

Alumni Profile: Gord Nelson (MBA '85)

by Stephen Watt

Stephen Watt: Describe your role at Cineplex.

Gord Nelson: As the CFO, I am responsible for financial matters such as the company's performance and various compliance issues. In addition, I spend a fair amount of time dealing with external stakeholders, including our investor community and analysts. I like to think that I represent the interests and concerns of this community in our internal business decision processes.

SW: What is the best thing about your job?

GN: Cineplex Entertainment has a dominant position in the industry and we've assembled one of the best management teams in this business in North America. Our CEO has an MBA and a CA, and we have a number of chartered accountants among our senior staff, making it easy for us to function as a financially literate team. Also, unlike other firms, where new products don't occur that frequently, we have a new slate of films every week. This week is a classic example: *The Da Vinci Code* and *Over the Hedge* are opening, and both those films should do extremely well.

SW: What is your greatest challenge?

GN: Cineplex has undergone some fundamental changes in the past few years. In 1998, when I was a senior vice-president of finance, Cineplex Odeon, as we were known then, was acquired by Loews, a New York-based company, and we had to shut down about two-thirds of the office in Canada as our corporate functions moved to the US. In 2001, Loews filed for Chapter 11 and Cineplex Odeon filed for the Companies' Creditors Arrangement Act (CCA), the Canadian equivalent. In 2002, we came out of CCA and were acquired by Onex Corporation. Then in 2003, we merged with Galaxy Entertainment and did an IPO, and in 2005, we acquired our largest competitor, Famous Players, and did

another public offering. That's a lot to go through: a CCA filing, downsizing, changing ownership, trying to integrate management teams. But the biggest challenge was dealing with the human element, knowing when to push people and when to hold back, how to prioritize to get where you need to be.

SW: Where do your loyalties lie?

GN: I've been with this company for about 17 years and in that time it has changed significantly from a business operations and ownership perspective. Early on we were involved in television production, live entertainment, post-production laboratories, Universal Studios in Florida and many other ventures. We disposed of most of these businesses and focused on our core business, theatre exhibition and as we went through the divestiture process and ownership changes our core team was split up. The more recent IPO and acquisition of Famous Players has almost brought us full circle. The team I work with today virtually started with me. We've all been split up throughout our careers but now we're back together again. So I definitely feel loyalty to this executive team and to the employees that have been with me throughout this challenging period.

SW: What's the biggest personal or professional risk you've ever taken?

GN: A few years ago, there was a real downturn in this industry, and a lot of movie chains filed for bankruptcy, especially in the U.S. When a firm goes into Chapter 11 and you're the finance guy, there's always that fear that you're going to get tainted. But I believed that people will always want to go to the movies. I also saw that there were some wrongs that could be corrected with the right people. In recent years, we've turned things around. By acquiring Famous Players, we've gained approximately 64 per cent of the Canadian



market. So it's a risk that paid off for me. And I can honestly say that I could never have accumulated such a wealth of knowledge and experience by moving elsewhere.

SW: What is your fondest memory of your Rotman MBA experience?

GN: What I enjoyed most about earning my MBA was the experience of broadening my perspective and knowledge base, taking a higher view of things, as well as the camaraderie. At the time, we were at the old building at St. George and Bloor, with a smaller class than probably exists today. We developed a closeness of a sort that I didn't find during my undergraduate years.

SW: What do you do for fun?

GN: I used to play in a rock band. I played keyboards and we did the Queen Street circuit back in the late '80s. But now I have two children and a wife who doesn't like it so much when I crank up the music. I also have power tools at home, and if I have the time and opportunity to try to build something, I will. I think that many people in the business world sometimes grow tired of just pushing paper and look for another outlet. Just don't take a level to anything I've made!