



EconoMag

The Show that demystifies Economics

French Business – part 5

Vivendi ©

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Vivendi is a French multinational mass media business based in Paris. Its main activities are in the film industry and music television, and it once owned the largest gaming company in the world, Activision Blizzard.

The company is listed on the CAC 40, where its capitalization is just over €30 billion. In 2013, its revenue was €22 billion with a profit of nearly €2 billion. Vivendi's Chairman of the Supervisory Board is Vincent Bolloré, who is also the Chairman of the Groupe Bolloré, which is the primary shareholder of Vivendi with a 52% stake. The other important figure in the company is Arnaud de Puyfontaine, Chairman of the Management Board. As of 2013, Vivendi employs 58,000 people.

The firm was originally founded in 1853 by Royal Decree as the Compagnie Generale des Eaux, which at the time distributed water to Lyon. Up until 1976 the company did not diversify, but this changed when Guy Dejouany was appointed CEO in 1980. It then began to invest in waste treatment, energy, transport, and construction, making the business very dependent on state, regional and departmental commercial orders from the territorial collectivity of France.

In 1983, the direction of the company changed with the creation of Canal+; and then in the nineties the company began investing heavily in the telecommunications market, establishing Cegetel, which eventually evolved into the mobile communications company, SFR. The year 1996 marked another change in the direction of the company, as Jean Marie Messier was appointed chairman. He was a megalomaniac who welcomed the nickname "J2M", and later called himself "J6M", standing for "Jean Marie Messier, Moi-Même, Maitre du Monde". It was under his leadership in 1998 that the company actually changed its name to Vivendi. He is also responsible for dividing the company into two different sectors: one based on communications, regrouping Cegetel, Havas, Group Canal +, and the video game industry; and the other based on environmental activities, including the Compagnie General des Eaux and the energy company Dalkia. This last sector was regrouped under the name of Veolia Environment in 2003, effectively taking charge of all the energy-related business of Vivendi.

In 2002, Vivendi was in crisis, as the company was losing nearly €1 billion per month, and J6M, Jean Marie Messier Moi-Même, Maitre du Monde, took a big blow to his ego and was forced to resign. In March 2003, the entertainment division, Vivendi Universal, declared a loss of €23 billion, and the group decided to re-concentrate its business solely on Media. The video game sector that became known as Activision Blizzard was sold, just like SFR in 2014. Today, the two main sectors of Vivendi are in television and films through Canal+, and in the music industry with Universal Music Group, among the top echelon of worldwide entertainment companies. Vivendi aspires to become the global leader in entertainment, and it currently stands second behind the Walt Disney Company.

So, we've now come to the end of this week's topic on some of the most prominent French companies in the world. We haven't had time to discuss all of these influential French companies, and we can certainly give an honorable mention to Danone, and Michelin, and Total in the petroleum

industry, but we'd also be leaving out many others. People may talk about the "decline of France" as a globally influential country and that fewer people want to work here, but this is simply not true, as there are a number of French companies that have managed to make a hugely significant impact on the worldwide economy in many different sectors.