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Dean's Executive Leadership Series - Pepperdine University / DELS 2007-2008

Transcript of Interview with Bruce Rosenblum, President of Warner Brothers Television Group

About DELS: The Dean's Executive Leadership Series at the [Graziadio School of Business and Management](#) features in-depth audio or video interviews with today's top business practitioners and thought leaders. [Listen](#) or [subscribe](#) to the podcast to hear their views and insight on the current challenges and opportunities facing the business community.

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Voiceover: The Graziadio School of Business and Management at Pepperdine University proudly presents the Dean's Executive Leadership Series. This podcast invites top business practitioners and thought leaders to share their view on the real world of business.

Rick Gibson: Hello and welcome, my name is Rick Gibson and I'm the Associate Vice President for Public Affairs here at Pepperdine University and I'm joined today by Dr. Linda Livingstone who is the Dean of the Graziadio School of Business and Management. Hello Linda.

Dean Linda Livingstone: Good morning, Rick; it's good to be here.

Rick Gibson: Well it has been an exciting year, I believe this is the 4th year of the Dean's Executive Leadership Series is that right?

Dean Linda Livingstone: It is and we have had a fabulous four years and are off to a great start this year.

Rick Gibson: So far we've spoken to Debra Platt Majoras and Andy Bird and today you're going to sit down with Bruce Rosenblum; can you tell us a little bit about Bruce?

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Dean Linda Livingstone: Certainly. Bruce is the President of Warner Brothers Television Group, and in that capacity, he really manages their portfolio of television businesses worldwide and it includes both distribution and broadcasting. And in addition to that, he's really helping Warner Brothers develop new models for how they evolve television in this new technology digital age. So it's a really fascinating discussion about some of the cutting edge things going on in the entertainment industry.

Rick Gibson: Yeah it sounds fascinating. Well with that, let me invite our listeners to sit back and enjoy this interview with Bruce Rosenblum, President of Warner Brothers Television Group.

Dean Linda Livingstone: Well in our podcast today, we have with us Bruce Rosenblum who is the President of Warner Brothers Television Group, and Bruce is managing the company's portfolio of television businesses, including their worldwide production distribution and broadcasting, and they have been working on developing new business models for the evolving television landscape, so we're gonna spend a little bit of time with him on this podcast discussing that. So Bruce it is a pleasure to have you with us for this discussion.

Bruce Rosenblum: It's a pleasure to be here, thank you.

Dean Linda Livingstone: Why don't you begin by talking with our audience a little bit about what you do, I mean, what is the scope of the work you do at Warner Brothers Television and some of the key areas that you're focusing on right now?

Bruce Rosenblum: I'm responsible for overseeing and managing our various television businesses. We operate three television production arms: Warner Brothers Television, which is primarily responsible for the production of primetime programming for the broadcast networks as well as basic cable programs and reality program, non scripted programming in which we do through a small label called Warner Horizon. We also oversee Telepictures Productions, which is responsible for producing first-run syndicated television programs like the *Ellen DeGeneres Show*, *the Tyra Banks Show*, *Extra*, *People's Court*, *Judge Mathis*; those kinds of shows. And then I oversee Warner Brothers Animation, which produces animated programming primarily for—currently, kid's WB on the CW Network and also for the Cartoon Network.

Then we oversee both domestic and international distribution of all of our television product to television clients as well as our theatrical product distribution of our theatrical product to television clients both here in the United States and around the world. And then Warner Brothers is a partner with CBS in the CW

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Broadcast Network, which was the result of the marriage of the WB and UPN about 18 months ago. So I oversee our 50% interest along with Barry Myer in the CW. And then, finally, each of our television divisions are actively involved in both distributing content in broadband and wireless as well as producing original content for broadband. So it's a fairly diverse and broad-based array of television assets and then dovetails into the overall Warner Brothers asset play of theatrical content, of consumer products, home video, and all the various components of Warner Brothers outside of the television group.

Dean Linda Livingstone: You have been in with Warner Brothers for about 21 years, I believe, and you were an entertainment attorney prior to that. So you've been in entertainment for a long time and so you've seen it evolve a lot, particularly the television side of the industry. So what have been the most significant changes to that part of the entertainment world and what do you see as the most significant changes that you anticipate in the future, or the most significant factors that are going to influence what happens with your part of the entertainment world in the years ahead?

