



Change leadership in media and entertainment

Enabling transformation
in a creative culture



EY

Building a better
working world



The need for transformation

Driving media and entertainment (M&E) transformation requires extraordinary leadership commitment and visible sponsorship. To enable new ways of working, get more return from technology initiatives and establish more standardized and harmonized business processes, leaders in the sector have to take a new approach.

Recently, a billion-dollar media conglomerate comprising more than 30 media brands (including television stations, newspapers and more than 40 digital platforms) spent 10 years growing its digital business by opportunistically adding products and services. But disparate processes combined with outdated technologies were limiting the company's ability to grow at scale.

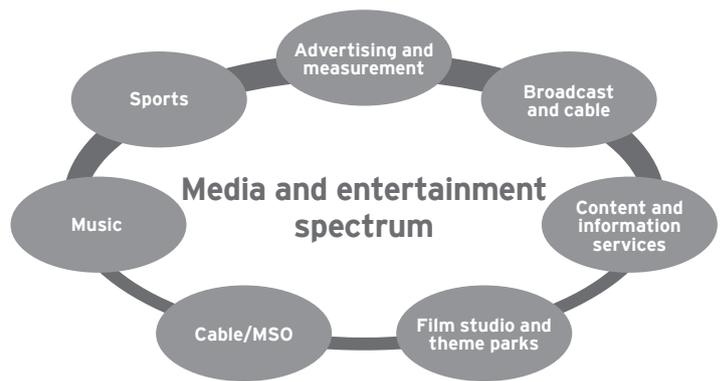
To align the organization and harmonize the processes, the company decided to define a new operating model that was clear, integrated and scalable. However, for such a fundamental transformation to be successful, the company knew it would have to win the hearts and minds of the individuals responsible for leading the creative business units affected by the change.



The push and pull between creative and quantitative

Across the spectrum of consumer and business interaction, traditional media powerhouses are experiencing accelerated digital change the likes of which they have never seen before. In the “decade of the customer,”¹ fundamental alterations to front, middle and back office operations require teams to collaborate and innovate in a more complex and competitive way. Many in the industry operate in a highly decentralized “personality-driven” environment where stakeholder buy-in and engagement becomes even more critical.

Far from the typical command and control organizations, each business unit or brand is responsible for its group’s reputation, the content it creates and the client/customer relationships it maintains. Many of these business unit and brand leaders are artists (in practice or at heart) – right-brain creative thinkers who are passionate about their business. As a result, the culture tends to revolve around creative recognition first and business results second. However, as customers and clients demand more focus on analytics, business unit leaders need to further embrace measurement, finance and other back office activities.



This coexistence between creative and quantitative is not necessarily about changing the company’s priorities. Rather, it should be about focusing on discovering and designing opportunities within the organization to collaborate for better business results.

¹ Decade of the customer: the power to achieve sustained competitive advantage has shifted. In today’s digital data-driven environment, the customer is firmly in control. Within the value triangle of superior product, operational excellence and customer experience, experience has become the new lead battleground. It’s no longer good enough to have the best product, price or services. And companies are no longer competing solely with their peers. They are competing with every company in every industry. These forces are making companies rethink how they reach their customers and how they satisfy them – how they deliver an experience that consistently lives up to the company’s brand promise and earns the customer’s trust.



Rolling in versus rolling out

The typical approach to transformation, whether it is led by finance, operations or IT, is to impose it. Senior leaders identify a need, build a business case, develop a plan to implement it and then roll it out. However, typically it is only at the roll out phase that business unit leaders within the company are asked about their needs. This type of deployment is costly and slow – and contributes to why so many transformations fail to deliver the anticipated value.

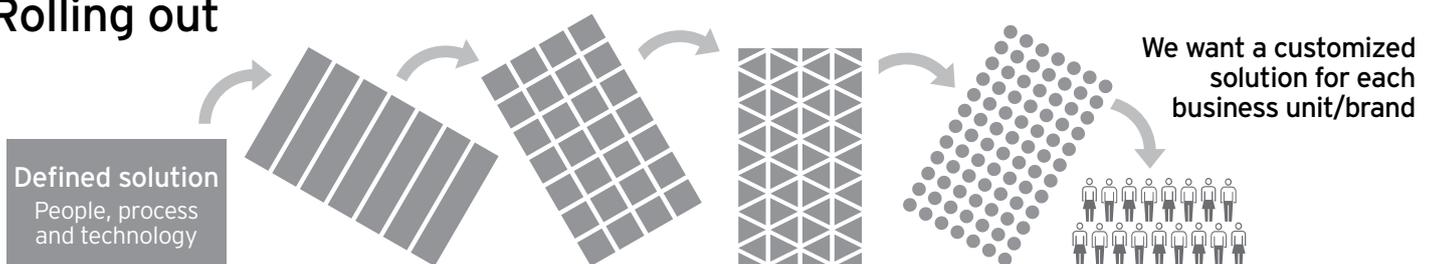
Specifically for M&E companies, a roll out approach can be particularly challenging. The perceived corporate intrusion into the autonomous worlds of the individual business units has the potential to escalate from resistance to revolt on a massive scale.

