

Russell Reynolds Associates' *Conversations on Convergence* features the thoughts and ideas of top decision makers in the world of convergence. We are helping to cut through the hype around this topic by speaking directly with those who are defining the future of this industry. Read them all on our Web site at [www.russellreynolds.com](http://www.russellreynolds.com).



## Conversations on Convergence: No. 3, 2008



Jean-Bernard Lévy, Chairman of the Management Board and Chief Executive Officer, Vivendi

Jean-Bernard Lévy was appointed Chairman of the Management Board and Chief Executive Officer of Vivendi in April 2005, having previously served three years as the company's Chief Operating Officer. Vivendi is a global leader in digital entertainment with activities in music, TV, cinema, mobile, Internet, and games through its ownership of Universal Music Group, Canal+ Group, SFR, Maroc Telecom and Vivendi Games.

**Q. What is your assessment of the current state of the convergence space?**

**A.** "Convergence" is a word that is used differently by different industries: people talk about fixed/mobile convergence, IT/telephony convergence, network/content convergence. But in my opinion, everyone is focused on convergence for two main reasons. The first is that today, digital technologies are essentially the same no matter what type of interactive service is provided or what device is used to access content. Not so long ago, there were clear distinctions between telephones, computers and the media; and the same distinctions between telephone subscribers, Internet users, magazine and newspaper readers and TV viewers. Now they have all blended: The Internet is simultaneously a network and a form of media.

The second reason putting convergence at the heart of our industry today is that users expect it. Consumers want ubiquitous and universal access to information. They want to be able to get the same information at home as they can get at work, access the same data when they are on business trips as they can when they are in

their office, read the same news on vacation as they can in their living rooms, and so forth. As mobile Internet accessibility develops, the wants and needs of consumers grow, too. And so the media, and telecom operators, and information owners, seek to satisfy the changing expectations of these consumers.

Convergence comes from this ubiquity of Internet technology and mobile services on the one hand, and the changing wants and needs of consumers on the other. We could call this phenomenon of convergence a wish for continuity, for an uninterrupted continuum of network and content.

**Q. What challenges does convergence bring to your business?**

**A.** Vivendi is organized around its products and services, and around its clients. Each of our activities has evolved its client base and its product and service offer based on changes to technology and to user expectations. In each of our activities, there have been changes. Perhaps the most important challenge to the entire group right now is get the best out of high-speed mobile Internet. Mobile usage is growing all the time, and we want to seize the full potential of it.



**Q. What importance do you place on innovation?**

**A.** It's all about innovation. Innovation is everything. Innovation in technology, innovation in the way we respond to our customers' demands: We must do both, all the time. The key is to use the right technology at the right moment to respond properly to our customers' expectations. Timing is important. There are many examples of companies who invested in certain innovative techniques or methods too early; and of course, many more examples of companies who invested much too late, and failed because of it.

**"It's all about innovation. Innovation is everything."**

To give you an example of what I think is great timing on Vivendi's part: I feel we launched our 3G mobile network in France at just the right time. We waited a few years after obtaining our 3G license, until infrastructure prices had come down, until 3G handsets were almost as good as 2G devices – but we didn't wait too long either, we were still ahead of our competitors. And as a result, SFR now has almost two-thirds of all 3G subscribers in France, without spending too much, and without being too early or too late.

**Q. The Vivendi group has both technology professionals and content professionals. How do you make decisions that take into consideration those different points of view?**

**A.** People from different activities exchange ideas amongst themselves, but in the end there is an advantage given to the opinion of the Marketing departments. The technology teams can say that a certain feature or function is available now, but if the marketing people can't assure that our consumers actually want that feature or function, then there is no point in launching it! Marketing should have the last word.

**"Marketing should have the last word."**

Of course, sometimes, you just have to roll the dice and launch something so innovative that people don't even know they want it. That's what we did with World of Warcraft: we rolled the dice. World of Warcraft was a project we believed in, and we invested a lot of money in it. When you're trying to create a market, create

demand for something, you just have to use your best judgment to make decisions. You can't just look to the past for guidance, you also have to have some flair and some intuition. Marketing told us we could get one million subscribers for World of Warcraft, and today we have ten million. So in that particular case, it was the creative team's opinion that was the most important, and as it turns out, the most accurate.

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**Q. What are some of the human capital implications of these changes?**

**A.** All along the convergence continuum, everyone keeps their own specific role: a creator is still a creator, an engineer still an engineer, a marketer still a marketer. Jobs aren't converging, just technologies and user expectations.

But nevertheless, while people's professional specificities don't change, they do have to evolve within their own skillset. Consider the journalist who used to write one article a day, in time for a set deadline when the newspaper went to the presses. Now, he will write several short articles across the day for the online edition, and perhaps, later that evening, also write an article for the next morning's paper edition. Or a telephone network engineer who

**"Jobs aren't converging, just technologies and user expectations."**

used to focus on mobile voice transmission technologies: today if he wants to be on the cutting edge, he must work on mobile data transmissions. Or the marketing manager, who today is discovering that his targeted consumers are more demanding than ever, as well as divided into a greater number of smaller, tighter segments than ever.

Everyone has to be able to learn, to change, to listen, to grow. Everyone has to knock down their own walls and be able to completely change their point of view. People who built cable television networks once said, “This is made to

“Technology changes so quickly that if you want to succeed, you absolutely must know how to change your mind.”

deliver television programs, we could never provide telephone services with it.” People who deployed phone networks once said, “This is for voice, we’ll never be able to transport data on it.” Technology changes so quickly that if you want to succeed, you absolutely must know how to change your mind.

### Q. What's on the horizon?

A. People need entertainment, and digital entertainment is becoming more and more important. Vivendi is one of the best-placed companies in the world to capitalize on that. Around the world, people want to share emotions, be part of a community and be entertained. That is at the heart of all our actions, and that is our mission –

“People want to share emotions, be part of a community and be entertained”

to give people what they need to communicate and be entertained, over networks, with other people.

### About Russell Reynolds Associates

Russell Reynolds Associates is the most trusted name in global executive search and assessment. Through our 39 wholly owned offices, the firm’s more than 275 professionals conduct senior-level search and assessment assignments in a range of industries for public and private organizations of all sizes. With its one-firm culture, deep knowledge of major industries and unwavering commitment to client service, Russell Reynolds Associates is uniquely qualified to help clients find the best leaders and to advise them on optimizing their talent. The firm’s Web site is [www.russellreynolds.com](http://www.russellreynolds.com).

### Our Communications and Convergence Practice

The Russell Reynolds Associates’ Communications and Convergence Practice sits at the intersection of dynamic digital content, which is reshaping the way we work and play, and wireless and broadband networks, which keep us connected seamlessly around the globe. We also have significant experience in helping our clients recruit in the managed services and outsourcing areas. The combination of our experience with service providers as well as infrastructure solution providers (who design, build, and deploy their platforms and networks) allows us to work at the forefront of technologies including IPTV, WiMAX, FTTx, IMS, Ethernet, 3G/4G and VoIP. Finally, our success with assisting media and content providers and aggregators to leverage these powerful new technologies positions us at the heart of the convergence movement as the key human capital solutions provider on a global basis.

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