Bruce Rosenblum: While there's been a lot of evolution in the television business over the last 20 years—the last 24 months have certainly been the most dramatic changes to our business and that's all driven, of course, by technology. That's all driven by broadband and by wireless and the worldwide ability to distribute content outside of the traditional forms of broadcast networks and television stations, and I think what you'll see each of us who are involved in the manufacturing of content and the distribution of content have to do is react to those technological changes. And the primary influence that's been changed is that as a distributor or aggregator of content, you no longer can control how the consumer watches your programming.

The technology that's evolved in the last 24 months has enabled the consumer to make the decision about how they want to consume content—how, when, and where they want to consume content—and that's providing some very meaningful and interesting challenges for all of us who are in the business of manufacturing content, which is how do you now deal in an environment where the consumer is so empowered? And whether you're a broadcast network, a television station, a manufacturer of content, a writer, a director, or producer, you have to now face an environment where the consumer is in charge and how we all address those dramatic changes that are taking place will decide whether we're successful or not successful as we proceed over the next five to ten years.

Dean Linda Livingstone: The technology has certainly made the ways in which people can access your content changed, but it's also opened up opportunities for other people to create content more easily than they could and to deliver that content. So how do you, in your business, maintain the expertise and the

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quality of content that will make people wanna keep coming back to what you do versus all the different ways they can access content online better, certainly much less professionally done but sometimes quite interesting in what they come up with?

Bruce Rosenblum: Well you're right. I mean, up until recently there have been gatekeepers in all of our businesses—whether it was the theatrical business and the gatekeepers were the theaters, whether it was the radio business, certainly the television business had its gatekeepers with both the broadcast stations but primarily the broadcast networks determined what the consumer ultimately was able to see in the form of television. Broadband and wireless have eliminated in many respects the hurdle of a gatekeeper. As I'll say in 30 minutes or so in my presentation, all you have to do now is type in youtube.com and you can disseminate content. And while we like to think that we have four or five primary competitors in the manufacturing of television, in reality, now the competitive pool has expanded to include, you know, four kids who are sitting on a college campus somewhere whether it's in Malibu or in Columbus, Ohio who can manufacture content and get it broadly distributed.

Where we think the studio system maintains an advantage is in a couple of different areas. One is in a certain expertise in episodic storytelling. You know, you cannot underestimate the complexity of telling great stories—and it's not simply sitting down and writing great stories, which, in and of itself is a very, very important skill set, but it's the entire manufacturing process from the director to the writer, to the actors, to the performers, to the technical people who actually work on the stages. These are very, very talented people who work many, many years to build that skill set to be able to tell an episodic story over a 22-episode arc or a 44 or 88 arc.

So we have that heritage of episodic storytelling, we have the scale to compete in the space both from a dollar standpoint but also from a human resources standpoint. We have a library of content that enables us to find ideas to build content off of, and we have a fairly fine-tuned worldwide distribution infrastructure that today is designed to distribute content to broadcast and cable systems but can be easily adapted to distribute content for broadband and wireless.

So while it's clear that the number of competitors has escalated, we're confident that our skill sets and our heritage in being able to tell stories will ultimately find its place in the new media space-- that there will ultimately be a business model that evolves around the creation of original content for broadband. Whether that's primarily an advertiser-supported model or pay per view—we believe it'll ultimately be an advertiser-supported model—but a business model will evolve and infrastructure like a Warner Brothers or like a 20th Century Fox or like a Paramount or like a Disney is best equipped to monetize those

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experiences when they are successful. And I think that's what will give us a head start as we proceed in the next five to ten years to expand in these areas.

Dean Linda Livingstone: At the core of that is the story and writing the story. So we're obviously—right now as we do this taping—in the middle of the writer's strike and so that certainly is a core part of creating that content and I know because we're in the middle of that, there's certainly limits to what you can talk about in the context of that. But what do you see as the key issues there that brought us to this point where we're involved in the strike and what are some of the sort of key factors moving forward that you think will move us to a point of moving out of that and back to kind of the business of the day?