Instead, M&E companies should consider rolling business units in to the transformation project. The concept of rolling in is built on the idea that deployment is not just about a migration

of technology and process, but a migration of the culture within the organization. Rather than injecting the transformational output into the business processes, as would occur in a roll out approach, businesses are invited to adopt the business processes that will fit into the technology that encourages and enables them. It's about engaging and educating business unit and brand leaders about the processes and opportunities of a new operating model or technology platform. It's about meeting with them one-on-one, identifying their biggest challenges and getting them to see where they fit in the project's continuum and how the change will improve their business unit's performance.

After all, one of the most significant challenges M&E companies face is cultural: how to push a centralized structure out to creative and unique businesses in a way they will embrace and that will not compromise their sense of independence.

Rolling out



Rolling in



Make the change

M&E companies seeking to achieve the return on investment they expect from their transformation programs should consider EY's core change management principles:

- ▶ **Develop leaders into champions so they provide visible sponsorship throughout the lifecycle of the transformation.** Change management requires extraordinary support and participation from leadership at both a business unit and a brand level. Changing the company's culture will not succeed if it is mandated from the top. It needs to be co-developed by the client leadership team (and, in many cases, with the help of outside expertise), and in a language and style that is effective for very unique businesses within the sector. Collaboration is essential between client and consulting vendors, between corporate offices and local businesses, between finance and operations units, and among leaders, middle management and junior staff.
- ▶ **Engage stakeholders who maintain accountability and move from "aware" to "ready" for adopting the changes the transformation demands.** Successful collaboration does not mean endless brainstorming sessions and perpetual states of planning and designing. It means driving alignment, meeting lockstep deadlines, obtaining tangible results along the way and establishing structure in creative working environments.
- ▶ **Prepare employees by helping them understand their new roles and responsibilities, and explaining the value associated with execution at the local level.** M&E companies can facilitate this understanding by developing program teams and assigning super-users who can assist with the deployment. Super-users are line employees who have been deeply engaged in the initiative and are prepared to take ownership and champion why certain decisions have been made and explain, in the company's language, how to successfully operate in the new environment.
- ▶ **Align incentives to drive adoption.** A critical element to adoption is ensuring that the company's goals, expectations of the team and incentives are aligned. This level of reinforcement will maintain focus and enthusiasm in the program farther into the future.
- ▶ **Adapt organizational structures and processes to support the future state.** M&E clients face the challenge of having business units of different sizes, complexities, customers (clients) and cultures. Implementing centralized solutions across a geographically dispersed network with different operating models can be daunting. Companies will need to consider deploying successive (or concurrent) segments and treating each business unit with the individual attention it expects and deserves. Each segment should be designed around the homogeneity of the business units involved, including factors such as operating model, legacy processes, systems and functions. This approach enables an ideal combination of consistent systems and processes and customized execution.
- ▶ **Document and communicate early wins.** As unit leaders hear of the benefits others have achieved by rolling in to the new process or technology, they too will want to capture the opportunity. Let the benefit be the marketing campaign for the change, rather than pushing before any improvement has been documented.
- ▶ **Sustain results and prepare for the next transformation.** Establishing a culture of effective change through rolling in will help sustain the results by building clear ownership and vocal sponsorship through the process. In addition, because change is a constant, this is a repeatable pattern. Once set, the muscle memory will make future initiatives that much more effective.

Performance path

The Performance path is EY's differentiator for driving organizational performance. It is supported by our delivery levers, methods and capabilities while simultaneously addressing the four most common reasons organizations fail to execute their business performance initiatives.





To more deeply engage audiences within change programs, there are a host of new tools that can be leveraged to drive effective communications. These technologies include:

- ▶ **Recorded video shorts** – Highly engaging animated or live-action videos clearly articulating the vision of the transformation that is easily and quickly consumable by the organization
- ▶ **Live webinars** – Led by creative business unit leaders and corporate leaders demonstrating the depth of the commitment
- ▶ **Think tank®** – Online, real-time virtual collaboration and engagement tool for making group working sessions more engaging and fun (including polling features for those participating online)
- ▶ **Yammer®** – Closed social media networks to drive open and frequent communications across the organization
- ▶ **Poll Everywhere®** – Real-time virtual polling through texting or online responses with instant graphical reports to engage audiences

Conclusion

Business process transformation for any company is complex and costly and often derailed by unforeseen complications. For M&E companies, these transformations are compounded by the creative culture that drives them.

To achieve success, M&E companies need to place additional focus on culture to address the human components of transformation. Organizational change helps integrate project teams by engaging, aligning and equipping people with the tools and capabilities to work successfully in a new way. This leads to increased adoption, accelerated business results and sustained value that will continue to drive creativity and profitable growth.

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How EY's Global Media & Entertainment Center can help your business

In an industry synonymous with creativity and innovation, the bar for business excellence is set high. You need to embrace new technology, develop new distribution models and satisfy the demands of a voracious and outspoken consumer. At the same time it's important to manage costs, exceed stakeholder expectations and comply with new regulations. There's always another challenge just around the corner. EY's Global Media & Entertainment Center can help. We bring together a high-performance, worldwide team of media and entertainment professionals with deep technical experience in providing assurance, tax, transaction and advisory services to the industry's leaders. Our network of professionals collaborate and share knowledge around the world, to provide exceptional client service and leverage our leading market share position to provide you with actionable information, quickly and reliably.

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