

# SHOW BUSINESS

*Entertainment and investment are not necessarily so different—tell a good story and people will buy what you're selling*

## LIGHTS, CAMERA AND ACTION

Through his investment company, the Global Group, Johnny Hon (left) has helped produce musicals such as *Sunset Boulevard* on Broadway and *42nd Street* in London's West End



PHOTOGRAPHY: MOSES NG; GROOMING: STEPHANIE LEE

Making money in the entertainment industry is not for the faint of heart. But with a bit of discipline and the right contacts, it is absolutely possible to earn consistent returns while also bringing joy into people's lives.

That, at least, is the view of Johnny Hon, founder and chairman of Hong Kong's Global Group. His company acts as a bridge between China and the world, connecting Western projects and investors with opportunities in the world's most exciting economy—and increasingly vice versa.

In the entertainment sector, the company provides financing to movies, television shows, plays and musicals, along with innovative technologies that are changing the way content is consumed. Being at the cutting edge and understanding the direction of the industry is key to making successful long-term investments.

"The movie industry is being disrupted," says Hon. "Just as newspapers were disrupted by new media, so people nowadays are watching content very differently. In the past, the business model was that movies would make 50 per cent from the box office and 50 per cent from DVDs, but fewer and fewer people are buying DVDs now so this whole model is under pressure."

This type of structural change, says Hon, typically presents a good opportunity for innovators to enter a market and capture new ground. And this is particularly exciting in the context of mainland China, which has yet to experience the full extent of the changes that are happening in the US and Europe.

"We're seeking to make investments with partners in the west, understand where things are heading and then adapt those solutions for the China market," says Hon.

Some of the trends he sees that could one day play well in China include a focus on storytelling over star power, content optimised for smartphones and the integration of e-commerce directly into content.

This could mean movies that are offered in different lengths or are broken into episodes, ideal for watching on the commute to work. And instead of paying for the content, users could watch in an e-commerce mode that integrates clickable product placement into the content. Want to buy the Bond girl's dress? Click an on-screen prompt and you'll be offered a deal through an e-commerce partner.

Virtual and augmented reality, while still in their very early stages today, also offer obvious potential for the entertainment industry, says Hon. The company is also looking at new markets such as Nigeria, where production costs are low and content reaches all across Africa, and Indonesia, which has a population of 260 million people, half of whom are under 30.

As much as the Global Group likes disruption, it also likes to balance its portfolio with investments that have proved disruption-proof. Live performances such as musicals are a perfect example. The company produced a highly successful run of *Sunset Boulevard* with Glenn Close and has ambitions to take the West End and Broadway experience to other markets around the world.

"If you get the right star and the right theatre it works, but there are only so many venues in London and New York," says Hon. "We want to take a show on the road because musicals translate very well to different markets. Look at *42nd Street*—it's people dancing. That can work anywhere."

The same is true of some of the shows in mainland China, such as the *Kung Fu Show* performed by the monks of the Shaolin Temple or famed director Zhang Yimou's *Impression West Lake* in Hangzhou. This type of Chinese spectacular, with dozens of people on stage, combined with lights and music and dancing, can work well in Europe or the US.

But Hon returns always to the same message—entertainment, just like investment, is about telling a good story. ■



Johnny Hon presented a pair of golden shoes to the Duchess of Cambridge, Kate Middleton, at the opening night of the musical *42nd Street*