

Case Background

- UTV wants to expand internationally
- Not enough resources to do so without partners
- The Cartoon Disney
 - Worldwide TV channels
 - Acquire for Disney TV
 - Disney needs a partner to enhance their business in India
- Hungary TV is an Indian fully owned channel but out of the 40% share Disney has a stake within the Indian market
- Marketing Plan
 - Local content to boost engagement
 - US market as a priority
 - Marketing TV is very primary for Disney channel

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Problem Statement

Should UTV consider a strategic alliance with Disney to expand its reach in Hungary TV?
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Disney S.W.O.T

Strengths	Weaknesses
<ul style="list-style-type: none"> Highly diversified portfolio Global leadership Clear brand identity Highly profitable Highly respected in the market 	<ul style="list-style-type: none"> Highly diversified portfolio Highly profitable Highly respected in the market Highly profitable Highly respected in the market
Opportunities	Threats
<ul style="list-style-type: none"> Expand in emerging markets Highly profitable Highly respected in the market 	<ul style="list-style-type: none"> Highly profitable Highly respected in the market Highly profitable Highly respected in the market

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Reducing Delinquent Accounts Receivable

Agenda

- Introduction
- UTV
- Disney
- UTV Overview
- Disney Overview
- Options Generated
- Implementation
- Recommendations

UTV Overview

- Debut 1990
- Operating mainly in India
- 1st multi-channel TV in India
- Global movie distribution network
- Use to focusing on Television Content production
- Now Operates in: Post production, Broadcasting, Film production and distribution....

Disney Overview

- Debut in 1923 in the USA
- World wide company
- Leader in entertainment
- Content production mainly from North America and exported
- 4 main segment of activity
- 35.5 billion revenue over the last year



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UTV S.W.O.T

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Options Generated

Option 1

- Exchange UTV shares for more control of Hungaria TV

PROS	CONS
<ul style="list-style-type: none"> Hungaria TV control Partnership with Disney International Platform Disney's marketing expertise 	<ul style="list-style-type: none"> Reduction in revenue Disney might reduce their Individual TV content change

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Options Generated

- Option 2
- Selling out Hungaria TV & increase investment in all other verticals.

PROS	CONS
<ul style="list-style-type: none"> Fastest growing industry No loss of revenue from Hungaria TV Resource reallocation in all verticals. 	<ul style="list-style-type: none"> Loss of 1/3rd channel market Increased production costs Increased piracy

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Options Generated

Option 3

- Rejection of proposal and focus on internal operations.

PROS	CONS
<ul style="list-style-type: none"> Control over assets Operational efficiency Low investment Strong cultural change 	<ul style="list-style-type: none"> Slow growth No best experience Less operational expertise

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Implementation

- 6 Months Plan (Short-Term)
 - Negotiation
 - Division of capital to departments
 - Equipment assessment

18 Months Plan (Long-Term)

- Disney production plant in India
- Relationship development with Disney
- Set up UTV office in Disney HQ

Recommendations

	1	2	3	4	5	6	7	8	9	10
Net	10	15	20	25	30	35	40	45	50	55
Revenue	100	150	200	250	300	350	400	450	500	550
Profit	10	15	20	25	30	35	40	45	50	55

Goal -> Create a collaborative partnership

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- UTV Overview
- UTV SWOT
- DISNEY Overview
- DISNEY SWOT
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Case Background

- UTV wants to expand internationally
- Not enough resources to do so without investors
- The Call from Disney
 - Wanted 14.9% of shares
 - Acquire Hungama TV
 - Wants local influence to enhance their business in India
- Hungama TV is an Indian kids channel which rivals that of the kids channel Disney has in place within the Indian market

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- Underlying Factors
 - Need capital to invest in expansion
 - US market is great opportunity
 - Hungama TV is very promising for future interests

Problem Statement

"Should UTV consider a strategic alliance with Disney, at the cost of losing Hungama TV?"

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UTV S.W.O.T

Strengths

- Great capacities to produce programs
- It has good Knowledge of the local market
- Owns a quickly growing new Channel (Hungama TV)

Weaknesses

- UTV's overall profits fell almost Rs.20 million
- It completely moved out of the B2B business
- Lack of finances to further grow in the other locations
- UTV was slow at realizing their potential

Opportunities

- Expand into international markets through partnership with foreign studio.
- Indian TV industry is expected to grow at 18 % annually.
- Prospects of including dubbed material.
- Kids segment was worth Rs 4.5 billion

Threats

- It had a low international presence.
- Investment requirements and risk in the content creation business were low.
- Evaluating the potential of the movie was very difficult

Disney S.W.O.T

Strengths

- Multibillion dollar company
- Good brand image
- Diversified in activities
- International market knowledge
- Already well established in India

Weaknesses

- North American Centered
- Lack partnership locally
- Minimal culture adaptation
- Weak against local competitors

Opportunities

- Expand to a new country
- Reach a fast growing market
- Strengthen positions

Threat

- Piracy
- Risk to miss a good opportunity
- Rising competition
- Rising Production Cost

Options Generated

Option 1

- Exchange UTV shares for more control of Hungama TV

PROS

- Hungama TV control
- Partnership with Disney
- International Platform
- Disney's marketing expertise

CONS

- No decision making power
- Disney might refuse offer
- Potential UTV cultural change

Options Generated

Option 2

- Selling out Hungama TV & increase investment in all other verticals.

PROS

- Fastest growing industry
- No loss of revenue from Hungama TV
- Resource reallocation to all verticals.

CONS

- Loss of kids channel market
- Increased production costs
- Increased piracy

Options Generated

Option 3

- Rejection of proposal and focus on internal operations.

PROS

- Control over assets
- Organizational structure improvement
- No organizational culture change

CONS

- Slow growth
- No field experience
- Lack international expansion experience