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Not since **Susan Boyle** wowed millions of fans across the world on YouTube has a UK talent show received such global attention.

The selection process for the ITV chief executive has delved outside of the traditional broadcasting set, with a number of media outsiders leading the race.

Russell Reynolds, ITV's headhunter, has surprised the market by conducting an international search for the broadcaster's new chief executive - shortlisting candidates including Frenchman Pascal Cagni, the European head of Apple, Belgian Guillaume de Posch, the former chief executive and chairman of German broadcaster ProSiebenSat. 1, Tony Ball, the chairman of Kabel Deutschland, and Simon Fox, the chief executive of HMV.

Internal candidate John Cresswell, ITV's chief operating officer, is on the shortlist, as is Malcolm Wall, the former head of Virgin Media's content business, but their chances look slimmer with the board keen to employ an outsider.

Mr Fox's turnaround of HMV has put him at the head of the pack for many, with the belief that the Magic Circle member is the most likely of the prospective candidates to pull a rabbit out of a hat for ITV.

"For my money, Simon Fox is by far the best. He is not tied to the old thinking. He did a great job at HMV and will be radical and effective," says media executive Roger Parry. "Simon Fox is a turnaround guy. A great and creative idea to look at him," said one leading headhunter.

Mervyn Metcalf, the managing director of Global Leisure Partners and a former investment banker at Merrill Lynch who has worked closely on business plans for both ITV and HMV, says Mr Fox would be "an excellent choice".

"HMV is one of the best retailers now and he has really moved the business on. I think an external, non-TV, candidate would be a strong choice," he says.

Many on the ITV board also favour Mr Fox, with sources close to Mr Grade saying he is high on the executive chairman's list. The headhunters are understood to have told media executives who have been unsuccessful in the process that they are looking for someone with broad consumer marketing experience. "Anyone who was involved in the search for a chief executive in 2006 doesn't stand a chance," says one source.

However, there are some in the media industry who have reservations about employing someone with no industry knowledge.

"An executive like Simon Fox may be talented, but he will have a notice period and is then going to take six months to get up to speed with the sector," says one leading media executive, who preferred not to be named. "ITV needs to be fixed immediately - this is too long to wait."

The executive added that his favoured candidate, who is understood to have been already told by some close to the process that he is not a front runner because of his media experience, is Mr Wall.

"This has a lot to do with a resistance to change. My concern is that one of the reasons for the group pursuing a non broadcast executive is to keep Grade in the non-executive job for his media expertise. Someone [with media experience] like Tony Ball is more likely to want Grade to leave," says the media executive. "Unfortunately this looks set to become another ITV disaster."

The executive added that Mr Wall has non-traditional media experience as well as having a clear and thorough understanding of the advertising industry.

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Mr Wall would raise capital through a rights issue and create a premium ITV channel which would be available on Sky and Virgin Media. He said he would also investigate the possibility of an 80/20 ITV and Five tie-up.

A rights issue and a pay-for offering is also understood to be on Mr Ball's agenda. Other ideas include spinning off the production arm or even selling a stake in production to private equity or a trade player.

Some leading ITV shareholders are keen to see someone with broadcasting experience, with Mr Ball and Mr Wall among their favourites. Key shareholders including Legal & General, Brandes and Fidelity pushed for Mr Ball to enter the selection process. Mr Ball had reservations about entering the formal process and originally said he would only do so if he was asked.

Paul Richards, an analyst at Numis Securities, is impressed with the broad range of candidates that have been shortlisted. He said there is a trend for employing people in the media space with retail, leisure and marketing experience, mentioning the past posts of Jeremy Darroch, the chief executive of BSkyB, Andy Duncan, the Channel 4 chief executive who had a long spell at Unilever, and restaurant entrepreneur and Channel 4 chairman Luke Johnson.

"Simon Fox is not somebody I've ever met, but our retail team rates him very highly," he says. "The challenges at HMV are not dissimilar to those at ITV."

He also thinks Mr Ball would be "a very interesting appointment", adding that he would be keen to see how the former BSkyB chief executive would go about putting ITV content behind a pay wall.

"Personally, I would pull the sales of Friends Reunited and SDN, do a pounds 300m to pounds 500m rights issue and put ITV 2,3 and 4 behind a pay wall," he says, highlighting that SDN is ITV's jewel in the crown.

