



CU Interview

Julie Steiner, General Manager ABC Enterprises

ABC Enterprises was established as a division within the ABC in the mid-1980s. The Division now produces books, magazines, audio tapes, videos, CDs and licensed products for sale in Australia and overseas. It has plans to enter multimedia publishing. It also operates 21 ABC Shops and around 130 ABC Centres. In 1993/94, the Division's gross revenues were \$40.3 million.

It has become a key part of a different ABC which now does much more than radio, TV and concert music. In combining many different forms of media production under the same roof and many different kinds of media products in the same shops, the ABC offers a significant Australian example of the convergence of media products and business practices.

CU spoke with the General Manager of ABC Enterprises, Julie Steiner.

JG: How did ABC Enterprises begin?

JS: The 'modern' Enterprises was established in 1984 when Geoffrey Whitehead was the Managing Director, but it was not until, I think, I was appointed in 1986, that the Corporation was really serious about what this thing called Enterprises was going to be. This was a time of extraordinary turmoil for the ABC and the whole issue of the Corporation's structure and *raison d'être* was hotly debated in those years 1986, 87, 88. It was very difficult for the structure of the organisation but probably was a blessing in disguise because it meant we could spend a year or eighteen months in defining our direction.

We were to be three things. We were to be the part of the ABC that developed the intellectual property the ABC owned or had access to from broadcasting or concert music.

The second task was to help the ABC in defining what its face was going to be to its public. It was from that that I took the plunge and really started to convince the ABC that a retail presence was not only good commercial sense but very good corporate sense.

And the third task is, of course, to make money for the ABC. ABC Enterprises does not receive any appropriation from the Government, hence from the ABC. It has to be completely self-funding, it has to perform to very rigid performance indicators and it has to make both an accrued and a cash return back to the ABC. So it's pretty straightforward: if we don't make any money we don't exist and we have to make it quickly and we have to make it in a highly efficient way. This was critical in the mid-1980s when the ABC was still on a yearly appropriation. Now that the ABC is on a three-year funding cycle, it means there is a little more time for planning but, ironically, the disciplines that we were structured under - get it up and get it working and

get it profitable within a year - are pretty much still the psychology of the place. Which is much tougher in some ways than experiences I've had in private enterprise.

From 1986 we established a number of areas to provide that intellectual property development. In the last year, we've added a magazine division - we still are committed to print - and we have, in the last six months set up a structure to get into new media, multimedia, publishing. The aim is to have an infrastructure that can provide people with information or entertainment in whatever form suits them.

The other thing that's critical in this development of consumer products is distribution. We've been quite pivotal in this country in establishing new ways of looking at how one gets messages to audiences. We've been very tough-minded about breaking down those traditional distribution patterns, that only a book rep can go into a bookstore or only a record rep knows how to sell music. We've really been working with business partners who can see the cross-selling and cross-merchandising opportunities.

Its partly political too because I'm one of those people who still believes that the ABC is here to address the interests of all people whether in the city or in the country, and so a lot of the artificial distinctions about access to material is not really appropriate for my vision for the place.

JG: What sorts of priorities do you have for the next few years?

JS: The emphasis is to grow each of these individual businesses, to establish the magazine and the new media businesses. We are beginning to focus our minds on the new audiences that pay [tv] will bring and some of the threats to the existing audience. We are also looking at opening up major distribution channels in Asia, with Australia Television International. Those will be the tasks for the next two years.

JG: There's a lot of talk about convergence. The ABC has always been 'converged' - it has had television and radio broadcasting, orchestras, engineering and now books, audio, multimedia. Are there real synergies from having these kinds of activities within the one organisation?

JS: In the mid 1980s, there was very little understanding of the value of copyright. There was very little understanding about how there should be a kind of mutuality of interest in this invisible asset, because as a content maker the ABC has always been obsessed with just making it and getting it broadcast and getting a good result. We have been an agitator for a broader understanding of all the

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rights. Kim Williams, who has been working on the subscription television side, has also been articulating the need for an understanding of rights as an asset.

