Transform Media with SAP® Solutions
Business Value with Intelligent ERP
The Need for an Intelligent ERP System

Supporting next-practices in media with intelligent ERP

Many industries are undergoing digital transformation. Digital transformation is not new to media companies. There have been several “waves” of digital disruption, segment by segment, as technologies have evolved – and consumers have driven the shift. What is clear now is those media companies that can build enduring consumer relationships will win. These relationships will be built on a deep understanding of the consumer, not just on their media habits, as well as on a number of other data triangulations. Changes in technologies and business models and the entrance of new digital-native and well-funded competitors require constant adaptation and innovation. Media companies must be able to respond to rapidly changing conditions yet still focus on creating engaging content. How does a digital core with a true single source of truth help?

Responding to rapid changes
A digital core is an IT architecture that offers stability and long-term reliability for core enterprise processes while also providing the flexibility to adapt quickly to new opportunities, challenges, and regulations. This solid foundation gives you a single source of truth, which in turn enables flexibility for innovation to accommodate things such as new business models, new regulations, and business events, such as mergers or acquisitions (M&A).

Simulation and analytics
The ability to respond quickly and precisely to changing audience tastes and behavior is an essential part of managing a media company. To do this, predictive and analytical capabilities along with audience and content data are critical components for gaining the insight to make decisions. This insight must be at a granular level so that decision-makers have the detail they need to understand trends, opportunities, and risks, and quickly carry out what-if analysis using predictive algorithms.

Keeping data under control
Every media company needs the computing capability to carry out complex algorithms with large data sets to support timely, real-time analysis. Everyone in the company must have access to data they need, whenever and wherever they need it. This is also true for the extended ecosystem, where partners would be provided visibility into ad space inventory or avails for certain content.

Addressing innovative opportunities
Audiences in media are always seeking new content and innovative experiences. Agile media companies are responding with new services and experiences that are tailored to meet individual needs. These new offerings impact every facet of business, not just the front office. Media companies must address end-to-end (E2E) processes across departments and lines of business (LoBs) to deliver on new customer experiences, products, and services.

Enhance and extend next-generation processes with intelligent ERP
Bringing SAP S/4HANA® and SAP® Leonardo technologies together as a digital core will result in a more flexible and intelligent enterprise. To achieve next-generation business processes, companies need an intelligent ERP solution that can be continuously enhanced and extended with innovative business services and applications built on emerging technologies, including machine learning, blockchain, and the Internet of Things (IoT). Media organizations that have big innovation appetites or prefer to be early adopters have already begun this journey.
Strategic Priorities in a Digital Economy

Media companies are in the process of transforming their entire approach to content delivery. Driven by consumer expectations, new entrants, and competition for attention, media companies across multiple segments are using technology to reach and serve their stakeholders. Using machine learning to predict choices, blockchain to address the challenges in digital advertising, and AI to write journalistic content are just some of the ways media is using state-of-the-art technology to transform the business.

Delivering an exceptional content experience
To differentiate in direct-to-consumer (D2C) digital engagements, compelling content must be paired with an innovative and interactive content experience. The content experience must always stay on top of the latest technology innovations deployed on devices.

Audience centricity and serving the “segment of one”
D2C business models require agile, innovative content consumption models that can be adapted to the specific needs of narrowly defined target segments. At the same time, the challenges of acquiring and retaining potentially millions of customers in one go needs to be mastered. Digital subscriptions and metered access models promise the best value and audience acceptance. Subscriber loyalty demands a high quality of service with regards to billing, customer lifecycle, and churn prediction and management.

Audience insights and data monetization
Collecting and analyzing audience interaction data at the individual level provides organizations essential insight. These insights help predict specific consumer needs, scale data-driven marketing, and optimize content packaging and catalog planning and curation. Increasingly, these data management features become an asset in their own right, opening opportunities for insights-as-a-service offerings to new business-to-business (B2B) customers.