Bruce Rosenblum: Well I can hit the second part of that first, which is we are attempting aggressively to move out of the stalemate that we've been in. We will begin informal conversations the next 24 to 48 hours. We're certainly encouraged by our ability to relatively quickly put together a deal with the Directors' Guild and we are hopeful that the experience that we had and that everyone had putting together the deal with the Directors' Guild will positively transfer to our upcoming conversations with the writers and that we'll be able to put this together. Because nobody wants to be in a work stoppage; it's not good for anybody. It's a really difficult time for everybody in our business and we're hopeful we can get through this as quickly as possible.

The primary issues that led us to where we are revolve around what we just talked about, which is the uncertainty of new media, the uncertainty of the new technology and what it's going to mean for our business as we go forward. The members of the creative community want to ensure that they will participate in some fashion as content is distributed in new media—as the television business potentially evolves from one where you watch content on a television screen to one where you watch content on a computer screen.

I think that we were very successful in a relatively short period of time addressing these issues with the Directors' Guild. You know, there's a handful of fairly high profile issues, one is: What is the participation the creative community gets when content is downloaded for ownership to the consumer—whether it's theatrical or television content?

The second issue is when content is streamed on the internet in an advertiser-supported model, how will the creative community participate in the incremental revenue that's generated from that streaming?

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A third is: What is the jurisdiction of the various guilds relative to original production for broadband, because it's clear that we're going to need to find a different price point, a different economic model to produce original content. So at what point in that economic spectrum should that work product be covered by guild agreements, whether it's the Directors' Guild, the Writers' Guild or the Screen Actors' Guild?

So those are the primary issue that we're wrestling with, the compromises were achieved with the Directors' Guild and again we're hopeful that we'll be able to translate those compromises into a similarly successful negotiation with the writers.

Dean Linda Livingstone: Let's step back from that just a little bit from a more strategic level, not necessarily related specifically to this strike, but just in terms of business more generally. When you're faced with a situation like this, it has impact on business continuation, your ability to kind of function as normal, and it might be a strike—in some businesses we've certainly seen natural disasters cause the same challenges in terms of businesses continuing operations through their normal way. So as a leader in an organization, how do you prepare your organization sort of from a risk-assessment perspective to prepare for significant impacts like this on your business, so that you can continue to operate as normal as possible while you manage through a challenging circumstance.

Bruce Rosenblum: Well it's-- try to say but you always, you know, you hope for the best and you plan for the worst and I think, all of us, while we certainly did everything we could to avoid the work stoppage, certainly we're well prepared because there were enough smoke signals sent up that this was coming that it didn't come as a surprise, you know, around Halloween time. What you do is you-- to the extent possible, we accelerated the manufacturing of our content as much as possible. Now there was limited ability to do that, but where you could you accelerated your production process and you prepared your employees for the possibility that there would be a work stoppage-- that they would need to take all the mitigation steps they could to eliminate as much cost during the work stoppage as possible, that they would find this opportunity of time to look at alternative business models and alternative business opportunities for us.

You know, we certainly continue to do everything we can to protect our workforce from the human effect of a work stoppage. We're trying to maintain this as much of our workforce as we can through the work stoppage. But when you're in the production of television as your core business and you're unable to produce content there's going to be meaningful impact. Now where it did not impact us is on the distribution side of our business. We are continuing to distribute content both domestically and around the world on a daily basis. We are pursuing our first front syndication business, which is traditionally not

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covered by Writers' Guild agreements. Our animation business is proceeding and our new media business is proceeding but when you're in the business of producing primetime shows for network television and you can't do that, there's going to be impact.

Dean Linda Livingstone: Let's talk a little bit about the global piece of what you do, because that certainly has changed a lot as well and they're certainly developing new avenues. How do you approach your international business differently or similar to what you're doing domestically, and where do you see the greatest opportunities there and how are you approaching those?

Bruce Rosenblum: Well the last five or six years has been quite a positive time for us in the distribution of domestic television content around the world. This is a result of a handful of things: one, the weakening dollar—while it's not good news here in the United States— has had a positive impact when you're exporting content around the world and the value of our content increases in the local territories based on a weakening dollar.

