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Making Disney Magic in Australia

With generations of Australian children growing up with iconic Disney characters, Managing Director John Cracknell is determined to deliver great stories and experiences for future generations.

Images courtesy of The Walt Disney Company

s a name, a brand, and a global entertainment company, Walt Disney is indelibly interwoven into the childhood memories of millions of people across the globe. With its subsidiaries and affiliates, The Walt Disney Company is the world's biggest family entertainment organisation and media enterprise, consisting of five business segments: media networks, parks and resorts, studio entertainment, consumer products, and interactive media.

Managing Director John Cracknell is passionate about the important role and responsibility of his team in delivering Disney magic to Australian families. "I don't think there's a better company that I could have chosen to work for," John says. "We've got the best content and the strongest franchises in the world. Every year, I find myself saying there's never been a better time to work at Disney. I grew up with characters and stories that I loved, and I'm now introducing them to my grandchildren and to families across Australia."

Having served 21 years with the organisation, John has played a key role in Disney's Australian and New Zealand operations. He joined the company in 1992 as managing director of Walt Disney Studios Home Entertainment Australia and New Zealand, where he was responsible for launching Disney's Home Entertainment business. In 2010, the company created a fully integrated management and operational structure where John was appointed to the role of managing director of The Walt Disney Company Australia and New Zealand. John seized the opportunity to take the best entertainment and present it to the local business community in a cohesive and integrated way.

"Kids love Disney. Parents trust us, and that means a lot to everyone who works here. Delivering on our strategy requires a clear organisational vision, being passionate about what you do, and having the right team," John says.

Whether seeing a movie, watching television shows, seeing a live show, reading books, playing

mobile games, or visiting theme parks, Disney is forging the type of emotional bond with consumers that it hopes will become a lifelong connection to the brand.

Disney's vision is to be the world's leading family entertainment company, and has three strategic goals, with content being king. At the company's D23 Expo held in Los Angeles in August, every executive who addressed the 40,000-strong audience talked about their passion and inspiration for telling the best stories. At the heart of the vision, and core to the company's DNA, is content; to use technology to enhance the viewer's experience with the story; and international expansion.

Disney's deep library of content and the strategic acquisitions made since Robert Iger became CEO in 2005 are creating a rich legacy of unforgettable storytelling. With the successful acquisition of Pixar in 2006, Marvel in 2009, and, most recently, Lucasfilm and the incredible *Star Wars* franchise in December of last year, Disney is the industry leader in offering creative content across new platforms. >



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Since 2005, The Walt Disney Company's market cap has grown from just over US\$48 billion to \$118 billion, with total shareholder return of 206 per cent compared to 63 per cent for S&P 500. At the time of writing, the company achieved record revenue, record net income, and record earnings per share in Disney's most recent fiscal year. In addition to delivering stellar results for shareholders, Disney has also been recognised by a number of prestigious outlets as one of the world's most admired and reputable companies.

According to John, one of the key lessons has been recognising the power of the brands that make up Disney. "Businesses operate on the strength of their brand and how they connect with their audiences. We're fortunate to have six of the biggest brands in storytelling: Disney, Pixar, Marvel, Lucasfilm, ABC, and ESPN. Our brands and characters such as Disney Princess, Spiderman, Toy Story, and Cars each has a unique storytelling DNA, and we have a universal opportunity to build relationships with consumers, create a brand experience, and ultimately enhance our franchise value through them."

"Today's audiences are provided a 360-degree opportunity to engage. They can see the movies, visit Toy Story Land, see DisneyLive, download games, read the digital book, buy the toys, and engage in storytelling in ways deeper than ever before."

- John Cracknell

The Australian operation has been restructured with a singular focus that has made it easier for partners to work with Disney across every part of the company and ensure brands are presented to consumers with one voice that delivers an incredible Disney experience.

"Earlier this year, I went to the movies with my daughter and saw *Iron Man 3*," John recalls. "We came home, and my granddaughter was on the couch with an iPad playing the Disney Fairies Fashion Boutique interactive game, and my wife was watching *Revenge*, one of our hit ABC shows. It was such an interesting insight about how different people connect with our brands and the importance of innovation in remaining connected and relevant to our audiences.

"Take Pixar, for example. Our movies Finding Nemo, Monsters University, Toy Story, and Cars have done exceptionally well here. My favourite character is Buzz Lightyear, and, to this day, I still love Toy Story. Today's audiences, are provided a 360-degree opportunity to engage. They can see the movies, visit Toy Story Land, see DisneyLive, download

games, read the digital book, buy the toys, and engage in storytelling in ways deeper than ever before. And this applies to all Disney franchises."

This relentless focus on creating the best content is clearly working. By July this year, Disney had already become the first studio to cross US\$1 billion in US domestic box office after releasing just four films. It's the eighth consecutive year the studio has achieved this milestone, and, with more than \$2 billion in global box office, people are clearly enjoying the movie slate. Disney's *Planes* opened in September, Frozen opens on 26 December and Saving Mr. Banks will be released in early 2014.

