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9B17M063

TIME OUT: A NEW global strategy to bring back profit

Christopher Williams and Umair Shafique wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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Julio Bruno, chief executive officer (CEO) of United Kingdom-based Time Out Group PLC (Time Out), had been busy since overseeing the company’s initial public offering (IPO) in June 2016. From his office in the heart of London’s West End, Bruno, 51, reflected on this recent success. The IPO, which had been achieved in an eye-catching two and a half months, had raised much-needed capital for investment and growth, and all eyes were now on Bruno.

Before the IPO, the company had reported adjusted earnings before interest, tax, depreciation, and amortization (EBITDA) losses of £5.5 million[[1]](#footnote-2) in 2014 and £12.4 million in 2015. Revenues had been flat in traditional areas of print advertising and circulation, and they were falling slightly in international licensing. However, there was momentum in new market areas: digital advertising and e-commerce revenue had grown 19 per cent, to £11.7 million, between 2014 and 2015. In addition, the company had recently launched a physical Time Out Market in Lisbon, Portugal, and this had seen revenue growth of 67 per cent, from £1.2 million to £2.0 million, between 2014 and 2015.

Now, with £59 million in proceeds from the IPO to invest, Bruno needed to decide how he should lead the newly public company back to profitability. How should he balance foreign direct investment in physical Time Out Markets around the world with investments in digital transformation and the company’s global online presence?

TIME OUT GROUP: background

Time Out began as a print publication created by student Tony Elliott with £70 during a summer break from Keele University in 1968. The first two issues were folded-down posters that Elliott distributed himself on the streets of London. By its third issue, the publication had become an A5-sized saddle-stitched magazine. Time Out’s contents included information about the events Elliott considered to be the best among those happening in London during the late 1960s. Bands such as the Animals, the Who, the Beatles, the Kinks and the Rolling Stones were in their prime, and London was seen as the epicentre of all things “hip and fashionable.” As well as cultural content and listings about events, the magazine also had articles on the issues of the day. The magazine, which evolved into a weekly in April 1971, became an enduring and iconic brand with both a print and online presence.

Elliott internationalized the business in two stages—first, introducing a Time Out publishing operation in Paris in 1989–1991, and then launching Time Out New York in the United States in 1995. The company’s first website was launched in the late 1990s, before the peak of the dot-com boom, and the Time Out brand continued to internationalize its presence principally through the Internet. By 2013, the company had set up websites for locations as diverse as São Paulo, Brazil, and Tokyo, Japan. By 2016, the company was present in 108 cities across 39 countries, had a global monthly audience reach of 156 million, and was generating over 1 billion page views per year. The vast majority of Time Out’s publications and websites were in English, but by 2016, the company had websites in 11 other languages for 16 other locations (see Exhibit 1). Time Out also had multiple strategic partnerships with web-based service providers, including Uber Technologies Inc., Viator Inc., Broadway.com, Booking.com, and TicketNetwork Inc.

In 2010, after looking for a new investor for Time Out for nearly a decade, Elliott sold 50 per cent of the company to Oakley Capital Limited and retained 50 per cent himself. The company was valued at £20 million, and Elliot intended to use the capital to accelerate its online and digital expansion. This came at a difficult time for the company, which had experienced pre-tax losses of £1.3 million in 2007 and £3 million in 2008, and declining sales in printed circulation. The weekly London edition, which had reportedly peaked at 105,000 copies in the late 1990s, was at around 60,000 per week by 2010.[[2]](#footnote-3) By 2013, Elliott had sold more of his stake and retained a small minority holding.

Due to the growth of the Internet and consumers’ preference for web-based content, the Time Out print magazine became a free publication in London (in 2012), in New York and Chicago (in 2015), and in Los Angeles and Miami (in 2016). Launching free magazines across key cities was part of Time Out’s unique approach to print distribution, which it used to grow its brand, audience, engagement, and reach. This approach also provided increasing value to advertisers, who could connect through new creative opportunities across the brand’s global print, digital, mobile, and event platforms. By 2016, the printed Time Out magazines had a total weekly circulation reach of approximately 600,000 in the company’s owned and operated territories, and approximately 260,000 in those territories where it carried on business through international licensing agreements. By 2016, there were 39 magazines available—seven through owned and operated businesses and 32 through international licensing agreements. The company had also offered printed Time Out city guides, but these were discontinued in 2015, and outsourced to another publisher for a few select cities.

