

# HOW WE WORK

## LEARN FROM SOMEONE ELSE'S EXPERIENCE

Each RTL Group profit centre is led by its own CEO. This allows each CEO to be an entrepreneur, and act quickly and flexibly in his or her local market. However, in an increasingly globalised environment, it seems that consumer behaviour from market to market becomes very similar. Therefore each profit centre has much to gain by exchanging knowledge, ideas and experience with colleagues at other profit centres.

"It's important not to underestimate the value of the information we generate and exchange through our network," says Elmar Heggen, Chief Financial Officer of RTL Group and Head of the Corporate Centre. "Of course in the current economic climate, best practice learnings are even more essential, and financial benchmarking across the Group helps us compare and advise. But I believe a good example of how we exchange information is in how we react to technological advances – for example, catch-up TV." So, how does the process work?

## CATCH UP QUICKLY WITH A NEW PHENOMENON

Catch-up TV is growing in popularity, especially in the numbers of viewers watching an entire programme online – when they choose, rather than when it's broadcast. "We believe we are near the time when catch-up TV numbers are accepted as 'hard currency' by our advertisers – that is, the audience figure of a show is the broadcast and the catch-up totals combined," explains Elmar Heggen. "As many of our profit centres are operating these services and believe it is part of their future, there is much to be gained from discussing their different approaches."

The initial forum for discussion and decision is the Operations Management Committee (OMC), where all profit centre CEOs and senior executives from the Corporate Centre meet regularly. In discussing the overall digital strategy, the OMC identified specific areas for study by the Synergy Committees (Sycos), the next layer down in a classic pyramid structure. The Sycos include relevant specialists from the various operations. In the case of catch-up TV, it falls to a specially formulated Online Task Force to look in greater detail at the possibilities open to the Group. This year they have been exchanging ideas on how to manage and monetise the profit centres' rights and assets, what sort of services are useful to advertisers, and the costs and technology involved. "The deals, negotiations and details will be different for each profit centre," says Elmar Heggen, "but they are able to follow a common agreed strategy, and will understand the important points to focus on. After all, we are seeing common patterns of consumer behaviour in all markets. So this is a good example of how our balance between autonomy and a Corporate Centre works."

## SHARING A WIDE RANGE OF INFORMATION

Of course a digital strategy isn't the only thing on the OMC's agenda, and they will delegate many different topics to the Sycos. Aside from

the three major Sycos – Programming, Radio and Business Models – project groups in 2008 have discussed news and current affairs, advertising sales, rights acquisitions and media research. In March 2008 there was also a first Pitch & Meet session, a forum for the exchange of ideas between the creative directors of Europe's leading production companies, and RTL Group's programming directors. It was a unique opportunity for the two sides of the business relationship to come together to discuss new concepts and formats.

A further possibility for the exchange of ideas is to have executives from one profit centre sitting on the board of another. This is particularly useful when markets mature at different times, such as having the experience of Gerhard Zeiler on the Groupe M6 Board when building a family of channels. "It is hard to quantify the benefits of these collaborations," says Elmar Heggen, "but we can clearly see how we are learning from each other, not only by sharing best practices, but also by avoiding making the same mistake twice. So we are constantly improving how we work together as many different organisations within one."

## OPERATIONS MANAGEMENT COMMITTEE

<b>Gerhard Zeiler</b> .....	Chief Executive Officer, RTL Group Member of the Bertelsmann AG Executive Board
<b>Dawn Airey</b> .....	Chair and Chief Executive Officer, Five
<b>Alain Berwick</b> .....	Chief Executive Officer, RTL Radio and Télé Lëtzebuerg
<b>Tony Cohen</b> .....	Chief Executive Officer, FremantleMedia
<b>Philippe Delusinne</b> .....	Chief Executive Officer, TVI
<b>Vincent de Dorlodot</b> .....	General Counsel
<b>Axel Duroux</b> .....	Chief Executive Officer, RTL Radio (France)
<b>Dirk Gerken</b> .....	Chief Executive Officer, RTL Klub
<b>Bert Habets</b> .....	Chief Executive Officer, RTL Nederland
<b>Elmar Heggen</b> .....	Chief Financial Officer, Head of the Corporate Centre
<b>Oliver Herrgesell</b> .....	Executive Vice President, Corporate Communications and Marketing
<b>Hans Mahr</b> .....	Supervisory Board, Ren TV; Synergies
<b>Christoph Mainusch</b> .....	Chief Executive Officer, RTL Televizija
<b>Romain Mannelli</b> .....	Executive Vice President, Corporate HR
<b>Andreas Rudas</b> .....	Executive Vice President Regional Operations & Business Development Central and Eastern Europe
<b>Anke Schäferkordt</b> .....	Chief Executive Officer, RTL Television and Mediengruppe RTL Deutschland
<b>Rick Spinner</b> .....	Chief Executive Officer, Alpha Media Group
<b>Nicolas de Tavernost</b> .....	Président du Directoire, Groupe M6
<b>Gert Zimmer</b> .....	Chief Executive Officer, RTL Radio Deutschland
<b>Eduardo Zulueta</b> .....	Antena 3



Each RTL Group profit centre is led by its own CEO. This allows each CEO to be an entrepreneur, and act quickly and flexibly in his or her local market. However, each profit centre has much to gain by exchanging knowledge, ideas and experience



RTL Group's initial forum for discussion and decision is the Operations Management Committee (OMC), where all profit centre CEOs and senior executives from the Corporate Centre meet regularly. In discussing the overall strategy, the OMC identifies specific areas for study by the Synergy Committees (Sycos), which include relevant specialists from the various operations