From content to commerce – maximizing media value for sponsors and advertisers
The economics of the industry are changing. From bundled content to à la carte consumption, old revenue models are under threat. Innovative companies such as WornOnTV are looking to monetize content directly from within a TV show. Publishers responding to the pressure from digital advertisers are experimenting with in-magazine commerce by creating a frictionless shopping experience and capturing some of the revenue that would have gone to online shopping sites.
Reimagine Media: From Product-Centric Mass Media Serving Anonymous Audiences to a Consumer-Centric, Personalized Content Experience

Historically, product-centric content creation and efficient media distribution to a mass audience has been the centerpiece of the media’s business models. Digital media companies now use data-driven technologies to engage with every consumer directly, effectively creating many audiences of one.

Analyzing individual consumer behavior can help provide a personalized content experience for every customer by defining a personalized bundle based on preferences, context, and relevance. The data collected during the customer journey is used for personalized content prioritization and recommendations, retention and loyalty strategies, and precision targeting of advertisers’ messages. Moreover, this data represents an asset in its own right and is increasingly monetized in data-as-a-service business models.

**Traditional scenario**

- Define and produce mass media
- Attract mass audiences
- Sell audience to advertisers
- Distribute media
- Sell through a retail or subscription partner

**A new world with SAP**

- Availability of digital content for consumption anywhere, anytime on any device
- Extension of the value chain beyond advertising into e-commerce
- Data-driven precision targeting of advertising
- Data-driven, personalized retention and loyalty strategies
- Direct-to-consumer: redirect consumer to owned digital platform
- User-defined content bundle
- Data-driven content prioritization and recommendation driving user engagement

**Top value drivers**

- **Personalized content**
- **Anytime, anywhere, any device**
- **Flexible monetization**
Deep Dives Along the Media Value Chain

This section examines primary capabilities where value can be achieved through SAP S/4HANA, LoB solutions, and SAP Leonardo.

- Media planning
- Rights acquisition and license sales
- Job management
- Content financials

- Real-time customer insights
- Marketing with speed and agility
- In-moment customer experiences

- Mobile sales force automation
- Order and contract management
- Subscription billing and revenue management
- Omnichannel commerce management
Media has been at the forefront of digital transformation. From the outset, consumers have driven this transformation, combined with digital native companies entering the industry. The winners will be those media companies that drive deep, intimate, personalized, and engaging relationships with consumers in a world of almost infinite media choices.
# Accounting and Financial Close

## Typical challenges

<table>
<thead>
<tr>
<th>Current state with ERP</th>
<th>Capabilities of SAP S/4HANA</th>
<th>Capabilities of cloud-based LoBs and SAP Leonardo</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Content creators and distributors requiring consistent, accurate by-title view of financial figures, including profit and loss, statements, and cash flow</td>
<td>- Transactions recorded at invoice or order level; often limited visibility into each title for orders containing a catalog or library of titles</td>
<td>- Capture of real-time information from sources such as SAP Concur® solutions, SAP Ariba® solutions, and revenue accounting and reporting</td>
</tr>
<tr>
<td>- Delayed close activities that do not begin until period end</td>
<td>- Close calendar that adheres strictly to financial period definition</td>
<td>- Revenue and lease accounting solutions that address specialized changes in regulatory requirements</td>
</tr>
<tr>
<td>- Effort-intensive reconciliations and eliminations that prevent accurate intraperiod depiction of the organization’s performance</td>
<td>- Multiple ledgers and subledgers utilized, requiring time-consuming and error-prone reconciliations</td>
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<tr>
<td>- Batch-run dependencies that cause bottlenecks and delay downstream activities</td>
<td>- Frequent delays in batch processing and postclose activities, creating protracted cycle times</td>
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<tr>
<td>- Delayed visibility into reporting as data is stored across multiple ledgers</td>
<td>- Disparate ledgers without integration that create accounting blind spots</td>
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<tr>
<td>- Separate close and consolidation processes</td>
<td>- Closing process within ERP and consolidation that resides on other systems</td>
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<tr>
<td>- Lack of flexibility or agility to respond to regulatory changes</td>
<td>- Additional configurations as well as add-on solutions required</td>
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<tr>
<td>- Basic multicurrency support that requires manual intervention during the conversion process</td>
<td>- Limited number of local currencies supported</td>
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</tbody>
</table>

