

# CEO Worldwide Case Study

## CEO Worldwide meets Glowria:

### Management on Demand rescues Video on Demand

Management on Demand allows to immediately start an interim management assignment with the option to turn the interim management mission into permanent recruitment.

#### A successful mission

7 months after the arrival of the CEO Worldwide certified Interim Manager Eric Caen, who became President of the board and CEO of Glowria after two months:

- The turnover increased by 20% to reach 7 Millions
- All employees of the company could stay with the company
- The company stopped its loss bringing activity in Germany (DVD Germany) and intensified its commercial efforts in France (DVD France and VoD as White Label product)
- The shareholders of Glowria secured their investment and are now shareholders of Netgem based on a valorisation of 18 Millions.

Glowria, the French number one online video rental and video on demand (VoD) provider used CEO Worldwide's Management on Demand service in January 2007. The company was looking for a manager capable to bring it back on track to profitability. The company suffered from a growing gap between the business plan and its realisation and a loss of confidence between the management in place and the investors.

Glowria's shareholders and the board decided to get external help and to entrust the company to an interim manager with the clear mission to turn the company around or to close it. The company got out of the crisis within seven months, thanks to the knowledge of the interim could stay with the company manager and without the need to lay off staff. On 6<sup>th</sup> December 2007 the company has been valued at 18 Millions and plans to create new jobs in 2008.

Let's take a look at the seven months in 2007 that changed the perspective of the development of the company.

#### To find the "right man" for the job within 6 weeks: CEO Worldwide's mission

In the beginning of 2007, Glowria was facing a major crisis jeopardizing its survival. The financial situation was serious and the company did not get encouraging results for a long time. The shareholders got worried and decided to act as quickly as possible. Thus it was necessary to put a manager in place that was capable to turn the situation around. Confronted with the problem to find an experienced manager who perfectly knows this type of situation in a very short time frame, the shareholders contacted CEO Worldwide as only their solution Management on Demand matched this request.

CEO Worldwide, international executive recruitment specialist, offers a solution for this type of problem and allows company directors, shareholders or investors to choose top manager profiles from a manager pool with over 6000 experienced candidates available for temporary or permanent recruitments.

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In January 2007 CEO Worldwide has been asked to search a manager who is familiar with the sector of Glowria's activity and able to manage a delicate interim assignment. Within five days CEO Worldwide presented Glowria a selection of available candidates that responded to the searched profile of which three got selected. Interviews started on February 5 . After the final decision has been taken by the directors and shareholders, Eric Caen started his mission on March 15 .

Eric Caen, who was chosen to take up this mission to assist the management in place, had the ideal profile to respond to Glowria's problem: programmer, autodidact and brilliant entrepreneur, he founded the video games company Titus Interactive at the age of 19 in 1985. In 2000, he reached rank 3 in Europe and rank 7 worldwide with over 700 staff and a turnover of more than 175M compared to 6M in 1996. He was nominated entrepreneur of the year in France in 1998.

## The challenge: a situation of "shut down or double" and a very short timeframe for manoeuvre

Upon his arrival, the situation at Glowria was as follows:

- Turnover stagnating at 5,8 M
- High losses and significant need of cash flow
- De-motivated staff
- Worried partners

Eric Caen was totally aware of the challenge he was facing and particularly conscious of the timing attached to the turnaround mission. There were only two possibilities for Glowria: recover or close.

In this advanced crisis situation, any error regarding the choice of finance or prioritisation could have been fatal to the company.

Eric Caen started the job on 15 March 2007. He had very little time to propose a turnaround plan. He had to submit his strategy to rescue the company taking into account the four sites in France and Germany before May 2007. Thus he needed to get acquainted with the company settings surrounded by staff who were de-motivated by the situation and either defiant or even hostile towards his arrival and the mission he was confided with. He equally had to undertake a valuation of the qualifications and the potential of the employees.

## The way of change: a user manual

In seven months, Glowria realised a real commercial and financial turnaround. To achieve this change, Eric Caen had to manage in parallel several major projects, such as to raise funds, to immediately develop sales and to restructure the company.

Within the framework of the rescue plan, an interim manager is often seen as someone who comes to downsize staff. Eric Caen though saw the value of his internal resources, efficient staff but not working as a

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team. The team needed a leader to unite and channel these energies. From April onwards Glowria shows again the dynamics of constructive work. The shareholders took notice of Eric Caen's action plan at the end of April.

His strategy to turn the company around:

- Structure, Convince, Motivate
- To get back into a positive mode of growth
- **Take the best possible start:** show yourself organised, firm and decided
- **Install a relationship of trust** with the staff, inform them, reassure them to find a consensus for the company
- **Re-motivate all the company resources** to get back a dynamic of immediate commercial results

## Success Story : a company value 18 millions d'euros

Once the turnaround plan has been accepted, it was up to Eric Caen to get the company out of its difficult financial situation. Nominated CEO in May 2007 with the share holders' support to implement his recommendations, Eric Caen renews the cooperation with many partners and in particular with the company Netgem, a supplier of innovative technological solutions complementary to Glowria's offer.

In June, Eric Caen closes a strategic partnership with Netgem to create business leads. Uniting their competences permitted both companies to expand their commercial perimeter. Glowria succeeded to sign agreements with four new major partners over the summer, amongst them SFR and Allocine

Towards the end of summer, Netgem proposed the shareholders of Glowria an exchange of shares. Eric Caen, reinforced by his experience and the first positive results of his strategy sees this buy out opportunity as a chance for Glowria to regain a stable source of finance and commercial development.

He had to convince Glowria's shareholders of the benefits to join a solid company that is quoted on the stock exchange, such as Netgem.

In December 2007, both parties finalised the transaction. Glowria has been valued at 18Millions. A success officially confirmed by the announcement of the takeover of Glowria by Netgem on 6<sup>th</sup> December 2007.

### ABOUT CEO WORLDWIDE

CEO Worldwide's solution Management on demand creates a new environment, that enables a flexible and reactive cooperation between companies, share holders and top executives in an international context. CEO Worldwide offers top executive recruitment solutions, holding a pool of over 6 200 "iCEO," certified top executives available with a minimum of 15 years of professional experience, covering 166 countries in Europe, Asia and the US. The recruitment process takes about three weeks, the executives can be contracted on a permanent or temporary basis.

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## ABOUT GLOWRIA :

Founded in 2003 to enter the VoD market and to respond to the expectations in terms of divertissement of the demand, Glowria established itself quickly as the premier supplier of independent digital entertainment in Continental Europe. Thanks to strategic agreements with studios and video publishers, Glowria offers today a successful VoD service accessible via PC and IPTV both in its own name and as white label product for internet providers, cable operators, media and distributors. Glowria operates the VoD services of Fnac.com, Neuf Cegetel, Dartybox, SFR et Allocine. More info: [www.glowria.fr](http://www.glowria.fr)