



Softwire

Accelerating digital innovation in Media and Entertainment

Produced by
TechPros.



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Digital has been transformative for M&E

The media and entertainment industries have changed forever over the past 10 years – a decade that has seen the growth of streaming and on-demand viewing reduce the time spent watching linear television.

Softwire has worked with TechPros.io to create this book to help you and we trust you will enjoy reading it, and hope it inspires much discussion and action among your C-suite.

In this eBook, sponsored by Softwire - one of the UK's leading technology consultancies - we will examine the challenges and opportunities that lie ahead for brands and organisations within M&E, taking in expert views from across both industries.

We will explore how there is a need for a repeatable process for innovation and the business structures to support it, including elements such as:



The rush for the best talent and competing to employ it



The need for a clean and effective data strategy



Why personalisation is going to be critical for customer experience



Deploying your cloud architecture is now an imperative for future-proofing



The influence disruptive technology will have on the industry landscape



Why it's crucial to spend now on transformation to be a leader, not a laggard

Ofcom's [2021 Media Nations report](#) quotes research by Ampere Analysis (conducted in Q1 2022) that showed 42% of SVoD users envisaged not watching broadcast TV at all by around 2026.

Elsewhere, the rocketing rise of radio-on-demand and podcasts' popularity means people's ears are now regularly tuning into this format alongside or instead of live. In the UK, [according to data from the BBC](#), the average weekly audience for its digital BBC Sounds services in Q1 2022 across the app, website, and voice-activated devices was a record 4.06m - with a third of all listening hours on BBC Sounds being on-demand rather than live.

Digital and online news and lifestyle content also continues to eat into traditional print circulations, especially within national newspapers.

These trends make it critical for M&E brands to go hard on digital transformation and take advantage of what it can deliver to succeed. Companies must work harder, faster, and smarter to develop new products and services by employing the best software engineering talent and establishing the right data strategy.

Succeeding in the face of unprecedented change

In today's fast-moving and ever-changing M&E landscape, no company can be complacent or take any of its current success for granted.

These industries regularly see new entrants and start-ups emerging to challenge the long-term traditional incumbents; for example, since Netflix took on the terrestrial broadcasters and movie studios, there has been a flood of M&E competition and rivalries.

This makes it imperative that a digital methodology and approach - incorporating a process for repeatable innovation - is taken to ensure continued and growing loyalties among viewership, listeners, and readers.

M&E businesses will only be here for the long-term if they put the right digital strategies in place; this includes tackling the make-up of their product teams, the usefulness of their data, and their cloud deployment and IT architecture.

This is certainly a challenge for legacy media, who are faced with changing consumption habits, reduced demand for linear, and a much more competitive marketplace for content by price (subscription or pay-on-demand) and choice.

Mark Tucker, Head of Online Video Platform at ITV, warns: "To succeed, you've got to remember those fundamentals of building products and making sure you're not just copying trends or what your competitors are doing."

He advises to first ask "what are your customers' pain points?" and then focus answers on those, while considering the "things they want from your product".

But he adds: "These tend to be a bit cyclical. Lifestyle has a big part to play, and it is really just about good insights from your data, understanding what your viewers are doing, and what they're engaging with, and making sensible decisions."

However, making those sensible decisions within M&E relies first on having the best talent available within your organisation, with the right skills to interpret data and bring digital products and services to life.

But this people puzzle is currently no easy task, as Rasmus Larsson, Product Director at Sony Sports Innovations, explains:



Right now, the hardest thing for us to do is to find and hire the right talent. It's definitely an issue. Getting good talent is one of the biggest challenges in the industry.

Rasmus Larsson
Product Director, Sports Businesses, Sony



One thing we're certainly doing is looking at alternative agencies offshore to bolster our flex capacity very quickly. There is a bit of a lead time if you're trying to grow it all internally, and so we are now using many more routes to get people in than before.

Mark Tucker
Head of Online Video Platform, ITV

Section 1

M&E talent is now an employees' market

Throughout the UK's M&E industries, there is currently a huge shortage of software engineering talent, caused by many factors including the Covid-19 pandemic, Brexit, a lack of homegrown training, and visa and immigration delays.

There is also increased competition from the big technology beasts growing their talent base by offering higher wages and better perks.

What's important to remember here is software engineering is a top-tier skill; it should not be placed into the same category as general IT/tech support or looked at as a back-office function.