Number two: the escalation of competitive buyers for our content around the world also helps drive pricing up, so as there's more buyers, both financed and authorized around the world, that allows for an increased, you know, increased demand obviously increases pricing. While we have a challenge here in the United States, where production costs have escalated dramatically in our one-hour dramas as a result of competition and the consumer's appetite for much larger, bigger-budgeted programs, programs like *Lost*, programs like *Prison Break*, programs like *Sarah Connor Chronicles* or *Pushing Daisies*, which we produce, the off shoot of that is that our products has been better received internationally because it stands out more. The local product can't compete with the price points that we're producing content at so that's helped as well.

So we're finding greater demand for our product internationally, we're also looking to expand our business by producing local language content in the local territories. You'll see us grow the local language production side of our business and as technology is impacting the business here domestically the accelerated pace with which technology is impacting our international business is even greater.

The ability to distribute content through new media around the world is four steps ahead of where it is in the United States, so we are keeping pace with that; we're finding new ways to distribute our content through new media technologies around the world and I think you'll see an expanding presence of our content taking advantage of these new media opportunities. So those two things are the biggest growth opportunity for us: local language production and new media distribution of our content around the world.

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Dean Linda Livingstone: What regions around the world seem to be the best markets for you right now in terms of doing that?

Bruce Rosenblum: That really hasn't changed, I mean it's really the core big markets, which is the UK, it's France, it's Germany, it's Italy, it's Latin America, you know, that's the biggest pieces of our international puzzle and for the foreseeable future that won't change.

Dean Linda Livingstone: I know there was an agreement fairly recently with the Abu Dhabi Media Company. Does that impact you that much or is that with different parts of the entertainment group?

Bruce Rosenblum: Yeah, it doesn't specifically impact Warner Brothers Television-- it's a very, very important and forward-thinking deal for Warner Brothers as a company and we're all very, very excited about our relationship with that deal. It's primarily though a theatrical theme park and games-driven deal, not a television deal. That doesn't mean that at some point in our relationship it can translate into a television deal but the first steps we're taking are in the games, theme park and theatrical side of our businesses.

Dean Linda Livingstone: I wanna switch gears a little bit as we move towards the conclusion of our discussion today and talk a little bit about-- just your evolution as a leader while you've been at Warner Brothers. And tell me a little bit about how you feel like you have evolved and changed as a leader, things you've learned because of your experiences that have strengthened you in what you're doing.

Bruce Rosenblum: Many would argue I haven't evolved.

Dean Linda Livingstone: Well assume that you have.

Bruce Rosenblum: And I have a 20-year old and a 16-year old who would both tell you that I clearly have not evolved.

Dean Linda Livingstone: We had children to keep us humble I'm convinced.

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Bruce Rosenblum: So I disagree with your assumption but for the moment I'll play with it. The best advice that my boss has given me in transitioning to the role that I've played now for the last seven or eight years is to effectively delegate-- is to hire the strongest, the most talented executives around you that you can. Don't be afraid to put people in places of significant authority around you that can ultimately take your job. That you need to not surround yourself with a bunch of yes-people but you want to surround yourself with people who will give you conflicting opinions and counter opinions but who will then once you make a decision trust your decision and walk out the door and be a team and follow that decision, and to inform, to always make sure that your team knows what you're thinking, knows what the strategy is and feels empowered to do what they do best.

I clearly know what my limitations are—I know my strengths and I know my limitations—and I'm fortunate to work with a team of very, very talented executives who more than offset my weaknesses. And I trust them and I delegate to them and while I'm responsible for watching the bigger picture so to speak I know to get out of the way and let them do their thing and ultimately make all of us look good, make the company look good.

Dean Linda Livingstone: And I would have to agree finding the right leadership team to work with is huge and really important to the success of a leader. So how do you go about finding those people? Because it's easy to make mistakes in doing that and we all have in lives as leaders, but how do you find the right people, how do you know when it's the right person for you?

