

### Case Background

- UTV wants to expand internationally
- Not enough resources to do so without a partner
- The Coolpix Deal
  - Wanted to film in Japan
  - Agreed for UTV to TV
  - Wanted to film in Japan to enhance their business in India
- Hungary TV is an Indian fully owned channel but out of the 49% share Disney has a stake within the Indian market
- Marketing Plan
  - Wanted to expand to other countries
  - US market is great opportunity
  - Marketing TV is very profitable for Disney because

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### Problem Statement

Should UTV consider a strategic alliance with Disney in the context of Disney Hungaria TV?  
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### Disney S.W.O.T

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

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# Keeping Cool: Running The Numbers On The Kooltex Incentive Package (B)

## Agenda

- Introduction
- UTV
- Disney
- Marketing
- Recommendations
- Implementation

### 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

Strengths	Weaknesses
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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"> <li>Hungaria TV control</li> <li>Partnership with Disney</li> <li>International Platform</li> <li>Disney's marketing expertise</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in revenue</li> <li>Disney might reduce offer</li> <li>Individual TV cultural change</li> </ul>

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

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### Options Generated

#### Option 3

- Rejection of proposal and focus on internal operations.

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

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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	11	12	13	14	15	16	17	18	19	20
Net	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Net	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Net	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10

Goal -> Create a collaborative partnership

# Keeping Cool: Running The Numbers On The Kooltex Incentive Package (B)

## Agenda

- Problem Statement
- UTV Overview
- UTV SWOT
- DISNEY Overview
- DISNEY SWOT
- Options Generated
- Recommendations
- Implementation

## UTV Overview

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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