On the subscription TV side,
Disney Junior and Disney Channel
are each the number-one-rating
STV channels, with their respective
audiences of preschoolers and
tweens. Breakout hits Sofia the
First, Doc McStuffins, and Jake and
the Never Land Pirates are now
hugely popular Disney Junior
franchises, with the licensed
products sure to be on kids' wish
lists this Christmas.

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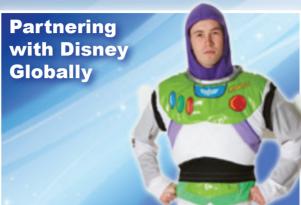




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"We continue to sell many of the classics from 40 or 50 years ago, so we are constantly looking to give our classic content a contemporary twist."

- John Cracknell

The environment is changing, with digital being the new frontier. To

Disney, technology and innovation are enabling a richer, more immersive viewer experience as well as better access to viewing.

Digital and innovation

"When I grew up, it was quite simple. It was watching TV and going to the movies," John says. "Now, it's catch-up TV, it's second screens while you're watching TV, it's a mobile phone while you're travelling, and it's a tablet when you've got a bit of space and time; it's even the DVD in the car. The experience is immersive,

interactive, and 3D, and we need

to innovate to keep up with what the audience wants. Today's consumer is on the move, busy, wants quality, convenience, and flexibility."

Disney's ability to adapt to evolving consumer habits has been a hallmark of this massive media conglomerate. When the iPad launched, Disney was ready on day one, and has had landmark deals for content for the iPhone in markets around the world.

When Disney launches new shows like Marvel's Agents of S.H.I.E.L.D., it works closely with Channel 7 to deliver great new content to consumers wherever they are.

"Disney Junior was launched on Foxtel as a multiplatform destination, and we've seen how fluidly kids move between screens. We now look at all content with a multiplatform prism," John adds.

To enhance kids' experience with Disney Junior content, the channel recently launched Sofia's World, an immersive digital destination based on Sofia the First, where preschoolers are invited to create their own princess avatar, customise Sofia's princess rooms, play games with Sofia and her friends, and explore her castle.

In the past year, Disney has put its studios and television content on six new platforms and signed 20 deals in that space.

As Disney moves into digital and explores other avenues for consumer engagement, John states, Disney's incomparable brand relevance will be retained. "As a company, we're making sure we meet the needs of all our consumers. We address traditional viewers of content, but the product we sell isn't always a new release. Our classics continue to capture the hearts and minds of children and families. We continue to sell many of the classics from 40 or 50 years ago, so we are constantly looking to give our classic content a contemporary twist."

The entertainment ecosystem

Disney's brand equity is unique in the entertainment industry. "In 90 years of doing business, Disney has stayed true to its brand values and, as a result, people understand us," John says. "We are able to transfer this equity to our partners and maximise our marketing potential.

"The best way for Disney to offer value to our partners is to ensure that we're delivering not only the best stories but the best experiences. Our content speaks for itself, so we take an integrated approach to make sure our partners are successful," John says.

"We recently released the movie Planes, and partnered with Qantas >

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to premiere the movie at 30,000 feet on a fully decorated 767 aircraft. This was the world-first sky-high movie premiere that combined storytelling with fun and innovation, and offered a once-in-a-lifetime experience for the kids. That reflects the core essence of Disney," he said. "Disney and Qantas share a long-term bond with Australian families, and only these two brands could deliver this together."

To meet this goal, John and his Australian team of 200 employees across the business work collaboratively to maximise the consumer's Disney experience. "We work as one team. When a movie comes to market—for example, Toy Story 3 or Monsters University—our entire team is working to deliver a 360-degree experience with the story. Our Home Entertainment team re-releases the original film, our licensing people work simultaneously to develop product

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that consumers love, we work with retail to create an in-store story, and you may even find a mobile game launched, and then the movie comes out—all of which is aimed to give viewers a deeper experience with their favourite stories and expand franchise value."

The content slate for the coming years is hot. At the D23 Expo, fans were given a sneak-peek into a slew of upcoming new movies and products. Marvel's *Thor: The Dark* World premiered on 31 October, with next year featuring the release of Captain America: The Winter Soldier and Guardians of the Galaxy; and in 2015, the release of Avengers: Age of Ultron, the sequel to the third-highest-grossing film of all time. Next year, Disney releases Saving Mr. Banks, Muppets Most Wanted, and Maleficent. featuring Angelina Jolie. In 2015, the studio will release Pixar's The Good Dinosaur and Inside Out; and from Lucasfilm, the much-awaited Star Wars Episode 7.

"We're very excited about Lucasfilm and the addition of the Star Wars franchise to our business," says John. "The acquisition brings more than 15,000 characters under the Disney roof. That's a lot of stories that we have the opportunity to tell in the future."

