

THE UNITED NETWORK

Keran Wicks

Straight talking video diva Keran Wicks has carved out a flourishing niche in the DVD rental/retail industry and built a network of 400 stores in a \$1 billion industry. Keran explains how she has captured such a large slice of the market without feeling the need to franchise.

"Franchising gives people no autonomy, it encourages a sterile environment that lacks heart and soul and it doesn't allow the personality of the people running the business to show." Keran Wicks made that statement to coincide with the 2005 *Franchising and Business Opportunities Expo*. The statement gives the impression that Keran sees no value in franchising, but that is far from the truth. The fact is Keran sees great value in franchising, just not for *Network Video* or other likeminded businesses that can function easily as an autonomous entity.

The franchise model is not something that would rightly fit the culture created by Keran for *Network Video*. "We encourage autonomy and a local face and character. This degree of flexibility allows local operators to adapt to things in their marketplace, something franchise owners simply can't do."

The High School dropout, who left school at 13 because "she sucked at it", has led a life dictated by character, flexibility and autonomy. No doubt her own traits are reflected in the vast growth of her company; her own independence a mirror for the success of her brand.

Keran has become a leading voice in the industry and played a vital role in the successful case brought against *Warner Bros* in the Australian Federal Court in 2001 that stopped two-tier DVD pricing. There is nothing in her 45 years that could seem to stop her.

Monsters Inc.

Having left school Keran started her working life pumping gas. At 15 she lied about her age to get a job as a salesgirl at *The Inne Shoppe*, an up market boutique women's fashion house. Six months later she took a management role at *Garfunkle's* in the leafy Melbourne suburb of Moonee Ponds. Soon after she was acting as buyer and designer and by age 18 she was running all four outlets. She left the company aged 22 having opened six more stores to take a job as a state manager for a sheepskin company, but with the birth of her first child came the first test case for new anti-discrimination laws. The case was settled out of court.

Without a job, and with a child on the way, Keran took a part-time position in a video store to make ends meet. This was just the beginning of her career to come. Realising the timing couldn't be better, but with little idea of how big the industry would actually become, she began a wholesale business named *Moviesearch* selling second hand videos to fresh stores. "I started from the boot of my car," she says. The business was so successful that soon after she was forced to open her own warehouse.

"It was amazing," she says. "I would go around asking (store) owners who they hired (their stock) from," and soon after they were hiring from Keran. The journey lasted a successful six years until the birth of her second child forced Keran to scale back. "I stayed home for a year but people were waiting for me to get back into business. I still loved the video business so I went into the retail side. I named my first store *Little Monster Video* after my sons."

Independence Day

The store had an exceptional turnover but was competing against a franchised chain down the road with much larger buying power. Not wanting to fall into the franchising trap, but with the intention of growing the business, she approached 12 independent retailers to see if they would be interested in forming a network.

"I called them up and asked if they were sick of paying too much for their stock and explained to them that franchising was not something they should be forced into. *Blockbuster* and *VideoEzy* follow a corporate model, we wanted a model that was uniquely Australian and a model that retailers could retain control of."

The 'network' grew through word of mouth and more and more stores joined. They already had buying power with the initial 12 stores, however the network offered much more than buying power and with Keran at the helm putting management and IT structures in place the group was able to not only read the market but stay ahead of it.

Members pay a flat fee to join *Network Video*, unlike franchises, which pay a percentage of turnover. The appeal has seen *Network* snap up 15-to-20% of the \$1 billion market and the company continues to grow having opened 40 new stores last year. Yet Keran acknowledges, "The best thing about this interaction with other stores is being able to connect and link with ideas."

Keran became, and still is, the only woman in charge of any video retail group. She has held this honour since 1993 when she was 33. She now travels the country and beyond speaking to studio heads and groups of retailers, making her presence felt, lecturing and keeping abreast and on top of the constant changes.

Quick Change

The independent rental market has weathered some vast changes since it first boomed in the early 1980s. The descent of the pioneering Betamax to VHS, the transition of VHS to DVD, the decline of trailers, the advent of pay television and the proliferation of Internet availability (legal and illegal), the birth of mail houses and the magnitude of the overseas copy trade. With each new threat video market doomsayers have rung the death-knell. Yet the smart operators know there is still a need and they know how to service the need.

Network makes personal service a priority and will recommend or advise customers on choice. It is a very hands-on experience if that is what the customer requires. They are also leading the way in IT. Keran has a substantial budget for marketing

and tech related issues ensuring that whatever is developed streamlines the business and adds value.

There is a staff of 40 working at head office, which is currently undergoing its own transformation and will itself host a retail store. The office is a thriving hub of activity spread over two levels, wallpapered with movie posters and in constant flux. "We don't have a strict corporate culture, which enables us to do things very quickly", says Keran. "You don't have to go through 27 different people – you've got one or two people involved in it."

Saturday Night Solution

Keran thrives on people taking responsibility and ownership in the business. "If someone makes a mistake there is a culture here that they own up and fix it as soon as possible. The mistakes we make are small and nobody is going to die making them. So as long as there is a solution and people take responsibility, the ship runs smoothly."

Smooth means the company retains its individual identity, not becoming, as Keran likes to term the corporates, a series of 'McVideo' stores. Smooth means making the most of the fact that the stores appeal to neighbourhood renters who like to trek down to the local store on a Saturday night, pick up a pizza and select a couple of movies of their own choosing. Smooth means changing with the times as the industry embraces new technologies.

Some would see the retail rental industry, still dominated by 'big corporates' or 'McVideos', whatever you'd like to call them, as a tough market to crack, but Keran is a woman who is able to transition and make the most of her circumstances. It is these very qualities that have allowed *Network* to flourish. From a 13-year old high school drop out pumping gas to make money, to the only woman in a male dominated industry (and holding her own), Keran has much more to offer in terms of leadership and growth. She doesn't believe in setting large plans for the future, though she sets yearly goals, and she says balance is a dirty word, yet she still works harder than she plays. Yet you get the impression that if you needed one person male or female on top of things, driving the group forward it would be this video diva. **wcm**

KERAN'S FIVE KEYS TO SUCCESS

1. Just give (time, resources, support).
2. Get things done.
3. Give understanding to your people.
4. Value your people.
5. Reward loyalty.

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