## Business Benefits*

- 20%–40% reduction in audit cost
- 40%–50% reduction in days to close annual books
- 20%–40% reduction in general ledger and financial closing costs
- 5%–10% reduction in business and operations analysis and reporting costs

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*Benefits are based on early adopters of SAP S/4HANA or conservative outside-in benefits due to moving from a traditional ERP to enhanced SAP S/4HANA with LoB and cloud capabilities. As each enterprise is at a different level of maturity, our recommendation is to work with you to determine the value proposition for your enterprise.
Finance Operations

**Typical challenges**

- Financial operations such as dispute resolution, credit risk analysis, bad debt identifications, and clearing, that are manual, disjointed, reactive, and high touch
- Manual, disparate, and reactive payables management processes
- Difficulty in creating an end-to-end process for invoice, fulfillment, and vendor management
- Organizations spending significant portions of their revenue on unnecessary payments for leasing and adaptation to IFRS 16 standards
- Difficulty integrating third-party data for an end-to-end back-office process in shared services
- Difficulty for cost center managers in controlling, analyzing, and forecasting expenses in real time and comparing to their budgets

**Current state with ERP**

- Business processes related to receivables management that are often addressed across multiple solutions
- Difficulty in managing the associated clearing processes when data is brought in from other systems
- Business processes related to invoice management that are often addressed across multiple solutions
- Real estate management business processes that are often addressed across multiple solutions
- Integration of third-party data that is difficult and requires additional implementation
- Many expense-related processes managed offline, in separate systems, and not in real time

**Capabilities of SAP S/4HANA**

- Easier integration with external data sources to simplify, harmonize, and improve collaboration in operations as well as provide an improved and intuitive user experience (UX) through the SAP Fiori® UX
- Integration of multiple accounts payable systems for a consolidated view of multiple invoices, suppliers, and vendors; centralized liquidity planning leveraging the central finance function Integration with SAP Ariba solutions for end-to-end automated invoice, vendor, and supplier relationship management
- Integration of SAP Ariba solutions and SAP S/4HANA to support PO and invoice collaboration for end-to-end fulfillment onboarding, change orders, and cancellations
- SAP Cash Application software, which enables next-generation intelligent invoice matching powered by machine learning
- SAP S/4HANA Cloud solution for credit integration, which enables the use of external credit risk information for better customer credit risk assessment
- SAP S/4HANA Cloud solution for customer payments, which provides a self-service offering to deploy electronic bill presentment and payment processes
- SAP digital payments add-on, which can process incoming credit card and other real-time payment methods in a secure and efficient way, significantly reducing cash reconciliation efforts
- End-to-end automated invoice, vendor, and supplier relationship management through SAP Ariba solutions

**Capabilities of cloud-based LoBs and SAP Leonardo**

- 5%–10% reduction in days sales outstanding
- 5%–25% reduction in accounts receivable write-offs
- Reduction in accounts payable costs
- Reduction in accounts payable operational costs
- Optimized days payable outstanding
- 10%–40% improvement in invoice processing productivity
- Reduction in real estate management cost
- 5%–10% reduction in bank fees
- Increased visibility into overall spend and expenses
- Reduced expense management costs

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Treasury and Financial Risk Management

