

# Still charged up

Like the Energizer Bunny, Cityneon's Ron Tan surmounts setbacks, creates a niche, and goes on and on

BY **KOK XINGHUI**

xinghui.kok@bizedge.com

It was during the 2008 global financial crisis, and Ron Tan was in between jobs.

One day, while browsing at Kinokuniya bookstore, he chanced upon a copy of the autobiography of Guy Laliberté, co-founder of the renowned Canadian circus troupe Cirque du Soleil.

Laliberté's engaging story of how he changed the traditional circus in ways people could not have imagined inspired Tan. Cirque du Soleil drew in huge crowds with a new formula — one that weaves stories and music. Unlike traditional circuses, it had a missing element — animals. "Before that, you would never imagine a circus without animals," says Tan in an interview with *The Edge Singapore*.

In the same vein, Tan, executive chairman and CEO of experiential entertainment company Cityneon Holdings, has built up a new niche the way Laliberté did. Asked who his competitors are, Tan finds it difficult to pinpoint one. After all, Cityneon created this business, which offers movie fans the chance to relive the magic of the silver screen via activity-packed exhibits and experiences. "The audience longs for engagement and participation. They want to have an experience. They need to be entertained," he explains.

Tan got his break in this business in 2011. Via an entity called Victory Hill Exhibitions (VHE), he received the rights from Marvel to stage an *Avengers*-themed production and exhibition. Marvel, a global name in comics, holds the rights to the *Avengers* superhero genre, which includes popular characters such as Captain America, Iron Man and Thor. Marvel is ultimately owned by US media and entertainment giant **The Walt Disney Co.**

For putting a Singapore-based company on the map of the multibillion-dollar global entertainment industry, Tan was named this year's EY Entrepreneur Of The Year — Media and Entertainment. "This is not a personal achievement. It is made possible only by the support from our past and present shareholders, global studio partners, clients, bankers, management and all team members of Cityneon. I am receiving the award on behalf of the company, and all who kept the faith with Cityneon from the outset," says Tan.

## Energizer Bunny

Tan jokes that the first *Avengers* production, which opened in 2014, almost ended his entrepreneurial journey before it even started. The former recipient of a Singapore government scholarship scored a perfect 4.0 grade-point average in university. The business world is a different thing, though. For his first project, he underestimated the budget by 250%.

Disney and Marvel, owners of the intellectual properties to his first project, did not give him an easy time. They conducted 17 rounds of checks, but Tan, with the help of family and friends, eventually managed to pull it off. "Everything that could have gone wrong went wrong. I totally underestimated the endeavour. We had a limited budget and experience, and we also had limited trust from the studios then."

He learnt quickly from the experience, and



**Tan: Our main objective and mission is to be the world's largest in the experience entertainment industry**

his drive and grit helped to push him on. Tan likens himself to the Energizer Bunny in the memorable TV advertisement. "I just kept going and going and going. At that point of time, I was just the Energizer Bunny, which kept hitting the drum. And I wasn't thinking. In fact, it's insanity. And that's entrepreneurship. It's a lot of faith. It is the substance of the things you hope for and the evidence of things unseen. I live a lot by that."

The Energizer Bunny attitude served him well. The first VHE exhibition was a success. Tan and his team popped champagne at the end of it and his contracts from the big studios grew from there.

In 2015, VHE became part of Cityneon, which was originally a family business started in 1956 as a supplier of electrical appliances. VHE became Cityneon's core business and Tan was appointed CEO in January 2017, eventually taking on the executive chairman role seven months later.

The company has since grown, opening

more *Avengers*' S.T.A.T.I.O.N. exhibitions, and acquiring new licences for other movies such as *Jurassic World* and *The Hunger Games*. Cityneon also holds the rights to and leases out intellectual property for movie studios such as Lionsgate and Universal. On the more traditional front, the company works with governments on exhibitions such as Expo 2020 in Dubai, and does events such as the Formula One race in Singapore, trade fairs and interior jobs for hotels.

In February this year, Tan privatised Cityneon with other investors in a deal that valued the company at \$318 million. The privatisation disappointed many retail shareholders, who had enjoyed significant returns from investing in the stock.

## Big names, big deals

Cityneon's growth story did not stop with the privatisation. Tan was able to attract backing from big, strategic players. In May,

CITIC Capital, a subsidiary of Chinese state-owned company CITIC Group, took a 10.61% stake in Cityneon for an undisclosed sum. In August, EDBI, investment arm of the Singapore Economic Development Board, invested in Cityneon as well. Clearly, the company is on a roll.

With so many projects happening overseas and 400 to 500 employees in offices worldwide, how does Tan keep track of his businesses? "Every day, there are so many things, so many distractions and so much noise and matters that you have to handle. You need to rise above that noise and not get distracted. Stick to the fundamentals; stay focused."

Tan's first exposure to the entertainment industry was a 17-month stint at local broadcaster Mediacorp, where he worked on family shows such as *Disney On Ice* and *Barney's Greatest Hits*. "I was shocked. My interest then was in its infancy. But the way families bought tickets made me look at the opportunities there, and that's why I got involved in this industry," he says.

During his years in the industry, Tan has developed an intuition for which movie franchises stand a better chance of becoming successful exhibitions than others. He is careful to discern between undertaking new projects based on movie franchises that appeal to the masses and those that pander only to diehard fans, which might result only in niche followings.

Some of Tan's criteria are box-office takings of more than US\$1 billion (\$1.4 billion) and that there should be a sequel or prequel. "I like all these shows but I'm not in love with them, and that's the key. We have to be careful. You cannot create just for diehard fans, but it has to be true so the diehard fans can appreciate the exhibition and, at the same time, it doesn't isolate the mass market. So, mass luxury — like Prada and Louis Vuitton — is where we want to be."

Tan also believes in keeping ideas fresh and investing in creative hires. He thinks that while there are lessons to learn from competitors, businesses should try to create their own niche.

Tan aspires to become like Merlin Entertainments, the UK-based company that owns the licence to Lego and has developed experiences around the brand with theme park Legoland. Merlin Entertainments operates the Madam Tussauds wax museums as well and is the world's second-largest operator of visitor attractions, after Disney. Merlin was recently taken private at US\$7.5 billion by a group of investors, including leading private equity firm **Blackstone Group** and the family behind the Lego empire. Tan says, "Our main objective and mission is to be the world's largest in the experience entertainment industry."

He already has a plan to get there — by continuing to invest in the business and his people. The "patient capital" that investors injected into Cityneon when it privatised has allowed him to grow the company in a sustainable manner. In other words, the growth has to be driven by a clear business direction, free of personalities — even his own. "It shouldn't be a personality-driven company. It has to be a large corporation managed by good professionals with experience so that the company can grow from strength to strength," he says. ■