

ADAPTING TO THE BRAVE NEW WORLD: THE CHANGING FACE OF MEDIA

Media Perspective

How are you optimizing new sources of revenue? Are your technology and trend forecasts helping you prepare now for the next big platform? Do you have the infrastructure you need to deliver the HD content your consumers expect? Is your workforce capable and energized to drive your organization's vision?

In 2013, analysts predicted two billion smartphones would be in use worldwide, and video would account for nearly 85% of all Internet traffic. We've grown up in a world in which media and entertainment have been intertwined with, and often inseparable from, technology. But the exponential advancements in technology born in the past decade have irrevocably altered the landscape for media, entertainment and communications companies.

In North Highland's work in this sector, we see clients rush to develop and distribute new and engaging content on whatever platforms they have. The goal is to build, or at least maintain, market share in the highly competitive play for consumers. As media, entertainment and communications (MEC) companies strive to absorb new technologies and respond to different consumer expectations, they are also challenged to rethink their companies from the inside out. The ingredients for success which call for creating demand, increasing revenues and lowering expenses carry different implications in this constantly morphing environment.

To make sense of this era of change, we offer eight insights that we believe have major implications for MEC organizations. Future success could hinge on how well companies respond to these imperatives.



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1 EXPAND THE INFRASTRUCTURE:

Replicating the visual and audio experience of the big screen on a smart phone or tablet isn't easy. Older technology can't keep up with these new demands, and providing the underlying telecommunications and Internet structure to meet the high quality expectation of today's consumer is a big challenge. MEC companies must either build or lease new capacity requirements. This, in turn, raises costs and increases the need for more robust programme and project leadership and better asset management.

2 IDENTIFY NEW REVENUE STREAMS:

Consumers want news, content and applications to take them through their day, but with so much quality content available at low cost or for free, how can MEC companies monetise their investments? One solution is to craft a multi-tiered experience in which a highly customised, compelling product is available at a higher price. In addition, by serving as the conduit for consumers to learn about, link to and buy new products, MEC organizations can tap into lucrative, commission-based revenue.

3 HARNESS BIG DATA:

With information about consumers' online consumption streaming in, MEC organizations can leverage all that data to build a complete, 360-degree view of the customer. This data will better enable organizations to respond with new content and fresh ways to deliver it. In addition, harnessing customer information may also create more revenue opportunities. Aggregated data – along with the ability to target select recipients for communications – may provide a more compelling business case for advertisers.

4 SCAN FOR THE LATEST IN TECHNOLOGY AND TRENDS:

MEC organizations can't afford to be surprised when the next new platform hits the small (or big) screen. Smart and consistent investments in research and forecasting will enable them to respond quickly with a strategic game plan that leverages the latest technology or trend, rather than playing catch-up with the competition.



5 BE ACCESSIBLE:

Consumers expect their media to be accessible 24/7. That means your organization must be as well. Providing round-the-clock support to consumers and businesses has implications for systems, processes, staff and revenue. In particular, information systems and support must be retooled for on-demand access. It costs more to operate 24/7, but outsourced or shared services models may help offset some of those additional expenses.

6 ENHANCE OPERATING EFFICIENCY:

With the increased investments in infrastructure, technology and content required to compete effectively, MEC organizations are pressured to operate as efficiently as possible. Some are responding by jettisoning non-core capabilities, which can reduce headcount, office space and equipment. By examining the factors – both costs and revenues – that have greatest potential to affect operating efficiency, companies can implement a program of systematic and focused improvements that significantly impact the bottom line and highlight their performance to investors and analysts.

7 ACT FASTER:

Responding to new demands, devices and competition is difficult for even the most nimble of organizations. A five-year planning cycle gave way to three years, and now it's a challenge to anticipate technology needs more than twelve months in advance. That's why MEC organizations must strengthen their business analysis function. Following a structured process to capture requirements for new products and services will help MECs specify the next round of technology solutions. This will enable them to more quickly shape their response to changes in the market.

8 REDESIGN THE WORKFORCE:

Coping with accelerated changes in technology, consumer expectations and revenue models requires new internal functions, processes and skill sets. What worked in the past won't necessarily translate to the needs of today. What's required are more multi-skilled individuals who are equipped with clear roles and responsibilities. In addition, teams need the technological know-how to anticipate and serve the needs of their consumers. With greater competition for talent, successful MEC organizations will need to better attract, motivate and retain workers.

COPING WITH ACCELERATED CHANGES IN TECHNOLOGY, CONSUMER EXPECTATIONS AND REVENUE MODELS REQUIRES NEW INTERNAL FUNCTIONS, PROCESSES AND SKILLSETS.

ABOUT NORTH HIGHLAND

North Highland is a global management consulting firm that delivers unique value, relevant big ideas and strategic business capabilities to clients around the world. The firm solves complex business problems for clients in multiple industries through an integrated approach and offers specialty services via its Data and Analytics, Managed Services, and Sparks Grove divisions. North Highland is an employee-owned firm that has been named as a “Best Firm to Work For” every year since 2007 by Consulting Magazine. The firm is a member of Cordence Worldwide (www.cordenceworldwide.com), a global management consulting alliance. For more information, visit northhighland.com and connect with us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

For more information,
please contact:

Mark Compton

Mark.Compton@northhighland.com

Ken Nowack

Ken.Nowack@northhighland.com