I think there have been more genuine synergies through all parts of the organisation once people have realised that this hard line about intellectual property is, in fact, an absolutely fundamental issue.

JG: How does it actually work inside the organisation? Are there structures whereby people have to talk about the common interests?

JS: Yes, in theory there are structures, but in an organisation that ebbs and flows in creative spurts, I think most of the truly effective work is done people to people. A core of a hundred to two hundred of the key opinion-makers talk more to each other and get a fix on the commonalities even though their end product is quite different. The fundamentals of acquiring and disposing of rights fairly and efficiently is now common, whether you make a radio program or a television program or commission a new work for an orchestra.

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There is still work to be done. I think that in the heat of the deal, things still slip through. People say 'I didn't know' or 'I didn't think it had value' or 'I was preoccupied with negotiating something else'. I think that excuse is no longer acceptable.

JG: To what extent are people inside the ABC obliged to work with Enterprises on specific projects? If a broadcaster, for example, gets an idea for a book and there is a publisher who has a long history of successful publishing in that area, would the book still have to be done through Enterprises?

JS: In theory, what an individual producer makes if he or she is an employee is owned by the ABC, so it's really not a discretionary thing. The reality, however, is still a bit fragmented, but we've overcome that by basically proving that there probably isn't a better publisher for the sort of material that we're producing, than us. There certainly isn't a publisher that has a very disciplined and successful retail organisation behind it which is clearly committed to supporting works. There is only a handful of publishers in Australia who are truly Australian anymore and who are prepared often to publish the somewhat niche market material that we are. It is about forming a relationship so that everybody's very aware what Enterprises can offer the organisation. Success is a very enticing thing and, touch wood, we have been successful in many of our product-making areas and that's probably been the best advocate for us.

JG: The organisation is 'constitutionally converged' to the extent that Enterprises is not actually allowed to do anything that doesn't relate to the Corporation's core functions of broadcasting and orchestras. Is that a constraint, or does it provide a focus for you?

JS: It's both. It clearly does put a fence around what you can do. But I think a number of things have converged historically, not only within the ABC but within Australia, that has enabled us to make the limitation our strength. The limitation is really that we are here to produce material that the ABC broadcasts. In other words, we are here to put a mirror on society through the eyes of the ABC and we have to be very mindful of Australia's position and the Australian voice in developing all of this.

So, in the mid 1980s, the successful entertainment companies in publishing or music and in the early days of video were the multinationals who had the ability to import the vast, diverse array of material from overseas and throw it at the public and see what worked. We don't have the benefits of a vast imported catalogue and the market research from such broadly-based success or failure. We have to articulate Australian issues in Australia, written by Australians or produced by Australians. In the mid-1980s that was a huge problem, but interestingly, in the last, say, five or six years Australians have become much more interested in Australia and what Australians produce. They've come to realise that Australian publishing is just as interesting or perhaps more interesting in its ways of looking at the world.

As they say often in marketing language, we have become a number of niche marketers. We have made our limitation our strength. We have not tried to be all things to all people but to take a very clear brief and to work it hard.

At the same time, I think there's been a cultural shift within the ABC and we are making programs that are drawing a bigger audience. If you look at radio in particular, there has been strength in JJJ, the youth network, which was always, historically, a very difficult area. Many people thought the ABC was not there to cater for young Australians. Well, that's changed and it's been massively successful. So, of course, we have responded by publishing books and producing music that are addressing the issues of a youth culture. And that's not necessarily just a music culture. Young people are interested in everything from science and health and politics to lifestyle. It's very broad.

That's one of the things about the ABC - it addresses so many issues to so many segments of the community. What I have to do is to try and make sense of that diversity and give it a kind of easily perceived common theme - an 'ABC-ness' you could say. Although it's a terribly vague phrase, most people know what 'ABC-ness' now means.

JG: To what extent does the success of Enterprises end up having its own effect on core activities - the 'tail wagging the dog'? Do you find the organisation goes about commis-

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sioning programs for broadcast, or concerts, or that you acquire certain properties because they will have a market outside broadcasting or concerts?