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<tbody>
<tr>
<td>• Lack of visibility into accurate and integrated current cash balances and liquidity positions, which creates out-of-date global cash positions</td>
<td>• Limited capabilities to integrate data from multiple and disparate treasury systems and external bank interfaces</td>
<td>• Integrated liquidity management, including cash flow analysis and embedded liquidity planning, based on integrated business planning</td>
<td>• SAP Multi-Bank Connectivity solution, which is a complete, end-to-end integration of digital core solutions from SAP for banks for incoming and outgoing payment processes</td>
</tr>
<tr>
<td>• Manual and offline cash forecasting processes, resulting in inaccurate and delayed planning and leading to lost business investment opportunities</td>
<td>• Only limited, basic cash management functions with almost no analytical capabilities</td>
<td>• Prediction, simulation, and analysis functionality to support an informed and automated forecasting process</td>
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</tr>
<tr>
<td>• Difficulty with centrally managing exposure and mitigating risk with forecasting and controlling functions, commodity price fluctuation, and contractual information</td>
<td>• Exposure management that is often a manual and incomplete process or requires separate add-on solutions</td>
<td>&quot;One exposure&quot; – central storage of all actual and forecasted operational transactions, providing a single source of truth for all financial risk</td>
<td></td>
</tr>
<tr>
<td>• Separate handling of payment orders or bank statements for each bank, which leads to unnecessary, time-consuming, and error-prone manual processing and increases the potential for risk and control breakdowns</td>
<td>• Basic bank account management capabilities that are manual and require add-on solutions</td>
<td>• Simplified, automated bank reconciliations and workflows as well as bank account management</td>
<td></td>
</tr>
</tbody>
</table>

Business Benefits*

- Risk reduction due to real-time visibility into cash positions
- 20%–40% reduction in treasury and cash management costs
- 50%–100% reduction in cash forecast error rate
- 25%–35% reduction in unnecessary capital requirements
- Optimized hedging costs

*Benefits are based on early adopters of SAP S/4HANA or conservative outside-in benefits due to moving from a traditional ERP to enhanced SAP S/4HANA with LoB and cloud capabilities. As each enterprise is at a different level of maturity, our recommendation is to work with you to determine the value proposition for your enterprise.
Financial Planning and Analysis

Typical challenges | Current state with ERP | Capabilities of SAP S/4HANA
--- | --- | ---
Inability to directly tie board strategy to line-manager execution | Modeling and simulation for cost, M&A, and other structural changes that are done outside of the ERP system | Planning processes and functions integrated into transactional system, allowing closed-loop planning at any level
Management views for planning and analysis that are often maintained separately, leading to reconciliation issues | Transaction data from the source ERP system that is replicated into the data warehouse; disparate data analysis and reporting tools used to create required by-title views | Single maintenance of transactional and additional columns that helps in creating analytical hierarchy
Difficulty modeling and simulating business innovation, costs, and structural changes in the organization to assess the financial impact | Granular drill-down into financial metrics not possible; data stored in multiple and disparate systems, requiring manual consolidation | Central finance deployment that enables faster integration capabilities during restructuring, M&A, and so on
Difficulty providing financial performance data at the by-title level, and rolling by-title information up the product hierarchy | Separate planning tools required | MPM that enables custom media product hierarchies to reflect the media company’s titles; transactions are recorded and reported at by-title level and roll up the product hierarchy as configured by the media company
Lack of data visibility and availability, delaying or preventing cost avoidance, mitigation, and austerity actions | Real-time access to financial data with drill-down to line-item levels; merger of financials and controlling into a universal journal, creating a single source of truth | Real-time access to financial data with drill-down to line-item levels; merger of financials and controlling into a universal journal, creating a single source of truth
Static planning that is limited to legacy finance calendar constraints (six-month and annual planning cycles) | | Business Benefits*

- Increased speed, agility, and accuracy of forecasting
- Reduction of silos across business units
- 25%–50% reduction in cycle time for financial forecasting and reporting
- 50%–100% reduction in financial forecasting error rate
- 25%–50% reduction in budgeting and forecasting costs
- Valuable resources to focus on insights and analytics rather than the mechanics of putting together budgets and reporting
- 5%–10% reduction in business and operations analysis and reporting costs

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## Project Financial Control