And this presents a big problem for M&E business strategies that now have digital and technology at their core. Companies who can't build the right internal talent capability and capacity face falling behind in the race to offer products and services that will best match the changing demands of customers and audiences.

Mahesh Ramachandra, Head of Product, Digital Preschool, at Entertainment One, admits "it is an employees' market" right now and says: "The needs of employees have changed as well. There's much more desire for remote working and flexible working. Companies that can't do that are suffering possibly even more from that skills shortage."

Others see the trouble ahead too. "I think talent will always gravitate to the biggest opportunities," adds Tom Smith, Head of Design (Platform) at Conde Nast. "Companies owe it to themselves to be on the front foot and be progressive in terms of setup, packages, benefits, and general ways of working."

According to Larsson of Sony Sports Innovations, its own hiring from Europe had dropped from 40-50% to single digits post-Brexit - but this is picking up again now due to the greater acceptance of remote working.

Of course, a better working culture goes beyond just flexibility, it's about creating an environment conducive for engineering and digital talent to thrive, especially if you want to keep them out of the hands of the big tech giants.

Larsson admits this is a challenge: "A lot of the big tech companies are doing a lot of the work to pick up a lot of the talent, and they pay a lot of the money for them as well. Competitive market areas have become even more challenging than in the past. In terms of team building, you have to change how you do things to keep up."

Another way M&E companies are dealing with the talent issue is by looking more closely at expanding offshoring capabilities.



The newer things, like AI or data science, require a lot of effort. I still see data science as an area where there is a shortage in talent. But more generally, it's a question of trying to create engineers **who are multidisciplinary** that can do different facets of the role. The term full-stack engineer is sometimes used, and they are still hard to secure as there are **lots of individual bits** of the role. That is where there is a shortage.

Anant East
Director of Engineering Talon Outdoor

Larsson has headed down another route, the formation of tight partnerships with the education sector: "If you have a good long-term plan of relationships with universities and other areas, you can get people in quickly, and grow them internally, and you can get some of the best talent that way."

But he adds: "There's a lot of making sure you find and nurture, it obviously becomes a long-term plan rather than short-term. Short-term means paying above market rate to get the highest talent, which can become challenging very quickly."

Elsewhere, there are worries about the changing nature of the skills needed for the future, and how to find the best abilities, while ensuring employees stay loyal to your company to reduce churn.

However, Anant East, Director of Engineering at Talon Outdoor, has a different perspective. He suggests a shortage among those available to work in DevOps and with the cloud is "perhaps overstated" given advances from the likes of Amazon Web Services, Google, and Microsoft that now make it "easier for any engineer to be able to perform that role."

The growing need for data-driven thinking

Many organisations now ask what it means to be data-driven? The answer is it's not just about building tools and abilities, it's crucially about building a culture that acts on that data.

There are many contributing factors to tackle this. You need the right software engineering talent in place within new product teams, M&E companies must look at their data strategy, and effective cloud deployment is critical when digitally transforming operations.

Across M&E, businesses sit on an overwhelming amount of internal and external data – which should become the driving force behind development, personalisation, loyalty, and innovation.

But as Ramachandra of Entertainment One suggests, work must be done to ensure this data is analysed correctly, a challenge held back by data analytics people, and data science people, being in high demand

He says every company that sees the “value of data” is probably sitting on a lot of data they don’t know how to analyse or use effectively - with even more data available than could ever be utilised or needed.

This leads Ramachandra to explain how validating innovation via the right data is critical – especially for improving time to market:



Data plays a huge part in decision making, whether it’s about what products to create, how to optimise our products, and how to win in the marketplace. We use a combination of data and research to inform decisions. It’s fundamental.

**Mahesh Ramachandra, Head of Product,
Digital Preschool, Entertainment One**



One key barrier to product and service innovation within M&E is an inherent or unconscious bias within teams, or an assumed knowledge of the market that isn't as based on evidence as much as it should be.

That is why strong, clean, and well-analysed data can counter that, especially when having to move at pace. Otherwise, Conde Nast's Smith warns: "Teams can end up leaning on their own internal assumptions, or alternatively follow business objectives, as opposed to customer needs."