Time Out became active in staging live events, putting on over 400 curated events in London and New York every year. These included “Silent Disco” events at the Natural History Museum and the Shard in London, and “Battle of the Burger” contests, sponsored by Amstel in New York[[3]](#footnote-4) and by Guinness in Chicago. In 2016, the group also ran a number of global campaigns, including the Time Out Love City Awards, an annual campaign that ran in seven cities worldwide: London, Lisbon, New York, Chicago, Los Angeles, Tokyo, and Paris. The campaign encouraged customers to vote for their favourite local businesses such as attractions, coffee shops, bars, shops, and restaurants.

The company was the recipient of four Professional Publishers Association (PPA) awards between 2010 and 2014: the International Magazine Brand of the Year in 2010 and 2011, and the International Consumer Media Brand of the Year in 2013 and 2014.[[4]](#footnote-5) In awarding Time Out the International Consumer Media Brand of the Year award in 2014, the PPA judges noted, “The sheer scale of launches across multiple territories and platforms made it hard to look anywhere other than Time Out. A powerful global proposition.”[[5]](#footnote-6) Nevertheless, despite these accolades from the PPA and the earlier cash injection from Oakley Capital Limited, the newly formed Time Out Group[[6]](#footnote-7) had consecutive losses in the years ending December 31, 2014, and December 31, 2015 (see Exhibit 2). Group revenues for 2014 and 2015 were £26.9 million and £28.5 million, respectively, while adjusted EBITDA losses for the same two years were £5.5 million and £12.4 million, respectively.

Bruno joined Time Out Group as executive chairman in September 2015. Bruno had previously served as global vice-president of sales at TripAdvisor and had held senior executive roles at Travelport, Regus Group Companies, and Diageo. He had been based in New York and was looking for a new leadership challenge back in Europe in the media, travel, and entertainment space when he had singled the company out, later commenting, “They didn’t find me . . . I found them.” He was particularly interested in the challenge of transforming the company from print to digital, and had expressed his ideas for growing the company to Oakley Capital Limited, convincing the firm to appoint him as executive chairman. The intention was for Bruno to be based between London and New York.[[7]](#footnote-8)

Bruno spearheaded the group’s IPO on the Alternative Investment Market, a sub-market of the London Stock Exchange. The IPO, which became effective on June 14, 2016, was completed in a record two and a half months under the leadership of Bruno, who became group CEO at that time. The company had £59 million net after paying off shareholder debt;[[8]](#footnote-9) it used the IPO not only to pay off debt but also to raise funds for continued investment and transformation into digital and e-commerce initiatives. Statements in the IPO admission document indicated five areas of investment: expansion of Time Out Market to other locations, sales and marketing, technology and product, commercial teams, and general corporate purposes (see Exhibit 3). While the largest single item for post-IPO investment was related to Time Out Market (£20 million), digital and e-commerce investments together added up to over £30 million.

**TIME OUT DIGITAL**

Time Out had been engaged in a process of digital transformation since 2010, and had attained a monthly global audience reach of 111 million, growing to 137 million in June 2016. It had started to move away from a reliance on revenue from printed materials to new revenue sources based on the Internet and online technologies. Continued investment in developing the company’s technology and sales and marketing of new digital products was seen as an important driver for growth and profitability (see Exhibit 3). For example, in 2015, the company had sold 262,000 tickets through a combination of click-throughs and direct sales via its own and other systems.[[9]](#footnote-10) Bruno commented that “we need to invest in ‘clicks and mortar’ . . . our customer can be digital [clicks] or physical [mortar] by visiting a live event or the Time Out Market.”

Development of new and enhanced digital platforms was central to Time Out’s post-IPO strategy. It would provide new capabilities such as content offerings and social media functionality that would result in an increase in the number of transacting users. While these technology developments were aimed at increasing revenue from users, they also provided opportunities for the company to grow revenue from advertisers by enhancing advertising solutions on its platforms. Innovations in video and social media and creative applications of technology would broaden the appeal of Time Out as a platform for advertisers around the world. The company also wanted to improve its electronic interface with local business partners, offering them self-service solutions such as the ability to list their own events and issue electronic discount vouchers, which would make interacting with the Time Out platform more attractive.

While Bruno continued to drive the company’s efforts in digital products, he also provided fresh impetus for a new venture that had been successfully launched in Lisbon, Portugal, in May 2014. This new venture was known as Time Out Market.

