurantism leads to far worse.

Today, our political institutions have yet to recognise that globalisation is challenging the nature and focus of political authority. My hope is that immigration policies, industrial and monopolies and mergers policies, education policies and fiscal policies stop being seen through the narrow prism of the nation state but rather through the much broader, energetic, highly competitive panorama of a globalised world.

# Panel discussion report

The following are a very few extracts from the hour-long panel discussion chaired by Tim Gardam.



**TG:** Les Hinton, let me turn first to you. One of the things that has been discussed seems to me how far in the end, for all the change in the technologies of distribution, the key values in the content remain the same.

**LH:** Well there are two ways of looking at this whole thing. Listening to the Speaker, this is, from the view of the consumer and the start-up businessman, unquestionably a golden age to have universal, inexpensive, fabulously beguiling technological distribution and it is wonderful in every way that has been described... And the perspective is you know, a little bit different, you go back to whenever it was, 1440 when Gutenberg invented the press, publishers and printers wielded this massive power and it was therefore a very long time.

10 years ago George Gilder talked about the primitive of communication, the few disseminating to the many and predicted that that primitive would be inverted. Well it's been inverted and flattened as well because now basically publishing is zero cost. And distribution is zero cost. Meanwhile, my company's fortunes for which I am now responsible rely a lot upon paying customers and so we're

now in a situation where we have many off-line customers who are now migrating on-line very successfully.

The Times for instance, growing in circulation sells going on for 700,000 copies a day but in fact is being read by more than 5 times that number on-line. So in its entire 220 year history, The Times journalism has never been more broadly consumed but of course it is less profitable, so the challenge for us is how we make this transformation, grow our audience, but how we manage to transform the business economically as well.

**TG:** Nigel Newton, as somebody whose company is based on finding creative value and then launching fresh creative value, do you fear that in this world you will have less opportunity to invest in risk because of profit to be made elsewhere or do you think there will be greater opportunities?

**NN:** No I'm sure it offers us greater opportunities. It really is amazing, if you consider it, how the book has flourished in the technological era. Books are a sort of superior mid technology, like the bicycle, which have defied gravity and continued to succeed. The death of the book has been regularly predicted when film,

TV and the internet came along, they were all seen as things which threatened it but if you look at what has actually happened, films have caused more books to be sold because people want to read the book on which the film was made.

Secondly, with television they regularly cause people to go out and buy huge numbers of books, indeed best-seller lists are dominated by TV tied-in books. And the Internet is the thing that we are really talking about here, isn't it absolutely amazing that the most famous brand name on the Internet, what is it? It's Amazon a book retailer, or at least they were a book retailer, they're rather more right now. So, I think that we've seen successive entertainment media developments and technological developments have spurred the sales of books. I think there are issues for us going forward and a particular issue is that of digitalisation because there are wide book scanning initiatives going on at the moment which is a good thing, but I myself have some very real questions about who should be making the profits from those developments.

**TG:** I'd like to move on to another point that Mark Getty made which is the mobile revolution will overtake the internet revolution in the importance of its implications. Mason Slaine, what's your view about it?

**MS:** Absolutely, absolutely. When I just look around and see what people are doing with mobile phones and other mobile equipment it's just amazing. I don't understand how people like to text message so much but they do. I don't understand how people like to watch clips of the basketball game on their cellphone but they do in the US. I think as the technology advances you get very thin and expandable cellphones or other mobile devices, don't look at the



“I thought the event was excellent and the choice of speakers was wonderful. I had a wonderful time”

Student from Rotterdam



technology as it's probably really there in its infancy. So I'll be able to have a piece of hardware that's much easier to use and much easier to access and complete to be able to view different types of images and sounds. So they are going to be compatible with it and also telecommunications will improve, all the enabling factors, the hardware, the software, the drives, the communications that make it easier to receive the bytes will provide the infrastructure to be able to deliver the intellectual content, whether it be the films or the news or text messaging or whatever it is. So I think we are just really in the early stages of seeing what is going to be available anywhere, all the time, for everybody.

**TG:** Curt Marvis, are you also saying that people are still prepared to pay a lot more for their total media package than they are at the moment?

**CM:** Yes and I think it's about the number one thing which people continually come back for and that is convenience, convenience, convenience. If you are standing in-line in the bank or frankly for a lot of people probably driving their car down the road they want to see that latest sports clip, it sounds crazy but a plane crash or a natural disaster or whatever that may be, people want to see it right then.

**TG:** Les Hinton, listening to that, one of the geniuses, one of Rupert Murdoch's many geniuses to recognise how much more cash people were prepared to pay for their media in this country, do you think that is going to continue?

**LH:** You know the thing about all this, when it comes down to it, from the point of view of being on the business side of all of this is that far and away the most precious commodity on earth now is human attention and that's what we're all fighting for, every second of it.