JS: Yes, this has always been a great sensitivity. I think the reality is that, even though we are producing 500 odd products a year, the ABC as a program-maker is probably producing many, many thousands of programs a year, all of which have their own particular audience focus.

I think we are having some effect in two areas: one, by seeing what books, music and videos work, we're a very good repository of market research. Two, by having such a successful chain of ABC shops, we have millions of people coming through our doors who say to our shop staff things like 'Do you have a book on X or is there a program on Y'. So we're able to feedback quite directly from our audience, from the public. We can say to program-makers 'There seems to be a trend of inquiry about such a thing, maybe it's something you would like to think about'.

We are not in the business of becoming de-facto program makers. We are in the business of enhancing the issues that are in the programs or the music that's been commissioned for performance and going back to that audience and saying 'Perhaps you will enjoy a more permanent record of whatever it is you have enjoyed from other parts of the ABC'.

JG: Is there a problem in producing more and more kinds of products that end up competing with each other - you're actually competing for people's leisure time with books and television and radio and everything?

JS: Yes, it is an issue. It's always a question of balance. The product departments within Enterprises are, in theory, competing with each other. And we are very mindful that television and radio, although their technology is different, are potentially competing for people's time.

I actually see what the ABC does, and our part in it, as a kind of layering process. It's actually broadening peoples' commitment to the ABC, rather than being a sort of internally competitive set-up. I also think people still demand information and entertainment from a variety of sources. They have different emotional needs, when they watch television, or go to a concert, or listen to the radio, or read a book or listen to some music. As long as people are curious and interested I think there will always be a place for the multiplicity of things the ABC is offering.

JG: We're told that people are going to be receiving their audio-visual product, entertainment and information down wires in the future. The ABC has made a substantial investment in retail premises. Why are you so confident that they are going to continue to have a place?

JS: Because I think that people still need the social activity of going out and shopping. Whether they buy or not, I think that people still are very curious. What a retail set-up like ABC shops and ABC Centres offers is a very quick and hopefully attractive snapshot of what is happening in Australia. By looking at the books and music and the

videos and so on, you can get a very clear idea of who's performing in your state, what people are reading, what issues are hot and who's participating in the debates.

I think that retailing is getting much more sophisticated as an entertainment activity in its own right as well as a commercial activity and you'll notice that shopping centres are almost like mini worlds of their own where you could basically live forever: feeding yourself and clothing yourself and being entertained and having a whole variety of experiences.

There is no doubt there will be retail opportunities from new technology. People will be able to shop from the television, but what we have found in this country is that people still want to look at something and feel it and discuss it and debate it prior to actually buying. So shopping is not just an activity that allows you to purchase, it's an activity that allows you to have a variety of experiences on the way to perhaps purchasing something. And I think that that is going to be really different from just getting a list of products down the television.

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JG: ABC Enterprises has been criticised by some publishers and booksellers for the advantages it gets through free television and radio promotion of its products. How do you answer that criticism?

JS: Well, I don't think that criticism is, in fact, the case anymore because I think people are acknowledging that we have a very limited brief. We publish and produce titles which many people have never entered into. We've taken those risks, made it work, made it very Australian and made it very ABC. So, I think people recognise that we have dared to travel in places others clearly have not wished to, and I think they acknowledge that the ABC is perfectly able to make announcements about the service it provides. One of those services is that we provide products that relate to programs.

The other thing that has been a by-product of this, which is why I think the criticism, if it exists, is very minimal, is that the ABC shops have become one of the most successful chain stores in this country and many of the products that are sold in the ABC shops are, in fact, not produced by the ABC. They are produced by a whole variety of other publishers and producers. We have really given a huge shot in the arm to all the entertainment industries since the late-1980s. We've given them an elegant outlet and we've sold a lot of products for a lot of different companies. So they now feel that they are part of the ABC, that they are benefiting from the ABC's success. □