**TIME OUT MARKET**

Time Out Market brought together the best of a city, based on Time Out’s editorial curation, under one roof. It was a market-style food-hall space within a fashionable area of a well-known global city, where consumers were offered food, drink, and cultural experiences. It was first launched and trialled in the Mercado da Ribeira, in Lisbon, Portugal, in May 2014. In addition to the physical experience, the market had its own website (in Portuguese and English), which informed consumers on the latest chefs, menus, and cultural experiences; consumers could also get information via the market’s email address and direct telephone line. The Lisbon market offered an open space for consumers to enjoy dining experiences from 14 chefs in 30 restaurants.[[10]](#footnote-11) It was open from 10:00 a.m. to 12:00 a.m. from Sunday to Wednesday, and from 10:00 a.m. to 2:00 a.m. from Thursday to Saturday. The market included a cooking academy as well—a space in which consumers could “learn, perfect, and share” their love of food.[[11]](#footnote-12)

The initial results were highly encouraging for Time Out. The market received 1.9 million visitors in 2015, which was noteworthy because the population of the greater Lisbon area was 2.8 million people. The company also reported receiving 1.3 million visitors in the first half of 2016, and 3.1 million for the full year. The Lisbon market showed a positive EBITDA within 18 months of opening.

Bruno and the board of Time Out felt that the Time Out Market was a scalable opportunity. Bruno believed the company’s early experiences from the Lisbon market would allow it to build and develop successful markets in other locations around the world. He saw this as a way of differentiating the company from the competition, noting, “Time Out sells experiences . . . our markets are experiences . . . who else out there is doing this?”

Based on these experiences with the Lisbon market, the company considered expanding the Time Out Market. First, it considered further penetrating Portugal with a market in Porto, in Northern Portugal. It also considered London in the United Kingdom and Miami in the United States. Other possible locations considered for opening within the following two years were Berlin in Germany and New York City in the United States. Bruno noted, “We receive requests from around the world—places such as Sydney, Tel Aviv, and Tokyo, and many more—to come and set this up as they would love to have a Time Out Market there. If we could accelerate this using management contracts, then great . . . the scalability is there.”

Given these possibilities, Bruno decided to focus on opening new Time Out Markets in Porto, London, and Miami in 2017 and early 2018, and having a dedicated CEO responsible for setting up in these locations. This resulted in plans to open a new Time Out Market in the iconic São Bento train station in Porto in 2017, subject to planning permission. This market would provide 500 seats over 2,043 square metres, and would include 15 restaurants, four bars, four shops, one café, and an art gallery. The London site, which was also subject to planning permission, would be a converted Victorian stable in Shoreditch, close to the famous Old Spitalfields Market. It would be 1,788 square metres and would accommodate 450 seats surrounded by 17 food stalls, four bars, a permanent shop, an art gallery, and a cooking academy.[[12]](#footnote-13) Shoreditch was seen as a trendy area of London. In December 2016, a conditional lease agreement was signed for a Time Out Market in South Beach, Miami. A number of people in Time Out Market’s central team, including designers, architects, and operations specialists, worked closely with local designers and architects in each location.

**governance of TIME OUT group**

At the time of the IPO in June 2016, the group’s board consisted of Bruno, Peter Dubens (non-executive chairman and partner in Oakley Capital), Richard Boult (chief financial officer), and non-executive directors Lord Rose of Monewden, Alexander Collins, Christine Petersen, and Tony Elliott. Only Elliott, the founder, had been involved in the company since its early days. Dubens and Collins had joined the group in 2010; Bruno and Lord Rose of Monewden joined in 2015; and Bruno recruited Petersen, his boss at TripAdvisor, in 2016.

In terms of operating structure, Time Out Group was divided into two subgroups: Time Out Digital (TOD) and Time Out Market (TOM). While Bruno was CEO of the combined group, each subgroup had its own CEO, who reported to Bruno. TOD was further divided into Europe, North America, International, Content/Editorial, Marketing, E-commerce, Engineering, and Product. The CEO of TOM had four direct reports from Time Out Markets in Lisbon, Porto, London, and Miami, as well as central support groups (see Exhibit 4).