Jean-Paul Camelbeek, Chief Product and Customer Officer, at Reach PLC, also believes data should be the foundation of development:

“**The data drives the insight as to why our customers consume what they're interested in, so that is key for us. It will be a vital part of our strategy across the coming years.**

Jean-Paul Camelbeek
Chief Product and Customer Officer, Reach PLC

Data also contributes to M&E companies staying relevant to their audiences, Camelbeek argues, while advising leaders to be wary of looking at activity daily due to the "volatility". Instead, he suggests: "You don't need multiple years of data before you can see the trends."

For ITV's Tucker, it's the quality of the data that matters and this comes down to having the right tools in place to monitor it, analyse it, and ensure it is not siloed.

"It's all very well having a sophisticated data lake that you are pumping everything into, but then how is the business getting value from that? How can you help maintain data quality?" Tucker argues just "vacuuming up" lots of data isn't a realistic strategy.

"If it's all in different formats and inconsistent then it's kind of meaningless," he says. "We're very much moving towards a distributed ownership model, so if you are a data owner or creating data, whether that's around content or identity or payments, you've got to have well-defined and clean interfaces to pick that up."

And he adds: "It's a cultural thing too. Teams must take pride in their data and its quality, because otherwise you are very limited in the things you can do with it."

As well as being the backbone for innovation and development, the best data also has the capacity to sit at the core of growing demand for personalisation and recommendation, and it can also be used to drive consumer loyalty.

Sony Sports Innovations' Larsson predicts:

“**Everything is going to be much more personalised and targeted in the future. Discoverability is the biggest challenge of the OTT industry. The more services that come out, the more people don't know what to watch. All of that will have to be very personalised based on data and that is why there's definitely going to be the need to collect lots of it.**

Rasmus Larsson
Product Director, Sports Businesses, Sony

The future is full of opportunity - but big challenges too



The future of M&E is not just built on the best and right talent, or the cleanest and best quality data – it is also going to be powered by a company's cloud strategy.

Moving operations from legacy on-prem into the cloud not only offers greater levels of security and safety, but it also provides the right system architecture to best analyse all the data collected.

However, reflecting on the cloud's importance, Sony Sports Innovations' Larsson warns: "Cloud is a massive shift in terms of understanding, and the whole DevOps area is a big learning curve for a lot of the industry. We've worked in the cloud for quite a while and we're in a good place.

Cloud is inherently important for accelerating product development and to manage data at scale for most businesses at this stage. But if you haven't started yet, you're probably too late. You will have competition.

Rasmus Larsson
Product Director, Sports Businesses, Sony

Another challenge ahead for M&E is privacy, which goes hand-in-hand with data collection and personalisation. Conde Nast's Smith suggests it's important to get it right because there is a positive trade-off.

"We're in an age of hyper-personalisation," he enthuses, "and with that comes a data exchange. It's one thing being able to harvest certain data, but it's another encouraging the user to part with data they wouldn't otherwise give to other companies. From an experience point of view, users are looking for an exchange to impart details about themselves and what they want in return is either knowledge, insight, or practical learnings."

New technologies might help with this, for example, artificial intelligence adopted to better understand M&E audiences and their individual likes and dislikes.

Reach PLC's Camelbeek says: "The most disruptive technology, certainly in the next 18 to 36 months, will be the utilisation of AI to effectively drive better personalisation for a better customer experience. We see almost the entire adult population flowing through our systems on a regular basis and so you can't people-drive this."



Camelbeek believes M&E success in the future will come down to knowing the customer better and helping them consume what they want:

At the moment, our focus is around building the best **understanding of our customers, so that enables us to deliver the **best experience**, but at the same time also monetise.**

Jean-Paul Camelbeek
Chief Product and Customer Officer, Reach PLC

Talon Outdoors's East suggests organisations are always struggling to understand their customer, and admits his is still "trying to get rid of the spreadsheet". Doing so would advance digital transformation and, for example, enable colleagues to have much clearer visibility on inventory.

He explains: "All organisations, even smaller ones, but especially medium-sized and large enterprises, really should have a data strategy.

"Organisations are usually structured in a silo. There's a sales team that passes on to a fulfilment team that passes on to a maintenance or operational team. All operate independently until there is an issue and there's pools of data in each of those that's not being pulled together."

Looking further ahead, M&E companies will also have to consider the arrival of the metaverse and how data, content, and audiences interact with that. These new 3D immersive environments bring a whole host of new problems and challenges – including a return to the shortage of talent.

