Changing Business Models (1)

**Broadcasting was a simpler business**

The broadcaster controlled the audience. Advertisers paid for access to that audience.

Media Business Systems collected the money. Automation Systems sent the ads & content.

Ad revenue was always larger than delivery costs.

Changing Business Models (2)

Along comes digital...

Economics disrupted. Bandwidth increases.
The audience is in control. Advertisers pay for access to smaller targeted audiences.


Fewer guaranteed audiences. Less cash in, More content out. Less Profit.
Changing Business Models (3)

Automate, Automate, Automate...

Economics further disrupted. Bandwidth increases.

Web dominates certain demographics. Audiences, ad dollars and subscriptions fragment. Competition increases. New entrants have less baggage.

The audience is still in control. Demands more. Advertisers paying less for smaller audiences.

Connect Media Business Systems to Automation Systems to scale and automate. Delivery costs increasing. Revenues decreasing.

No guaranteed audiences. Even less cash in, Even more content out. Even less Profit.

The Media Business will continue to change. (...you need an adaptable business framework)

Technology and audiences will continue to change. (...you need an agile digital infrastructure)

No guaranteed audiences.
Even less cash in, Even more content out.
Even less Profit.

But how do you transform your business?
What parts do you change?
(...you need a way to measure what’s going on)
## Broadcast Reference Architecture

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<tr>
<th>Media Business Management</th>
<th>Digital Marketing &amp; Experiences</th>
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### Business Intelligence for Media & Cable

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### Devices

- Computer
- Mobile Phone
- Tablet

Communications & Media
# Broadcast Solution Areas

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<tr>
<td>Enables the industry specific back-office commercial transactions of a Broadcast &amp; Cable Media Content business</td>
<td>Provides business insights, enabling it to adapt offerings to changing market &amp; consumer demands</td>
<td>Delivers the content lifecycle, from concept inception to storage, processing and collaboration to delivery</td>
<td>Delivers content &amp; services to consumers across different channels and devices, enabling new business monetization models</td>
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</table>
Broadcast Reference Architecture

Media Business Management

Concept Development & Resource Management
- Rights & License Management
- Advertising Sales & Scheduling
- Content Planning & Scheduling

Business Intelligence for Media & Cable

Content Creation & Production
- Content Acquisition & Management
- Standards, Compliance & QC
- Automation, Master Control & Digital Platform

Digital Content Management

Concept Development & Resource Management

When embarking upon a new creative product, i.e. a channel, service or program, there are business decisions related to financials, logistics, talent & resources that define the development and projected profitability to drive the business plan for the initiative.

This business function is tied to budgeting, historical data, costs related to the development of the concept, equipment, stock content, writers, production staff, engineering etc. For accurate & detailed planning, this business data should be available at a granular level to enable scenario templates and modeling.
Rights & License Management
Business functionality that defines the long-range forecasting and modeling of content asset valuations, or ascertains the value of the content to be licensed (or sold) to a third party.

Any media entity that creates or transacts content in a B2B scenario needs to track asset licenses both for managing liabilities and for royalty/talent cost management. These systems ensure that contractual commitments related to geographical, medium, device, channel, etc. are respected and that maximum value for content is extracted from content libraries.

They provide a framework for protecting IP, franchises, merchandising and support reconciliation of B2C usage.
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**Business Intelligence for Media & Cable**

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**Advertising Sales & Scheduling**

Systems that manage and track the optimization of advertising revenue with respect to audience measurement standards. This includes order entry systems, automatic placement of advertising to respect in-market norms and policies with respect to products being advertised, censorship constraints, political and government regulations, time utilization, public service announcements etc. In some cases, broadcasters do not actively place paid advertising. Nonetheless, all broadcasters are focused on attaining maximum available audience reach of the planned demographics for the minimum utilization of available advertising time and space inventories.
Content Planning & Scheduling

These systems are focused on leveraging the available library of content to maximize audiences for specific demographics. Planning, scheduling and placement of content is focused upon optimizing the utilization of content rights before expiry, with the objective of ensuring the maximum profitability of the medium by exercising appropriate formats to generate optimum advertising inventory profiles, or in the case of non-commercial channels, to minimize cost.

As broadcasters become increasingly multi-medium and multi-channel in nature, these optimizations must take into account customer relationship management systems, different audience measurements across mediums and increasing monitoring of content rights management.
Once a decision to create content has been made, be it news, live, scripted, or an ad and the pre-production cycle moves into production, the technical aspects of content creation commence.

Collaboration on content, stories, scripts, rundowns, production notes, modifications, etc. on the organizational side of content creation is complimented by capturing the content itself. In the case of photos, video and/or sound, technologies should ideally provide for digital interfaces, feeds and backups which preserve content integrity at the highest required quality.