In 2016, the group owned and operated business in 65 cities and 14 countries. In 25 other countries (43 cities), the group used international licensing arrangements with partners (see Exhibits 5 and 6). Under the licensing model, Time Out Group retained ownership of rights, title, and interest in the brand and content. The majority of revenue in owned and operated business came from the United Kingdom and the United States, which represented 59.6 per cent and 32.1 per cent of group revenue in 2015. The group generated £26.7 million in revenue through the owned and operated models in 2015, compared to £1.7 million in fees and royalties revenues in 2015 from international licensing arrangements. The international licensing arrangements were made with local media companies and provided between 7 and 15 per cent of revenue generated through the licence. These were all fixed-term agreements.

**ORGANIZATIONAL CULTURE**

Bruno strongly believed that the company’s employees needed to be content and happy themselves in order for this to translate into satisfied consumer experiences. He said, “We sell happiness, so we need happy people.” Recalling the atmosphere around the time he joined the company, he noted a “need to nurture our culture . . . it was a big problem . . . . [There was] no clear sense of purpose and a lack of entrepreneurial spirit.” In his view, the company was a “48-year old start-up,” and he wanted to inject the kind of entrepreneurial culture that he had experienced working in start-ups in the United States. He felt there had been a silo mentality in the organization, with departments not communicating effectively and some employees not understanding the company’s strategy. Bruno was concerned about mistrust and suspicion between departments, and a lack of creativity and innovation.

In order to address profitability concerns as well as concerns about the company’s culture, Bruno laid off around 20 per cent of staff globally in November and December 2015. Throughout 2016, Bruno established a number of new organizational routines designed as opportunities for employees to socialize, be recognized, and develop a common sense of purpose around the company’s new vision. He set up Time Out café/bar areas within the offices in London and New York. Every week, external contacts and representatives from the wider entertainment and media sectors would be invited to showcase their brands and companies, and socialize with Time Out staff in the café/bar area. Music, pizza, alcohol, and soft drinks were served for free. These external representatives included distributors, entrepreneurs, and founders of other companies (for example, the founder of a new vodka company based in London) who would then get exposure for their products among the staff at Time Out.

Bruno also established a variety of meeting types for the key offices in major cities. “Stand-up” meetings took place every two weeks and allowed all employees to stand up and give a short presentation on their current projects. New joiners were introduced to the rest of the team in the location at these meetings. “Shout-outs,” whereby employees gave accolades regarding the quality and impact of their colleagues’ work, were encouraged, and staff could also anonymously submit questions to be read out and answered by the senior executives. “Town hall” meetings were also run by Bruno, who visited every major city office once every three months throughout 2016 to share the company’s new mission and vision. These formal meetings took place in the United Kingdom, the United States, Spain, Portugal, and France. Finally, “show and tell” meetings involved product demonstrations by the technology (engineering and product) team. In these meetings, staff could show what they were actually working on and elicit feedback from all others in attendance.

**competition AND digital disruption**

Time Out Group faced competition from different sources and industries. The company was present not only in e-commerce and digital advertising but also in the area of offering experiences to customers through live events produced and sold by Time Out and Time Out Market. Bruno emphasized that his vision for the company did not align Time Out Group with a single traditional industry: “We don’t consider ourselves publishers . . . Time Out is the only global brand you can read, eat, drink, and enjoy.”

On the content side (events and culture), Time Out Group faced competition from traditional and new publishers of content. The publishing industry for entertainment, culture, and events was broadly defined as including publishers that provided information or content related to events, travel, food, art, theatre, lifestyle, and so on. However, this industry had been affected by digital disruption with competitors that increasingly offered content online. Digital disruption meant that publishers now had to contend with a much bigger field of competition. Several other companies offered similar content and information online and for free, competing for the audience’s attention and advertisers’ budgets.

Direct competition came from companies such as TripAdvisor and Yelp, which had become well-known and established online platforms for users to gain information and provide reviews about businesses offering services in the travel, entertainment, and hospitality sectors. By 2016, TripAdvisor, with 3,000 employees, had reached 390 million average monthly unique visitors and operated in 49 countries. Yelp, with 4,050 employees, had a mission to “connect people with great local businesses.” By 2016, it had a monthly average of 25 million unique visitors via its app, and 72 million visitors to its mobile web platform.[[13]](#footnote-14) Competition came from other magazine publishers who utilized the “freemium” business model (that is, they complemented free print publications with an online presence and mobile applications) and who shared a similar or overlapping audience with Time Out. These included general news and lifestyle magazines like *Metro*, *Evening Standard*, *ShortList*, and *Stylist* in the United Kingdom, and *Billboard*, *Entertainment Weekly*, and *The* *New Yorker* in the United States. Competition also came from websites such as Vice, Buzzfeed, and New York Magazine.