As Larsson of Sony Sports Innovations says: "Web 3.0 and the metaverse have one thing in common, it's mainly a 3D type environment and experience. So, people with game engine and 3D art experience are becoming harder and harder to find as well, especially when you're competing with the gaming market.

"A lot of people with those skill sets want to work in gaming, and maybe not in media or sports."

It's now time to transform, or fall way behind the M&E curve

Covid-19 accelerated a lot of digital change and transformation for M&E – and that fast pace can be a struggle for some companies to keep up with.

But being able to respond to demand shifts is important, as proved during the pandemic. We've witnessed totally new audience habits, increased take-up of streaming subscriptions, and a print decline.

There has also been a rise in M&A deals alongside consolidation. These takeovers and mergers can create a leaner, more powerful, and more attractive company for audiences and investors in the long-term.

ITV's Tucker suggests the reason there is so much change is because there are so many alternatives and so much content. This brings with it subscription saturation - and a new need for companies to have a strong competitive alternative to subscription as a strategic priority. "How many subscriptions can one household have?" he argues, adding: "It is a problem for quite a lot of businesses."

M&A also demonstrates the importance of change management. Employees must integrate as others lose jobs and different skills and knowledge must be harnessed.

Such change is not only a technology problem, it is cultural, meaning there is a major job to be done to help an entire business and its leadership understand the full depth of what's required for digital transformation and the full potential it can offer.

This includes understanding current and future customers, while ensuring you meet their privacy concerns and the growing desire for personalisation.

All of this proves why it is critical to work with a trusted partner like Softwire to build the strongest foundations as a response to this change and opportunity.

The experts spoken to in this report believe M&E companies are now investing more money into digital transformation than they had been before the pandemic - and they warn how those who don't follow this path will be left behind.

Unless you prioritise efforts to find the right talent and to create the most efficient and effective data structures, processes, methodologies, and frameworks, you will face a major set of barriers; hurdles that will stop you from being a leader... and leave you as a laggard.

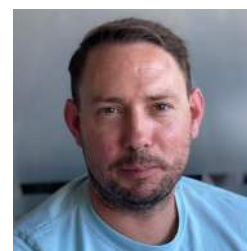


Further Thoughts



Debbie McMahon
Product Director, FT.com & Apps
Financial Times

Unless you have a linear, single journey product, one needs to be looking at multiple different ways of understanding the customers' experience of their product.



Kevin Curtis
Head of Product Management
Which?

The biggest potential risk is investing in the wrong systems. Selecting and integrating the wrong platform brings huge risk to an Organisation's technical architecture. Such that when a business needs to pivot, they have to spend a disproportionate amount of time unpicking all of those products, systems and processes, at the cost of being able to innovate to evolving consumer needs.



Helen King
Head of Transformation
Sage Publishing

Academic Publishing can be quite old school. Many of us are naturally very good with words but not all of us are so good with numbers. For example, we're getting better at running experiments on our platforms but reporting on and understanding the statistical significance of the results, is not yet widespread. It's not easy to develop that kind of expertise in an industry where people are naturally comfortable more comfortable with text.



Leo Brend
Director of Technology
Curzon

Previously, people have made decisions based on history, intuition and experience, rather than raw data so it can be a challenge to create a company culture that can actually use data effectively.



Anant East
Director of Engineering
Talon Outdoor

There's an insatiable appetite to keep innovating, regardless of the domain you're operating in. Even organisations like big banks are continually trying to innovate and find different ways of operating and improving customer experience.



James Bradshaw
Head of Digital Technology
Formula1

Users have a finite budget to spend on entertainment and will have to choose between an ever-growing portfolio of streaming services. Whilst great user experience and content surfacing are critical for retention, what ultimately sets a provider apart is the value of the content in their catalogue, not their product's features - users will follow the 'must watch' content of the moment.



Lindsay Baxter
Digital Products Director
Informa

Our subconscious mind knows more than our conscious mind does. If you can watch people's behaviour and habits you can find those trends and see what people actually want, even if they can't articulate it.



Antony Joyce
Head of Architecture &
Technology Platforms, UKTV

Content is King. The challenge is competing for eyeballs and audience attention. It does not matter how good your technical platform is if you do not have the content. You will only win if you have content that the audience wants with a compelling technical solution.



Jean-Paul Camelbeek
Chief Product & Customer
Officer, Reach PLC

For accelerating product innovation, you need to be clear on the client's needs, ensuring clarity on what is necessary versus 'would be nice' and not letting this hinder time-to-market.