Bruce Rosenblum: I think it's two things: I think one is finding or two is nurturing and growing, you know, and our team in particular we have a blend of both. There's several senior-level executives who I've worked with for all 20 years that I've been at the studio, who have grown up with me, and who have taken on more responsibility along the way, and who have been trained to think, you know, along the same kind of lines about ethics, business ethics and priorities, and right from wrong, and then you always are keeping your eyes open for people you deal with at your competitors who are really, really good at what they do and when the appropriate time comes you jump on.

But I'm a firm believer in not every environment's right for every executive and while I've certainly, you know, done a good job at Warner Brothers, I'm not sure I would have succeeded as well in certain other environments, in certain other entertainment companies, and similarly, people who have done well at other entertainment companies probably would not have done as well within our environment. So it's also matching personality, matching ethics, matching work drive to the environment that we present.

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So it's as much about finding talented people as it is about finding people who will work well together. And one of the things I'm proud of is that at Warner Brothers and particularly at the television side of our company, we've got a group of people all work very, very well together and complement each other and bring complementary skill sets. And that teamwork and that team effort really enables us to move forward and drive together in these challenging times and look at the changing landscape that we're facing and work towards finding common solutions for those problems. I think that's the biggest positive that I've come away with in my 20 years, is putting together a team of people who work really, really well together.

Dean Linda Livingstone: And it makes it great fun to go to work when you work with a group of people like that as well.

Bruce Rosenblum: That is true.

Dean Linda Livingstone: Last thing I wanna ask you as we kind of conclude here is we have a ton of alums and students who are in the entertainment industry or interested in being in the entertainment industry and clearly that's a very broad industry, but are there particular skills that might be most valuable in that world that they should be focusing on trying to develop or knowledge bases that are particularly important in that industry?

Bruce Rosenblum: Having only worked in this business for 21 years—and not having worked in a lot of other industries—I'm not probably the right person to answer that question. However, some of the important skills that I find more successful executive has than not are people skills, ability to get along with others, ability to listen and not necessarily always be the smartest guy in the room or smartest woman in the room.

But the real successful ones do have a very strong business ethic and we work in a business unlike many others, we work in a business where you rarely get contracts signed and it's one where your word needs to stand up and your reputation once colored will-- is really hard to get back. And I deal with people who come to the company in their first couple of years of their career, I often have to say, you know, "Be careful. Don't do something that's gonna stick with you for a very long time because if you tell somebody you're gonna do something, you better do it." And when you need to turn to a contract to resolve a problem, it's too late. And we abide by handshakes, we abide by the word, we abide by, you know, informal agreements and while that's very different in most industries it takes somebody with a very strong business ethic to survive and that would be, you know, the one piece of advice.

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Dean Linda Livingstone: It's good to know there's still places where a handshake is a good enough agreement to get work done on and I would say I don't think those are inconsistent qualities from what I hear from a lot of people in very different industries than you're a part of and certainly consistent I think with what we're trying to do in the way we develop leaders here in the business goal and certainly more broadly at Pepperdine. So Bruce, it has been a real pleasure visiting with you and we are so pleased to have you here as part of our Deans Executive Leadership Series, so thank you for joining us today.

Bruce Rosenblum: It's my pleasure.

Rick Gibson: Well that concludes our interview with Bruce Rosenblum. Linda, what an insightful interview.

Dean Linda Livingstone: It was very interesting hearing Bruce talk about what's going on, not only at Warner Brothers Television Group but really some of the interesting issues going on as television has changed so much and become so much more competitive with the addition of cable and all the online competition, so I think our listeners really enjoyed what he had to say and will find it very interesting for them.

Rick Gibson: I'm sure that's right. Well, tell us about who is next in the lineup.

Dean Linda Livingstone: We will have Robert Eckert, the Chairman and CEO of Mattel Incorporated with us on Tuesday March 4th for the Deans Executive Leadership Series in Malibu and then we will also have a podcast associated with that. So I expect that will be quite fascinating given all of the challenges that Mattel has been facing recently.

Rick Gibson: Well we look forward to visiting with them and visiting with you again and we want to invite our listeners to visit our website at bschool.pepperdine.edu/dels and we thank you for listening.

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