There has been interest for assets such as Friends Reunited, but ITV is likely to decide shortly how much of a loss it is willing to take in the event of a sale during the recession, or whether pulling the sale altogether makes more sense. An announcement of its plans could come at ITV's half-year results on Thursday.

Mr Richards believes that there is a chance that the new chief could be announced as early as August 6. Others are sceptical and think a September announcement is more likely, adding that the new candidate's contract and issues relating to their current employment will take a while to iron out.

He adds that the new chief executive is very likely to call a strategic review, encompassing both operational and financial issues.

He says the selected chief executive will also need to consider if ITV is better as one company or split into two, with production spun off, as a wholly free-to-air broadcaster or as a hybrid or entirely pay TV offering.

With the focus around Mr Fox in recent days, it is easy to forget that others have been shortlisted who many in the industry believe would make interesting candidates.

Guillaume de Posch is respected internationally. He understands television, from free-to-air to pay-TV, having been chief executive of ProSiebenSat. 1 until the end of last year. Mr de Posch probably has better access to wealthy media investors than his rival candidates. However, whether Mr Posch's international experience makes him different enough for ITV's unconventional selection process remains to be seen.

Mr Posch is an adviser to Greek broadcaster Antenna, which has already said it is looking for one or more acquisitions in European broadcasting worth about euro1.5bn (pounds 1.3bn), not ruling out ITV as a potential buy. He also has strong links to Haim Saban, the wealthy media investor who has been linked to ITV for years as a potential suitor.

Under Mr de Posch there is a possibility that ITV could go private or a stake in one of its divisions, such as production, could be sold. Many in the private equity industry would be interested in ITV's production business when markets recover.

BSkyB is also likely to be interested in a stake in the production business, if allowed to buy it following the controversy of its current ownership of a 17.9pc stake in ITV.

The sale of a stake in its production division to someone like Mr Saban could be one way for ITV to keep control of its content, yet protect its production budget. Furthermore, some believe that taking ITV private for a couple of years would give the broadcaster a chance to restructure without constant

concern about its stock market performance.

As for Mr Cagni, his time at Apple has given him experience at one of the world's greatest digital technology innovators and an understanding of making a success of paid-for online content. However, while Apple's iTunes has been a huge success, getting people to pay for television content is a different proposition altogether. Mr Cagni has no broadcasting experience and many in the industry view him as a less suitable choice.

"Don't Steve Jobs and the US team at Apple make many of the decisions?" asks one media industry source. "It is not clear how much of the decision-making comes out of Europe."

Whoever proves the favoured candidate, they will all be faced with tackling some monumental problems, such as the decline in advertising revenues. While some of ITV's media rivals have suggested that there are signs of green shoots in the advertising market - with Trinity Mirror's Sly Bailey saying last week "it appears we are bumping along at the bottom" - it appears that ITV's advertising revenues could still be weak.

"It is early days, but the advertising market in September is looking like it will be down by between 12pc and 15pc," says Numis' Mr Richards. "This is particularly bad as it is against a very weak comparative in September 2008, when the advertising market fell 20pc."

On the plus side, Mr Richards said he believes the group has won the arguments for significant regulatory relaxation on advertising in its battle to scrap the contract rights renewal mechanism (CRR).

ITV's CRR, which regulates the sums that ITV can charge advertisers, is set to be relaxed following regulatory intervention.

Many senior advertising executives believe it is now more important than ever to have someone running ITV who has an understanding of the media landscape and advertising industry. "Tony Ball and Michael Jackson are best placed for the job," says one leading advertising executive.

Mr Richards adds that with the right management in place, the future for ITV need not look so bleak. "We retain our view that ITV is the pick of the 'death or glory' recovery plays, and believe regulatory relief and self-help from cost savings will aid profitability before cyclical recovery kicks in.

"Recent evidence from two broadcasting conferences we have attended has confirmed our view that ITV is the most structurally robust of the traditional B2C [business-to-consumer] groups, with fears over behavioural changes in TV consumption - such as advertising-skipping on PVRs [personal video recorders] significantly overstated," he says.

Despite some positive signs, the challenge for ITV's new chief executive should not be underestimated. Like **Susan Boyle**, wowing crowds initially is all well and good, but the real challenge is keeping them excited

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