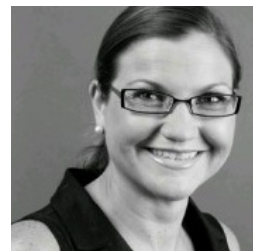
Mahesh Ramachandra
Head of Product, Digital
Preschool, Entertainment One

If you know the provenance of the data, then you have some level of confidence in what it is telling you. Based on that, your decision-making can be more confident, and you can reduce time to market and the number of changes or iterations.



Mark Tucker
Head of Online Video Platform
ITV

It's difficult to identify the greatest risk to product development because, with multi-disciplined teams, you need to have a good balance. You need to understand that product management and delivery management can't be underestimated.



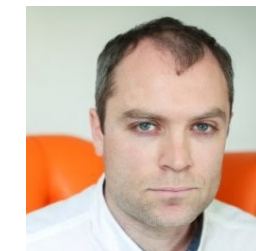
Mercedes Gonzalez-Gorbena
Chief Product Officer
Tes

In terms of product development, data is extremely valuable. With every piece of development and every new insight that we get, there are new avenues that we explore.



Milon Harman
Head of Product Design & UX
Tes

Not understanding the customer's needs can be a risk to product development. We can go through a period of digital transformation and move onto the cloud for example, but we need to understand what the client really wants.



Patrick Ross
Head of SEO & CRO
All Response Media

I believe the skill shortage is partly due to people having fixed ideas on what they think they need. However, nowadays, and with the current diversity in technology, you've got to be open to flexibility.



Paul Markham
Enterprise Architect for Digital
Arqiva

To accelerate in a demand-led M&E environment, you must lose the old IT ideology of defining value from hardware in racks and start thinking in the new IT world of intellectual property. The cloud makes hardware ownership redundant as a business differentiator – it's ideas realised in software services that matter now.



Rami Mäkelä
Technical Director
Nomensa

To aid accelerating time to market our formula is: invest in our own people (upskill); focus on core strengths; and when required, find the best collaborators that fits the project, our culture and brings relevant technical expertise.



Rasmus Larsson
Product Director
Sports Businesses
Sony

The desire to innovate and push the boundaries of what's possible, is there without question; but the limited amount of talent is impeding the exponential growth of the industry.



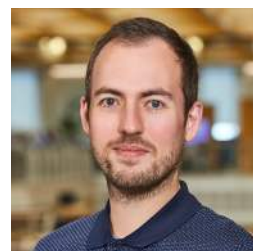
Sami Rahman
Head of Data Engineering
& Data Platform
Penguin Random House UK

It's phenomenal to see the impact on the company and how empowered people feel about being able to make quicker, better decisions because of the data solutions we've delivered. It makes me love this industry and my field.



Tom Smith
Head of Design (Platform)
Conde Nast

If you spend a little more time understanding the customer's need and empathising with the user's needs, this will actually fast track a lasting solution.



Vladislav Korotkov
Head of Media Analysis
Sky

The most significant risk to product development and innovation is stagnation. Always being happy with what you have built and believing there is no room for improvement is a risk. There is always a niche or existing market ripe for disruption, so there should be a mindset of being your disrupter.

Further Thoughts





Softwire

**Innovative software engineering, design,
and digital transformation solutions**

Softwire is a leading digital software consultancy. We offer services in software engineering, design, innovation, cloud, mobile, and data.

Trusted by well-known organisations across the public and private sector, Softwire has grown into a business that consistently delivers large, high-profile digital projects for the UK's leading brands.

We're innovators. We're passionate problem-solvers in both software engineering and digital design. We are dedicated. And we love what we do.

When you work with Softwire, you're not just getting our in-depth technical skills, delivery expertise, and expert design. You're getting our passion, our guile, and our absolute dedication to your project – all whilst ensuring everything is completed on time, and within budget. Our design and innovation skills can help you take a brilliant idea and make it a reality. We've designed and built digital products for everyone from new startups all the way to large enterprises - all with amazing results.

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TechPros.

About TechPros.io

TechPros.io interviews senior enterprise leaders on emerging topics covering changing customer engagement strategies, digital innovation, partner ecosystems, location strategies, and many more.

By featuring in content programmes shared widely within their sector and participating in follow-on virtual roundtables and workshops, TechPros.io interviewees learn from and connect with industry peers solving similar business challenges.

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