Indirect competition came from a range of sources, including technology and social media companies like Google and Facebook, which had entered the entertainment, culture, and events markets and were solidifying their presence there. Such companies had introduced applications (apps) such as Google Trips, Google Maps’ “explore” features, and Facebook’s events features and new “Events” app. Further, travel and online booking companies like Expedia, Ticketmaster, and StubHub competed for revenue from e-commerce commissions and offered ticketing options that were similar to those of Time Out. Despite this competition, there was a trend towards co-opetition[[14]](#footnote-15) in the industry: Time Out Group sold tickets through Facebook, and consumers came to the Time Out web pages through Google searches.

Print magazine publishers had been forced to transform themselves into primarily digital publishers and to adopt a freemium model—offering high-quality content for free and using digital advertising and e-commerce for revenue. Publishing no longer focused on a product but on a user-centric platform that provided content from contributors and advertisers (e.g., retailers), and publishers’ audiences were no longer seen as readers but instead as consumers. These new breeds of publishers competed for consumers to interact with their sites and worked to monetize their website traffic through e-commerce activity and digital advertisements that influenced their consumers’ purchasing behaviour.

Digital disruption had also given rise to the phenomenon of “big data,” as publishers tried to use data to understand consumer behaviour and optimize and personalize content according to consumers’ profiles and needs. Big data could further be used to develop key performance indicators to demonstrate the value of websites to digital advertisers.

Changes in consumer behaviour also affected the publishing industry. As a result of digital disruption, the publishing industry’s audience increasingly overlapped with the audience of companies that offered information and content related to entertainment, events, and culture. Consumers became frustrated by advertising attempts such as pop-up advertisements, and native advertising and sophisticated content marketing, which could be used to discreetly advertise and market services or products without impeding a user’s experience, were seen as the way forward.[[15]](#footnote-16) Consumers favoured mobile apps that provided real-time events, culture, travel, and entertainment information using location-based services, and allowed them to make reservations or book tickets for events very quickly.

Many consumers had started to prioritize experiences over material goods, and they increasingly wanted to experience new cuisines, events, and cultures, and to share these experiences with others. This desire took the form of consumers exploring their own cities, as well as tourists exploring new places by touring as locals. Airbnb recognized this trend in its marketing, which promised to provide tourists with local, cultural experiences. Consumers flocked to trendy locations that were in the news, including countries such as Brazil, which hosted the FIFA World Cup in 2014 and was the first South American country to host the Olympic Games in 2016. At the same time, consumers from emerging economies such as China were starting to explore the Western world.

As the market became increasingly congested with information and content related to entertainment, culture, and events, consumers relied on trusted user-generated reviews. Companies such as TripAdvisor emerged as leading providers of such reviews. Analysts had observed that consumers increasingly demanded a seamless and tailored user experience,[[16]](#footnote-17) and they were loyal to trusted and well-known brands that provided tailored and personalized content. Companies tried to build relationships with individual consumers rather than trying to reach out to the masses.

While there was no direct competition for the specific format used by Time Out Market, this new and relatively unique format faced competition from a wide range of restaurant types, particularly those that offered local or trendy new styles of cuisines. Restaurants that were local favourites or offered unique dining experiences—those places with good reviews that offered quick and efficient dining experiences in close proximity to shops and creative zones such as art galleries—were seen as potential competition to the Time Out Market.

**Julio BRUNO’s vision**

At the time of his appointment in 2015, Bruno explained his vision:

I believe that the Time Out brand and our unique content approach will reach an even larger audience. Over the next few years, we have exciting plans to roll out our digital products globally as well as our unique Time Out Market. As I see it, Time Out is the global source for local entertainment, and I am very pleased to be joining at this exciting moment in time to lead this organization to greater heights.[[17]](#footnote-18)

It was clear that Bruno no longer saw Time Out simply as a publisher. He later commented that he saw “the magazines as a marketing channel.” In his view, Time Out was the global media and entertainment business, creating value through clicks and mortar. He also observed that “the consumer is not unidimensional,” and that creating value from the entertainment needs of global consumers would require simultaneous competition and co-operation with other companies. In his view, the basis of competition had changed. In addition, Bruno was highly aware of the importance of carefully balancing global capabilities with local needs. For instance, when reflecting on Time Out Market, he observed that “the best of Porto is not the best of Lisbon . . . and the same for London. It’s a city-by-city model. Brand colours may be the same, but tables and chairing are different and unique to that place. That’s why it takes time.”