### Typical challenges
- Inability to prioritize project portfolios in alignment with corporate strategy
- Lack of accurate project forecasts, resulting in margin erosion
- Inability to plan project costs and budgets efficiently and track actual versus planned costs, leading to budget overruns
- Inability to report project costs and procurement data accurately, increasing risk of uncontrolled deviations and waste

### Current state with ERP
- Visibility into complete project portfolio and investment structure, planning, progress, roll-up, analysis, and simulation of projects
- Forecasts that are often completed outside the system or with limited capabilities.
- Work breakdown structure that serves as a basis for hierarchical project accounting; actual project cost visibility achieved using multiple applications
- Project financial and logistic information that is sometimes inaccurate due to the batch load process; drill-down not possible

### Capabilities of SAP S/4HANA
- Live tracking of financial project key performance indicators by leveraging in-memory technology in SAP S/4HANA and role-specific interface of SAP Fiori
- Flexible forecasting capabilities that are available, such as the ability to report against forecast outcomes and protect margins
- New insights into actual versus planned project costs using one integrated application; immediate identification of project deviations through role-based SAP Fiori apps
- Direct and accurate access to project financial and logistic information; ability to drill down into details for project costs, resource usage, and progress

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**Business Benefits*\**

- Better, faster, and more accurate decision-making
- Increase in profitability of subscriptions and services
- Reduction in budget overruns
- Reduction in project expenses

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SAP Strategy – Deliver the Intelligent Enterprise

An intelligent enterprise can be continuously enhanced and extended with business services and applications built on a digital platform to create transformative business value.

Media companies that have big innovation appetites or prefer to be early adopters have already begun this journey.
SAP Portfolio of Solutions for Use in Media

An E2E intelligent enterprise for media

Media companies need to constantly innovate to remain relevant with audiences, drive profitable growth, and adapt to how customers want to acquire, use, and pay for their content and services. The capabilities delivered with SAP S/4HANA and the preconfigured, native integration with LoB solutions from SAP and its partners help ensure E2E processes run smoothly and efficiently across the enterprise, allowing companies to create engaging content and deliver it to the right audiences.

SAP S/4HANA® (digital core)

Cloud analytics

SAP Cloud Platform

SAP API Business Hub

Content financials

SAP C/4HANA

Revenue cloud

Cash application

SAP Fiori®

SAP® Cloud Platform Integration

Media product master

SAP S/4HANA for rights and royalty management by Vistex

Media and entertainment digital boardroom

Multi-cloud

SAP S/4HANA

Microsoft Azure

Amazon Web Services

Google Cloud Platform

Compelling content creation

Audience engagement

Content monetization
SAP’s Value Proposition for Media Companies

SAP S/4HANA provides media firms with a proven framework to adopt industry best practices while attaining operational excellence across financial and engagement management processes.

**Strategy enablement**
- Accelerate new business-model innovation and drive new revenue-generating opportunities
- Understand every aspect of your business and adjust to rapidly changing business requirements – report in real time by function, region, channel, and title or product
- Accelerate M&A synergy
- Manage risk and help ensure compliance
- Enable faster domestic and international expansion

**Business benefits**
- Reduction in general ledger and financial closing costs
- Reduction in audit costs
- Reduction in days sales outstanding
- Reduction in accounts receivable write-offs
- Real time insights into title performance
- Reduction in cash forecast error rate
- Faster cycle time for budgeting and financial forecasting
- Greater accuracy of title profitability planning
- Increase in profitability of titles, products, and services
- Reduction in project expenses

**Empowered employees**
- Increase in productivity and faster user adoption through tailored user interfaces enabled by the SAP Fiori UX
- Improvement in user experience, with access to data from anywhere on any device and interactive graphics and analytics on a single copy of data
- Better, faster, and more accurate decision-making

**IT benefits and total cost of ownership (TCO)**
- Up to 10 times faster performance
- Up to 5 times reduction in memory footprint
- Merging of OLAP and OLTP
- Elimination of many desktop clients
- Simplified landscapes
- Native integration
- Lower TCO through landscape simplification

*Benefits are based on results from early adopters of SAP S/4HANA or are conservative outside-in estimates of the benefits of moving from a traditional ERP system to enhanced SAP S/4HANA with line-of-business and cloud capabilities. As each enterprise is at a different level of maturity, our recommendation is that you work with SAP to determine the value proposition for your enterprise.
Customers Are Achieving Value from SAP Solutions

Turner International Argentina

**Industry**
Media – television

**SAP Solution**
SAP S/4HANA

**Customer Web site**
www.turnerargentina.com

Click [here](#) to read the success story.

