

NEWS

PRODUCTS AND GADGETS

HOBART MUTINY AS SCENE CHANGE OPEN NEW AV COMPANY

Wow moment indeed for Staging Connections

Market dominant AV company Staging Connections are reeling after the shock defection of their entire Hobart operation to the new competitor Scene Change. Hobart was a profitable outpost and a town that is hard for outsiders to penetrate, so the maneuver sends a strong signal to Staging Connections group headquarters in Sydney.

Scene Change is a new audio visual company headed by former Staging Connections senior executive Peter Kolevas, and one time Staging Connections marketing manager Ian Whitworth. They have considerable capital between them, and what they call a 'non merchant bank line of credit'. Most importantly they have the connections and the desire to launch a new audio visual company against their old employer.

Staging Connections is now a public company in its own right after AAV sold off all other businesses and changed the name of the listed entity to better reflect the underlying business.

Meantime in Hobart the Staging Connections business is now managed by others while the six former staff set about establishing the new business. Some of them are allegedly legally constrained and cannot approach former clients, however Peter Kolevas faces no such



Scene Change Unwraps Christmas Boxes: (L-R) Steve Fraser, Adam Cox, Ben Coombe, Gareth Percey, Damien Free. (Front) Rod Street.





Peter Kolevas and Ian Whitworth

restriction. He was one of the driving forces at Staging Connections, working alongside founder Gary Hackett and before that with co-founder Terry Davenport in Melbourne.

Peter Kolevas left Staging Connections as one of many former management who walked or were walked after changes at the top of the public company imposed a new structure. The new structure talks in terms of 'human capital' and appears to put weight on management qualifications ahead of industry knowledge. Some of the former key staff were 'retired', some didn't have contracts renewed and crucially, some didn't have a contract at all.

Armed with a years salary, plus significant support, Peter Kolevas quickly found common ground with former colleague Ian Whitworth who is credited with positioning the Staging Connections brand through the 1990's. Ian Whitworth is a shrewd marketer, and this shows in the look and design of Scene Change. The 'Audio Visual Response Unit' tag on the black van with chrome wheels is smart work.

Scene Change will roll out their brand elsewhere and right now are in the talking and listening game. Whether they own all their branches, or follow the collaborative shared ownership model that built Staging Connections into the success story that it was remains to be seen.

www.scenechange.com.au



Tim Banfield from CueAV on the Gold Coast sent us this picture – these guys do get around! www.cue-av.com.au

STAGING CONNECTIONS FACE UNCERTAIN 2007

With projected turnover of \$80 million, Staging Connections appears to be in very good shape. The audio visual services supplier dominates the Australian market, and plans to earn more than half its profits off shore, having invested in operations in Dubai, China and Singapore.

Every new team needs a new start, but the revolving door at Staging Connections is in danger of seizing, due to an apparent belief on the board that humans are capital, and that qualifications mean more than experience. This is at odds with the internecine and chummy world of events and entertainment.

A prime example: two senior account managers decide to move on. The company treats their departure with suspicion - and rather than being sent off with good cheer, they leave under a cloud. In one case, the company demands to know where the account manager is headed, and due to an agreement with the new employer, this information cannot be shared until it has been announced within the new (employers) company. Since the departing Staging Connections staffer will not (cannot) reveal where they are headed, the Staging Connections response is allegedly rather heavy handed to say the least.

Understandably these two different account managers had been offered jobs by the major clients whose accounts they have been managing at

WHERE IS GARY?

Gary Hackett is the man, the central player who built Staging Connections up to dominate the market, and eventually attract the big end of town. He fell off the radar last year, and was seen at ENTECH but not heard. Sources say he has a legally binding restraint in his contract that prevents him from talking to anyone about anything to do with Staging Connections.

He has even declined to hint at when the legal shackles will come off, playing it very carefully. The AAV Annual Report simply says that his employment was terminated on 31 March 2006. "Payment of a termination benefit of 12 month (sic) at the current salary package was made, along with other entitlements at that point in time."

But you can't keep a guy like him down – and he is sure flushed with funds, having taken in excess of \$10 million for his share of the business when it was rolled into AAV several years ago.