**BREXIT**

On June 23, 2016, one week after Time Out Group’s IPO, the United Kingdom held a referendum on its European Union (EU) membership—a democratic decision made by the British electorate on whether to withdraw from the EU, commonly known as the “Brexit” decision. The country voted to leave the EU by 17,410,742 votes to 16,141,241 votes. The result took many by surprise, including currency markets. Within days of the vote, the United Kingdom’s currency, the pound, had fallen to a 31-year low against the U.S. dollar, and the Financial Times Stock Exchange 100 Index had lost £100 billion in value amidst market volatility.[[18]](#footnote-19) While stock indices recovered in subsequent weeks, the pound remained suppressed, and the outlook for pound-to-dollar and pound-to-euro exchange rates remained uncertain. Imports into the United Kingdom became more expensive, and foreign direct investments in U.S. dollars or euros could be up to 30 per cent more expensive than they were before Brexit, all other factors remaining equal. Uncertainty over the impact of Brexit on British businesses remained.

Prior to the IPO, Time Out Group had not developed a currency hedging strategy and had not believed the Brexit vote would materially impact its strategy. However, the company had bought modest amounts (low millions) of U.S. and European currencies before June 23 in order to cover ongoing operating expenses in those currencies.

**STATUS AND DECISION POINT**

Bruno was facing challenges in multiple areas. There had been overall losses in 2014 and 2015, and flat or even declining revenue in traditional lines of business. Some good news had come from the growing revenue in digital and e-commerce and from Time Out Market, the fastest growth area in the non-digital and non-traditional area of the company. Indeed, by the middle of 2016, Bruno’s work appeared to be having a positive effect on the company’s bottom line. Figures for the first half of 2016 were £16.6 million in revenue with a loss (adjusted EBITDA) of £4.8 million.[[19]](#footnote-20) This was encouraging news for the company: for the first half of 2016, pro forma revenue was up 16 per cent, and losses improved by £0.8 million.

Yet Bruno was mindful of potential hazards. While he had £59 million to invest, he was aware of the risks of rushing into overseas investment. “I want to spend it very carefully,” he commented. “Even if you gave me £200 million right now and said, ‘Go and open 20 new Time Out Markets,’ I wouldn’t because of the amount of management resources and curation needed to open one market, let alone 20. We will eventually open many, but not in one go. It takes time and expertise, not just money.” Nevertheless, competition remained fierce, and the effect of Brexit on the attractiveness of foreign investment opportunities was unclear.

Returning to Profitability

This was the biggest challenge. Bruno was under pressure to get Time Out back to a position of sustainable profitability quickly. How should he lead the recently listed company back to profitability? How should he balance foreign direct investment in physical Time Out Markets around the world with investments in digital transformation and the company’s global online presence? Did the areas for investment indicated in the pre-Brexit IPO admission document (see Exhibit 2) make sense in light of the post-Brexit impact on the pound?

Reinforcing Culture and Staff Satisfaction

Bruno had started to build a new organizational culture within Time Out through new meeting formats, socialization activities, and café/bar areas within the offices in London and New York. What else could he consider doing in order to promote the type of internal culture needed to fulfil the corporate vision?

Maintaining the Vision

Bruno was acutely aware of the fast pace of change and levels of disruption in the industry. He himself saw Time Out Group’s new strategy as a disruptive force—but was his vision sustainable? How should it change going forward, and how could he revise the vision in line with changing events?

EXHIBIT 1: List of time Out’s non-English WEBSITE locations AND LANGUAGES

|  |  |
| --- | --- |
| **Location** | **Language** |
| Paris | French |
| Barcelona, Madrid, Girona, Mexico City | Spanish, Catalan (Barcelona only) |
| Lisbon, Sao Paolo, Rio | Portuguese |
| Moscow | Russian |
| Istanbul | Turkish |
| Tel Aviv | Hebrew |
| Beijing, Shanghai | Chinese |
| Bangkok | Thai |
| Tokyo | Japanese |
| Seoul | Korean |

Source: Created by the case authors based on company documents.