Turner International Argentina has increased performance of core business processes running on a digital core. Turner, a media and broadcasting company, has simplified business processes and its application landscape with SAP S/4HANA. Access to expertise on demand is now available through a mission control center. Turner International Argentina is leading change and shaping the entertainment landscape to create engaging content and experiences for consumers.

“We put cutting-edge IT at the center of our business. So SAP S/4HANA was the right choice for us. Working with SAP Digital Business Services and using the SAP Value Assurance plan and safeguard service package for SAP S/4HANA allowed us to go live on time and within budget – while minimizing risk. Now, we have the real-time data insight we need to make better, faster business decisions.”

Juan Piaggio, Technology Consultant, Turner International Argentina

Ringier

**Industry**
Media – press

**SAP Solutions**
SAP S/4HANA, SAP Analytics Cloud solution, SAP Business Warehouse application

**Customer Web site**
www.ringier.com

Click [here](#) to see the video.

Ringier AG is a Swiss publisher founded 180 years ago. Ringier has transformed its organization from a traditional print business to a digital business based on a digital platform. Ringier selected SAP S/4HANA as a foundation for digital transformation and future developments. It is a key element in the company’s decision to access cloud capabilities. Ringier has simplified its processes by digitalizing them, specifically financial processes.

“SAP S/4HANA is the central element that helps us focus on what is relevant – processes, content, and business. With SAP S/4HANA, we have built a foundation to support our business for the future, to continue to drive our business digitally, and to digitalize our processes.”

Thomas Baumann, Head of Business Application, Ringier AG
Customers Are Achieving Value from SAP Solutions

Cirque du Soleil

Industry
Sports and entertainment

SAP Solutions
SAP S/4HANA Finance solution and SAP Business Planning and Consolidation application

Customer Web site
www.cirquedusoleil.com

Click here to see the video.

Over 30 years, Cirque du Soleil has transformed from a small show in rural Quebec to an international phenomenon. It has grown its payroll from 73 to 4,000 people, and 18 shows are constantly playing across the planet. With a complex landscape, Cirque du Soleil needed an enterprise solution to help change its business and support continuous innovation. It uses SAP solutions across customer engagement, workforce engagement, and finance to digitalize its processes and get a 360-degree view of all data to act as quickly as possible.

Eric Marceau, Senior VP, Finance, Legal & Procurement, Cirque du Soleil

“It’s important to have a modern infrastructure to improve our efficiency, our processes, and our focus on value added activities. By using SAP S/4HANA Finance, we will have a much better handle on the analytical process of the business in order to make better decisions to operate”.

video intelligence (vi)

Industry
Media

SAP Solutions
SAP S/4HANA Cloud

Customer Web site:
www.vi.ai

Click here to see the customer testimonial.

Offering a contextual video platform that connects publishers, content providers, and brands, video intelligence (vi) is using SAP S/4HANA Cloud to integrate operations, provide a better consumer experience for advertisers, and support future growth. Operating as a self-serve platform, vi is used by 35,000 publishers, 50 leading video producers, and leading consumer brands. Finance now enjoys fully optimized and predefined processes and enhanced digital collaboration with customers and suppliers.

“Thanks to SAP Digital Business Services, we were able to implement a flexible, decentralized, and scalable solution that permits us to grow over the coming years. With SAP S/4HANA Cloud, we operate on a single platform that has helped us streamline and optimize our processes and global finance operations in a compliant manner.”

Christoph Kammel, CFO, video intelligence (vi)