



The Partnership IMPERATIVE

Warner Bros. Consumer Products Australia and New Zealand, a Warner Bros. Entertainment Company, is one of the leading licensing and retail merchandising organisations in the world. Its role is to leverage its successful entertainment brands in new formats.

Images by Joseph Feil

While toys spring immediately to mind, this company's repertoire of products also includes everything from books to fashion, food, live entertainment, and commercial clip licensing—a practice that leverages the studio's vast library of iconic film, television, and animation properties to help communicate brand messages to consumers.

Preston Kevin Lewis is Managing Director, Warner Bros. Consumer Products Australia, New Zealand and India. He started his career with cable network HBO, a Time Warner company, before moving to MTV, Disney, and then back to Time Warner in 2006 at Warner Bros. Consumer Products. He has extensive industry experience and has seen the entertainment sector, particularly the consumer-products licensing arena, change dramatically in recent years. The power of licensing has continued to grow.

Preston says, "Our much-loved and globally recognised properties establish instant connections with consumers. By linking our partners' products and services with the Warner Bros. properties that consumers know and love, they are able to forge unique and long-lasting bonds with consumers,

a bond that transcends a cluttered marketplace."

Preston has adapted his business approach to change with this constantly evolving industry. He says, "One of the most important accelerators of our business was a move away from a complex, matrix-style licensee structure to one that favours strategic partnerships. A critical part of our success can be attributed to this focus. We tender out our licences to fewer companies, and as a result they own a much broader and deeper part of our business. This way, we are just as important to our licensees as they are to us. These close alignments with our key partners have allowed us to much more efficiently and effectively deliver powerful solutions into the marketplace."

CEO of Hallmark International, Russell Parker, agrees: "Licences continue to be a unique and powerful driver of sales and consumer engagement in the card category. The Hallmark partnership with Warner Bros. Consumer Products Australia and New Zealand has been able to really take advantage of that fact due to their amazing portfolio combined with Preston's unique approach to thinking big—and then pushing all of us to make it bigger."

Warner Bros. Consumer Products Australia and New Zealand has recognised the importance of streamlining operations by working closely with knowledgeable business partners. Preston says, "Innovations in technology and workforce management have businesses looking to streamline their processes. They are focused on working more efficiently and effectively, using simpler and faster methods to get the work done. This concept of streamlining also extends to our group of licensees. As a result of our restructure, we've been able to meet the challenges the marketplace has thrown at us, and have exceeded our revenue goals because we have been able to work alongside skilled, focused, and capable partners."

Consumer electronics was a huge growth area for Warner Bros. Consumer Products Australia and New Zealand in 2013, aided by a global partnership with Australian company E3 Style. CEO Vanessa Garrard says the partnership has opened many doors for the company. "We've been working with licensed properties for some time, producing millions of products each year, and I must say the experience we have had working with Warner Bros. Consumer Products is exceptional. >



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PARTNERSHIP



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Preston and his team clearly understand the importance of building strategic alliances, and we are extremely excited to be building a global product portfolio with Warner Bros. Consumer Products,” Vanessa says.

E3 Style was one of the few Australian companies with a large-scale presence at the Consumer Electronics Show in Las Vegas earlier this year, and is not the only company that has been able to go global thanks to its licensing partnership with Warner Bros. Consumer Products.

Moving into live entertainment, CEO of Life Like Touring, Anton Berezin, has also found international success with licensed entertainment. “Having launched our Scooby-Doo Live! production in Australia in partnership with Warner Bros. Consumer Products Australia and New Zealand, we have now toured North America twice, as well as the Middle East, with Europe and Asia now in the works. This wonderful organisation is uniquely creative and practical. The partnership is of immense value to us.”

Preston explains: “We’ve expanded our army, so to speak, in terms of the way we approach challenges, so it’s not just Warner Bros. Consumer Products Australia and New Zealand trying to solve a problem; it’s us and any one or more of our key strategic partners who are all sitting down at the table.”

This concept of shared problems and shared solutions is also acknowledged by Paul Cannon, COO of Warner Bros. Consumer Products Australia and New Zealand’s licensee partner Caprice: “The true value of working with Warner Bros. Consumer Products Australia and New Zealand comes from a deep-centred strategic partnership and alignment on clear outcomes and values. It’s this core essence that drives our collective strategies and results-oriented platforms.”

Warner Bros. Consumer Products Australia and New Zealand also

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focuses on developing and training its people. “I don’t think it’s possible to have a conversation about partnership with our external partners without also talking about the partnerships that are very much a part of what we do in relation to our internal partners, i.e. our staff. One of the things that has always been important to us is making sure that there is a steady, ongoing stream of support for our staff, because in terms of defining what we’re going to be good at, having the best possible people working on your team is critical. An important piece of that is making sure that there is a regular, ongoing process of development for our people.

“That takes a lot of different forms: it takes the form of on-the-job training, new opportunities, new responsibilities, broader responsibilities that we afford to different staff members. But it’s also about traditional learning as well: what opportunities are there outside of the traditional work environment in order to advance those skill sets, which is very important to us.”

Preston’s duties also include the Indian market, which has been a burgeoning region for the company. “In Australia, we talk about the concentration of the retail market. The challenge in India is the incredible fragmentation of the retail marketplace. You have a massive number of retailers and a

multi-level distribution network. Notwithstanding these challenges, India is incredibly attractive to us, as India is home to a large, youthful, and growing middle class with rising brand consciousness and disposable income. These factors mean that, with so many retailers and methods of consumer-goods distribution, we must utilise different strategies to communicate and connect with consumers.

“Ultimately, though, whatever the issue and whatever the market conditions we have to deal with, we find that there is a great deal of value with a strategic-partner approach. It means that we are working against whatever business challenge we encounter with vested, strategic, aggressive, and knowledgeable partners.

“Couple this with the focus we place on the quality of our employee base and it’s evident we need vested, strategic, aggressive, and knowledgeable staff too. So, whether we are operating in a concentrated or a fragmented market, these two components are always going to be valuable.”

“We are very bullish about the future and will continue to build on our strengths while expanding on new marketplace opportunities. We had a phenomenal year last year—aided significantly by our internal and external partnership focus—and we’re looking to outpace that in 2014.” •