

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. 6, 2008



Albert Cheng, Executive Vice President, Digital Media, Disney-ABC Television Group

Albert Cheng is the Executive Vice President, Digital Media, Disney-ABC Television Group. He is charged with general management and strategic oversight of digital media, as well as development of ancillary revenue streams for Disney-ABC Television Group's diverse portfolio of broadcast and cable networks, including ABC Entertainment, ABC News, ABC Daytime, ABC Family, Disney Channel and SOAPnet. Prior to this, Mr. Cheng held a number of senior roles across the Disney-ABC Television Group, as well as positions at Fox Cable Networks Group and the Boston Consulting Group. Mr. Cheng received his B.S. from Massachusetts Institute of Technology and his M.B.A. from Harvard Business School.

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

A. I think convergence is still at a very early stage. There is still a long way to go on interoperability between devices; there are still a lot of business models to test and a lot of emerging distributors, and things are still being done in non-convergent ways that will need to migrate into a more seamless environment.

### Q. What about content?

A. We're not developing our shows or doing our storytelling any differently. We're still focusing on the storyline and how it plays on television. We are, however, thinking about "windowing" and how to create access points for the consumer

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along the different types of viewing platforms that are available.

Today, television still is, by far, where most people are watching shows—television is primarily the place where a show *premieres*, and then it becomes available on different "windows" for consumers, so they can catch up on the shows that

they missed on television. This sort of "windowing" strategy is constantly evolving, and we suspect the windows themselves will change over time, too.

Someday, a program might premiere on computers before it ends up on a TV set. I think it's too early to tell when that will happen and perhaps even if that will happen, but

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nevertheless, what we see today is a very distinct trend in this new digital world with shifts in viewing consumption patterns and the increasing penetration of different viewing venues.

The other thing that we're doing with content is adding more interactivity. Technology allows communities to interact with each other; today, people can comment on a piece of content and share it with someone else, in real time. We're figuring out how that actually converges onto a television set. You can have a TV-like experience on the Internet in some cases, but the big question is whether that type of interactivity will start to migrate to the TV set, to become part of the "ten-foot experience."



**Q. What are the human capital implications of all of this?**

**A.** We need people with the skill set to be able to understand the technology and its impact on consumers. But even more importantly, we need people who can apply their knowledge to their jobs. It's less about whether someone has technical experience in digital media and more about whether that person has the ability to think beyond their current roles and responsibilities to understand the larger impact on the business.

Being part of that consumer space is important too because it's very difficult for leaders to make decisions if they are not actively participating in new media and convergence. So, when we talk to people who want to have a role in digital

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media, we always ask them whether they have a Facebook profile, when was the last time they watched a video online and whether they spend time on YouTube. Those people are hard to find.

If people "get" new media and also have a desire and willingness to understand how it works, then they can easily transition from a role in traditional media to a role in digital media. But it's tougher for people who don't understand it and don't participate in it because no matter what you do, it's very difficult for them to migrate, to understand strategically

what the implications are to any action so they can help move the needle. We need people who can think quickly and embrace change and who always have the desire to ask what can we do differently that hasn't been done before.

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

**A.** We're so used to operating in a very stable, consistent world that it's like commanding a large barge. But now, the business environment around us is starting to change into a very dynamic one, and the waters are getting rougher. We need to figure out how to build speedboats alongside of our barge and get the right people to pilot them. We almost have to build a whole new infrastructure alongside of what we've been doing traditionally. It makes it a challenge to manage resources internally because we're basically developing for two different markets in parallel. We're basically developing for two different markets in parallel. We almost have to build a whole new infrastructure alongside of what we've been doing traditionally. It makes it a challenge to manage resources internally because we're basically developing for two different markets in parallel and hoping at some point in time we'll find where the efficiencies live within the overall organization. We have to be very nimble, flexible and dynamic in a new world where the business environment is constantly changing. As leaders, we have to ask ourselves: How do you get an entire organization to think differently? What are the processes and resources and communication interfaces that have to be created in order to make quick decisions and quick development turnaround times? What do we have to do to be able to iterate and adapt our operations for a strategy that may be relevant for only a year or two? These are the challenges for every company that's trying to make the transition into a different business environment.

**Q. What do you see on the horizon?**

**A.** A lot depends on when consumers start to change their behavior, when they really begin to use and embrace new technology. It's all about consumer lifestyles: most people watch TV in front of some sort of large screen device in their home, during the hours of primetime. And in all likelihood, that's where all the dollars will be in the future, too. The aspect that will likely evolve is how, technically, programs will get to that screen. That's what everyone is trying to work on.

I think, right now, if you look at how things are delivered, it's still pretty unconverged. Television is delivered either over the air or through cable and satellite. Video on the Internet arrives on your computer through a broadband line. But, as all these separate things start to converge, the business models all start to blend, and we'll need to rethink everything, so we can continue to reach consumers with our programs. I have no precise idea when that will happen, but it will definitely happen.

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## About Russell Reynolds Associates

**Leadership.** In today's ever-changing global business environment, success is driven by the talent, vision and leadership capabilities of senior executives.

Russell Reynolds Associates is a leading global executive search and assessment firm with more than 300 consultants based in 39 offices worldwide. Our consultants work closely with public and private organizations to identify, assess and recruit senior executives and board members to drive long-term growth and success. We value teamwork, serving our clients with a collaborative approach that spans our international network of sector and functional experts.

Our in-depth knowledge of major industries and our clients' specific business challenges, combined with our understanding of who and what makes an effective leader ensure that our clients secure the best leadership teams for the ongoing success of their businesses. For more information, please visit us at [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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