EXHIBIT 2: Time OUt—SEGMENT REVENUE 2014–2015 (in ₤ millions)

|  |  |  |
| --- | --- | --- |
| **Segment** | **2014** | **2015** |
| Digital advertising and e-commerce | £9.8 | £11.7 |
| Print advertising and circulation | £15.0 | £15.0 |
| Other, principally international licensing | £2.1 | £1.8 |

Note: Figures were for years ending December 31.

Source: Created by the case authors based on Time Out Group, *Time Out Admission Document*, 2016, 74, accessed November 17, 2016, http://media.timeout.com/www\_timeout\_com\_uploads/wp-content/uploads/2016/06/Admission-Document.pdf.

Exhibit 3: Time Out—Indicated areas for investment (in ₤ millions)

|  |  |
| --- | --- |
| **Area of Investment** | **Amount** |
| Capital expenditure to roll out Time Out Market:   * geographical expansion of the concept to new cities * sourcing and design of new leased premises * physical infrastructure improvements * recruitment of local management teams * local marketing * technology, including point of sale and free wi-fi | £20 |
| Investment in sales and marketing for e-commerce offerings:   * increasing in-house headcount * engaging in paid social media * increasing use of direct advertising and Google Ad Awards * enhancing “gamification” (rewards via membership and mobile app) * developing customer relationship management tool | £15 |
| Investment in technology and product:   * expansion into new product verticals * development of new user interface * improvement of premium profiles service * development of data warehouse * improvement of user integration and integration of Flypay * development of management information system (MIS) | £10 |
| Commercial teams:   * expansion of teams, focusing on premium profiles, brand solutions, creative solutions, content moderation, and e-commerce partner acquisitions | £5 |
| General corporate purposes | £8 |

Source: Created by the case authors based on Time Out Group, *Time Out Admission Document*, 2016, 32, accessed November 17, 2016, http://media.timeout.com/www\_timeout\_com\_uploads/wp-content/uploads/2016/06/Admission-Document.pdf.

**Exhibit 4: time out—COMPANY STRUCTURE**

Julio Bruno

CEO Time Out Group

CEO Time Out Market (TOM)

Time Out Market

Lisbon

Time Out Market

Porto

Time Out Market

London

Legal Counsel

Finance Director

Commercial Director

Time Out Market

Miami

CFO Time Out Group

Legal

Human Resources

Support

Finance

CEO Time Out Digital (TOD)

Europe

North America

International

Engineering

Product

E-commerce

Content/Editorial

President–Creative Director

Marketing

Source: Created by the case authors.

Live Events

Exhibit 5: time out—Owned and operated businesses

|  |  |
| --- | --- |
| **Region** | **Countries** |
| Americas | United States, Canada, Argentina |
| Europe | United Kingdom, France, Germany, Portugal, Netherlands, Czech Republic, Sweden, Ireland, Italy |
| Africa | South Africa |
| Middle East | None |
| Australasia | None |
| Asia | India |

Source: Adapted from Time Out Group, *Time Out Admission Document*, 2016, 14, accessed November 17, 2016, http://media.timeout.com/www\_timeout\_com\_uploads/wp-content/uploads/2016/06/Admission-Document.pdf, and company input.

Exhibit 6: time out—international licensing arrangements

|  |  |
| --- | --- |
| **Region** | **Countries** |
| Americas | Mexico, Brazil |
| Europe | Croatia, Spain, Switzerland, Turkey, Russia, Cyprus, Malta |
| Africa | Ghana |
| Middle East | United Arab Emirates, Lebanon, Oman, Bahrain, Qatar, Israel |
| Australasia | Australia (includes the right to operate in New Zealand) |
| Asia | Japan, China, Malaysia, Singapore, Sri Lanka, Korea, Hong Kong, Thailand |

Source: Adapted from Time Out Group, *Time Out Admission Document*, 2016, 15, accessed November 17, 2016, http://media.timeout.com/www\_timeout\_com\_uploads/wp-content/uploads/2016/06/Admission-Document.pdf, and company input.

1. ₤ = GBP = British pound sterling; all currency amounts are in ₤ unless otherwise specified; £1 = US$1.33 on June 30, 2016. [↑](#footnote-ref-2)
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3. Ibid. [↑](#footnote-ref-4)
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5. Ibid. [↑](#footnote-ref-6)
6. Time Out Group came into being with the company’s investment in Time Out Market. Initially, this was a 10 per cent stake, with Oakley Capital having a majority stake. Just prior to the IPO in June 2016, Time Out acquired the remaining equity. [↑](#footnote-ref-7)
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