Australian audiences are big supporters of Disney's Live Entertainment too. Disney on Ice and Disney Live enjoy sell-out seasons. Mary Poppins toured Australia to full houses, and the multi-award-winning Lion King returns to Australian shores in December. Since its debut in 1997, 21 global productions have been seen by more than 70 million people.

Cast

With creativity and passion at the core of the company's culture, John believes passionate employees thrive at Disney. "Fit has always been very important, because essentially it's very clear when people come in they need to believe in the vision and understand the responsibility to protect and nurture the brand." John meets this responsibility by employing the right people in the right positions. "We hire passionate people who are singularly focused on the brand values and delivering against that."

John takes a very active role in the company's daily operations. "I

certainly get very involved in the business. Occasionally, I feel like I'd get between Sydney and Melbourne a lot easier if, like Buzz, I could fly. I think I like Buzz because he's always dreaming about what could be.

"I meet a lot of people. When they ask me what I do and I tell them I work at Disney, pretty much everyone immediately smiles and says, "That must be a fantastic job," and I reply, 'It's the best."

With two decades of development

behind him, John says he is looking to the future. "We will continue to grow the Disney brand in Australia and connect deeply with audiences," he says. "There are a lot of opportunities. We are the world's best storytellers, we have the best-loved characters, and, with six powerful brands, we've got a lot of stories to tell."

As Australians engage and enjoy a new generation of content and experiences from The Walt Disney Company, John and his team will ensure the iconic organisation maintains and nurtures one of the world's most magical brands—in John's, and also Buzz's, words, "To infinity and beyond!" •

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- John Cracknell

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Expansion, Partnership, and Success. Caprice was established as a family-owned business in 1959, supplying and manufacturing homewares in Australia.

> aprice revolutionised the soft furnishings industry as Australia's first manufacturer to produce continuous sheer curtain fabrics. Sheer curtains remain a core division of the company today, with the use of advanced knitting technologies to create innovative fabric and designs.

Led by Harvey Lewis and Mark Hansky, Caprice is still family owned and strives to remain a market leader through innovation and business practises. By acknowledging the shift in international markets, Caprice has worked tirelessly to create and maintain relationships with key suppliers and distributors in New Zealand, China, Singapore, and India. In 1978, a New Zealand branch was opened to better service all major New Zealand retailers. Expanding into the overseas market has seen Caprice become one of the largest suppliers of textile homewares in Australia, New Zealand, and Asia.

To continue to succeed in a competitive international marketplace, Caprice is devoted to exceptional product development and international home and fashion trends, with product managers travelling overseas to attend industry trade fairs as well as research textile, colour, and design trends.

In addition to research and product development, Caprice now has an extensive product range including bed linen, drapery hardware, blinds, ready-made furnishings, sheers, craft, furniture, acoustic fabric, decorative fabrics, dress fabrics, footwear, bags, rainwear, accessories, outerwear, sleepwear, and underwear.

This diverse product range has evolved through strategic internal expansion and acquisition, including the procurement of AAA Trading Pty Ltd, M. Simonsons, and Belmondo in 2008, and Casco Blu, Clothes Scene, and Wildcard in 2013.

Caprice's mission is to maintain their position as a market leader through innovation. Providing exceptional customer service remains pivotal to all divisions of the company.

An expanding division of Caprice is the licensing division. The licensing division prides itself on getting into the mind of the child, with an established design division creating products that engage and excite to produce lasting memories. Each design team specialises on certain products and retailers, ensuring that Caprice is able to offer each of its retailers a unique look and feel.

Caprice is privileged to have maintained a prosperous relationship with Disney for more than 20 years, which has recently been extended to include both Marvel and Star Wars. The development to a strategic partnership in 2013 has changed how both companies approach business. To date, this strategic partnership has aligned both





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companies' short- and long-term goals, created a strategic plan focused on product, distribution, and innovation, as well as opened up communication channels between both companies and retail partners. Highly effective communication has occurred through employees from each company being embedded into the other, as well as monthly and quarterly off-site meetings that allow Caprice and Disney to review all elements of the business.

This strategic alliance will enable both companies to continue to grow while offering key retail partners tailored product

solutions. A key element of the strategic plan outlines how Caprice and Disney can work together to offer full crosscategory solutions to retail for key events such as theatrical releases and seasonal opportunities including Easter and Halloween.

To achieve this, representatives from each company have been chosen to monitor the crosscategory events and gauge success through KPI's outlined in the strategic plan. Furthermore, to maintain exceptional levels of customer service, Caprice now offers its retail partners full retail solutions that include

in-store placement, specialised packaging, and gifts with purchase and promotions.

This is a new and exciting chapter for Caprice. With a diverse range of products and a strategic business model in place, the company will continue to succeed and fulfil its mission statement. Caprice's customers are their number-one priority. Both new and existing relationships will develop through Caprice's commitment to innovation, product, partnership and communication, giving Caprice a solid foundation for many years to come. •