





Press Play for Success

FOR TWO TECHNOLOGICALLY ADVANCED DECADES, DOOMSAYERS HAVE PREDICTED THE DEMISE OF THE VIDEO RENTAL INDUSTRY. BUT, AS **CHRIS SHEEDY** REPORTS, KERAN WICKS REFUSED TO LISTEN.

DURING A PARTICULARLY memorable scene in the musical *Les Misérables*, a young street urchin sings, “never kick a dog because he’s just a pup... you’d better run for cover when the pup grows up”. It is fine advice, and it’s advice that those in the video rental industry should have heeded when a school drop-out by the name of Keran Wicks first purchased a run-down video rental store in Melbourne’s Kew.

When Wicks took over the store its annual turnover was hovering around \$80,000, but under her management she increased this almost nine-fold to \$700,000 over just a few years. But although she was doing much healthier business than the franchised video store down the road, she found she was paying much higher prices for her product because she lacked their buying power. So she decided to do something about it.

“I was having dinner with my husband in a little pub in Fitzroy and I remember saying, ‘bugger this, I’m

going to start a group of video stores’,” Wicks recalls. “He said, ‘how would you do that, love?’ and I said, ‘I’m not sure. I’ll write a few letters’.”

And write she did. Wicks wrote to all of the major distributors telling them that, as of next month, a new group would be launching and that it would be called Network Video. “I told them in the letter to contact me to negotiate our first month’s orders,” she grimaces. “I read that now and I think, what arrogance!”

But Wicks was never one for the traditional business approach. While her competitors’ walls are adorned with MBA certificates, Wicks learned her skills through sheer hard work. She left school at just 13 years of age and immediately went to work – at first pumping petrol on the forecourt of a local service station, and later as a salesperson in a women’s clothing boutique. Six months later, after telling a small fib about her age, she was managing another boutique and

by the tender age of 18 was in charge of all four of their stores.

Three years later, having opened another six stores for the fashion chain, Wicks had become the state manager of a sheepskin retailer where she oversaw its expansion from one Victorian store to 22 stores across the state. At 23 she fell pregnant, was promptly sacked, then proved she was not one to be messed around with when she took her former employers to court in the first case to be brought before the Equal Opportunity Board for dismissal on the grounds of pregnancy. The company settled for what Wicks says was a minimal amount of compensation.

Fast forward 10 years and Wicks had given birth to two boys, built a successful movie wholesale business, purchased her first video shop in Kew and was preparing to take on the mighty franchises. “I did it with blatant ignorance,” she admits. “I just thought, this is a good idea, let’s do it.” ▶



"I went to other store owners I knew through my wholesale business and said, 'I don't know about you guys, but I don't want to be forced into an American franchise that is contrary to the best interests of my business'. I knew I was a better retailer than the franchises. I wanted to start a group that gave us all the flexibility and autonomy to run our businesses but also gave us the advantages that come with numbers."

Within 12 months of the 1993 launch

of Network Video, the dozen founding stores had grown to 100. "There were 38 different groups in the industry at the time and there are now five," Wicks says. "We're the third biggest. But for the first 12 to 18 months we would semi-regularly have a battle with a film studio that would suddenly change its criteria to cut us out, because of pressure put on them by the major, traditional groups."

Once again, rather than back down, Wicks dug in and fought. She turned



negatives to her advantage by heavily promoting the products she was able to procure, giving Network Video a point of difference from major franchises that were all promoting the same films as each other. Eventually, one by one, the film studios realised they would have to get on board the Network Video ship, or be forever left behind.

"Everything comes back to money and the studios eventually looked at the business we were doing and they all wanted some of it," Wicks says. "Our growth was something they couldn't ignore, it made them stand up and take notice. And I was like a bull at a gate, as I had to be."

Her wily business sense is partly due to the fact that Wicks has never been

AT A GLANCE

Name: Keran Wicks.

Company: Network Video.

Industry: Video rentals group that has brought hundreds of independent stores together under one banner. Allows far greater independence than strict franchising models.

Role: Founder and managing director.

Value: In Australia video rental is a \$1 billion industry, of which Network Video has a 15-18 per cent share.

Background: As a teenager Keran was a petrol pump attendant. She has also been a women's boutique manager, state manager of a chain of sheepskin stores and, before launching Network Video, managed her own independent video rental shop.

PHOTOGRAPHY: LISA SAAD



allowed to forget she's a female in a male-dominated industry. The only female head of a video group anywhere in the world, Wicks says she and her general manager have often attended meetings and she has been ignored as the other party spoke only to him. She's also tired of people (usually men) in the industry asking her to join them for a game of golf. "I hate golf," she laughs. "I'll do golf after you come shoe shopping with me!"

But as Network Video has gone from strength to strength, now counting more than 400 stores in its list of members, the industry has developed enormous respect for this entrepreneur. Network Video stores took out seven of the 10 major video/DVD rental industry awards at the 2004 ADVIA Awards. The numbers speak for themselves – in an industry worth \$1 billion in Australia, Network Video controls 15-18 per cent.

Network Video itself has grown into so much more than a bulk-buying co-op, adding a large marketing department



It's all about networking: Business is booming at Network Video.

to assist its members as well as an interactive division to help with the games business, a sophisticated ordering system and a massive spend on IT infrastructure, effectively preparing the group for the technological advances so quickly enveloping the industry.

"We're in the rental business," Wicks says, explaining the company's unique success. "We're in the same business as our stores and we fight the same battles with them and for them. Franchises are in the franchise business, not the rental business. That's a very big difference." ■



KERAN WICKS' FIVE TIPS FOR BUSINESS SUCCESS

1. Unbugger it! Things are always going to go wrong. There will always be problems. Just fix it, move on and don't waste time.
2. If you do make a mistake, don't marry it or stew over it. Just try and get over it and then move on.
3. Value loyalty above ability in staff.
4. As Nike says, 'just do it!' Work hard at your ideal. Belief and passion will bring on success.
5. When he won his Winter Olympic gold, Steven Bradbury said, "I planned to not fall down." This is great advice for business – simply plan to not fall down.



Everything from blockbusters to black and whites.