Having captured both the content essence and the metadata, it is essential to ensure these are maintained synchronously throughout editing and processing to maximize utility and value.
Content Acquisition & Management

Not all content delivered to the consumer is created in house. Much content is acquired (and often also sold) to other contracted partners. Once the contract is in place, this content must be sourced from the supplier (or sent to the buyer) in the required format that complies with the intended usage of the broadcaster.

Masters are acquired (sent) via uplinks, file transfers, video feeds, tapes etc. and the content must be normalized to the station’s master standard. This content is ingested, cataloged, its metadata indexed and augmented, archived onto secure storage, video proxies created etc.

This function is to secure, preserve and transform the content and its derivations so that this valuable asset can be quickly and efficiently leveraged for subsequent utilization.
Standards, Compliance and QC

Each broadcaster in each market has a set of technical guidelines by which they validate delivered content. These technical standards range from simple internal house numbers formats, all the way to processes and procedures that define quality control of content.

Sometimes these technical standards are related to the integrity of the sound or video quality or compression levels, sometimes these standards are the final check for content standards related to legislative requirements.

In all cases the objective of these systems and processes is to ensure that only the right content with the right quality and in conformance to operational licensing is to the consumer on behalf of the broadcaster.
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## Digital Content Management

### Automation, Master Control & Digital Platform
Automations systems are the current lynch-pin between the business directives of a playlist, content windows for VOD, live content and control room infrastructure. Their mission critical nature is founded in ensuring that a quality signal is acquired for various sources (live link, file feed, server, web etc.), processed and passed to the emission point (i.e. head end, transmitter, uplink or web).

These systems need to sequence all digital and legacy devices, support system coordination of electronic and digital processes across the control room and ensure extremely high service and availability levels.
Broadcast Reference Architecture

Business Intelligence for Media & Cable

Transforming data into actionable insights, Microsoft’s Business Intelligence Solutions empower decision making and the ability to envision new paths to success. These applications gather, store, analyze and provide access to data that supports decision making processes.

As a result of gaining deeper insight, critical business activities such as customer support, product and customer profitability analysis, market segmentation, customer churn management, customer behavior analysis and revenue leakage prevention are enhanced.

Media & Cable Companies must anticipate customer needs, maintain insight into business performance, and respond to changing competitive forces faster.
Even though advertising revenues are fragmenting across multiple mediums, there is growth in consumer subscription and micro-payment models. Whether trading content in a B2B world or a B2C world across the digital network, media organizations need an ability to confirm delivery and transaction completion. Thus and e-commerce and billing capability is a critical component of any financial transaction and key to monetizing media.

Ideally these systems should be integrated into the business system and measured across the audience-medium delivery spectrum. As more devices, channels and mediums transform to the interactive digital domain, marketing opportunities will continue to grow as will content and associated merchandised retail. Scale and integrity are critical.
Digital Delivery

In addition to traditional digital video streams that feed emission points (terrestrial, cable, satellite etc.), most broadcasters are focused on building capability to deliver content via IP, by CDNs, on the web and/or across mobile devices either directly or over the top.

Scalable streaming capabilities, both multi and unicast capable, as well as web services for more interactive modes of engagement are a necessary compliment to serving the multimedia demands of broadcasters.

These digital platforms should leverage the same source content across a consistent management schema, provide insight into consumer behaviors and enable new business models to drive revenue across aggregated diverse audiences.
Microsoft Digital Marketing solutions accelerate the ability to deliver engaging customer experiences by delivering content & services to consumers across different channels and devices, enabling new business monetization models.

Ultimately, all of the content is rendered on a device. Whether a PC, phone, slate, Xbox or TV, it is the consumers engagement and interaction with a device that defines the functionality and richness of the content immersion experience.

As media organizations focus on multi-screen deployments and seek to monetize each screen in a consistent, predictable, scalable and manageable way. And as a user, you just want to connect to any of your devices running Windows 8 and your personalized settings and apps are right there.
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### Digital Content Management
- Digital Delivery

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*Note: Diagram and text content are placeholders for illustrative purposes.*

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*Image of a diagram showing the integration of various business and technical components within a broadcast environment, including media business management, digital marketing & experiences, business intelligence for media & cable, and digital content management.*

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*Image of a device representation, possibly indicating tools or platforms used in the broadcast and digital content management processes.*

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*Image of a credit or attribution for the Communications & Media section.*
<table>
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<th>Help customers gain insight into changing markets and foresee what’s needed to increase competitiveness and engage customers.</th>
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<td>Accelerate</td>
<td>Deliver new experiences, services, and content rapidly to capitalize on changing market mandates and tumultuous demand.</td>
</tr>
<tr>
<td>Transform</td>
<td>Apply powerful tools, platforms, cloud solutions and a rich partner ecosystem to make the ability to adapt a core business advantage.</td>
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Be what’s next.