



# Survive and Thrive: The Value of the Connected Supply Chain

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# Certain Trends to Consider



# Growing levels of investment into original content and content licensing

**NETFLIX**

\$8b

**amazon**

\$4.5b

**hulu**

\$2.5b

**facebook**

\$1b



\$1b



\$85b

**Disney FOX**  
STUDIOS

\$52b

**Comcast sky FOX**

\$91b

... the average high-end drama is more than \$5 million an episode, and HBO is reportedly paying \$15 million an episode for the final season of "Game of Thrones."

**S&P Global**

... nearly 500 scripted TV series in production in the U.S. in 2017. This is double the level of just six years ago

**S&P Global**

Netflix, Hulu, and Amazon Prime Video are expected to triple their combined investments in originals by 2022, spending \$10 billion annually



... and this is industry-wide, for content producers of all sizes

Among Ooyala's top customers:

- Long-form content supplies increased 159% in Q4 2017 compared to Q4 2016
- Medium-form content supplies increased 87% during the same period
- Short-form content supplies increased 112% in the quarter compared to a year earlier



# Ever more properties on which to watch and discover content

“Traditional media companies need to get up to speed. Increased competition for content and eyeballs has prompted them to respond by launching direct-to-consumer services....”

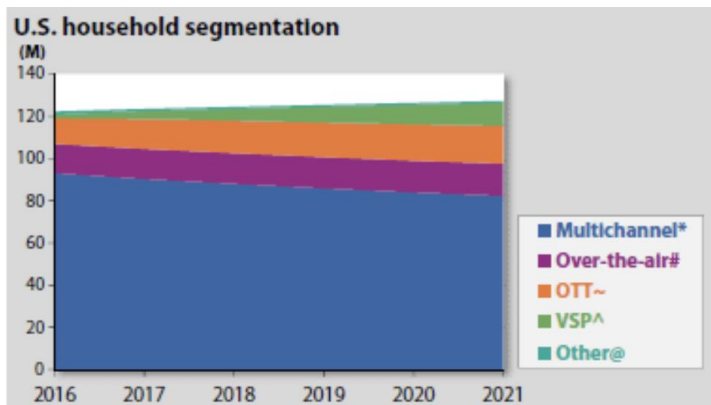
Pay-TV Operators such as Dish Network, Verizon, and AT&T have launched a number of smaller, lower-cost "skinny bundles" of content packages at a lower price than their traditional offerings.”



- More OTT properties
- More VSP offerings
- More geographies
- More languages



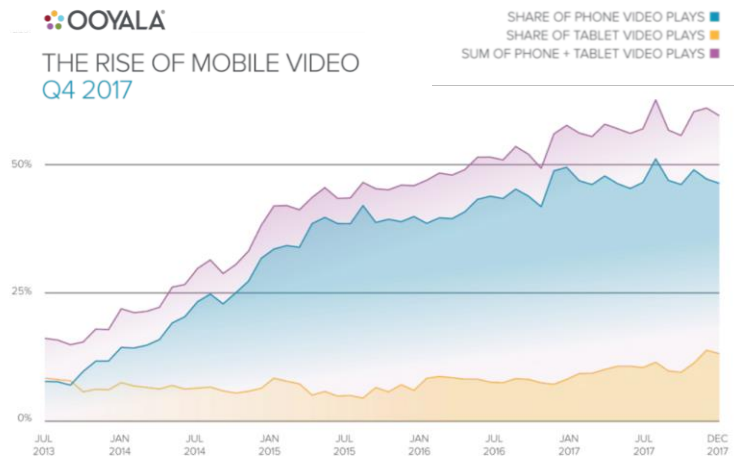
...which means you are seeing audience fragmentation as well



- Total multichannel subscriptions down 11.4 million to 86.6 million
- Residential multichannel households down 10.8 million to 82.3 million
- OTT up 5.8 million to 17.9 million
- VSPs increasing 9.1 million to 10.9 million
- OTA gaining 1.4 million to 15.3 million



### THE RISE OF MOBILE VIDEO Q4 2017

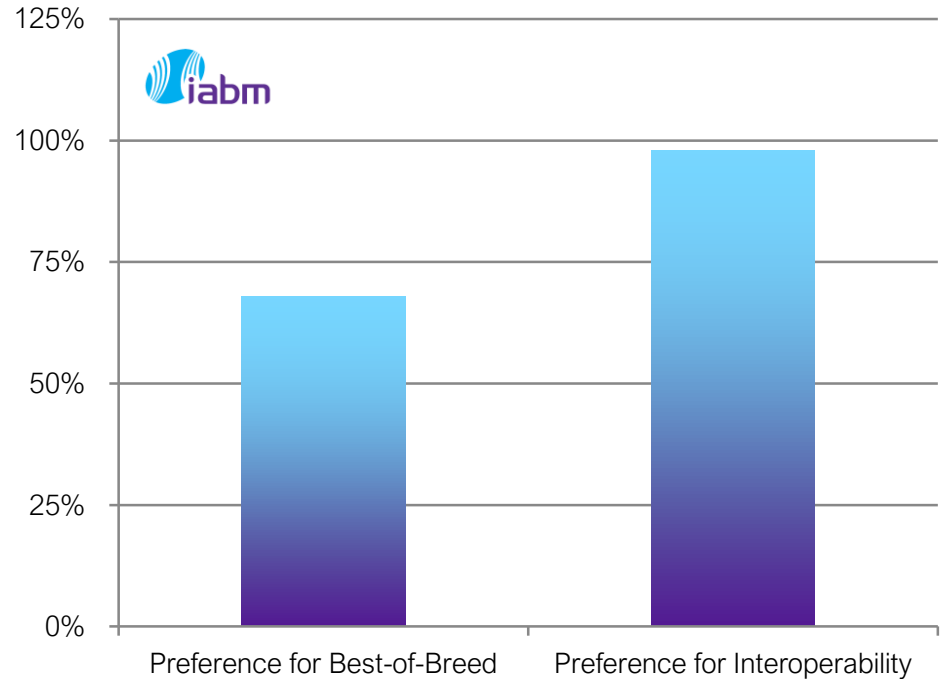


- Across Ooyala's network, mobile plays topped 60% for the first time, garnering a 60.3% share of all video starts
- Smartphone plays were up 1.8% from a year ago to 47.5%

# Media technology customers want Best-of-Breed and Interoperability

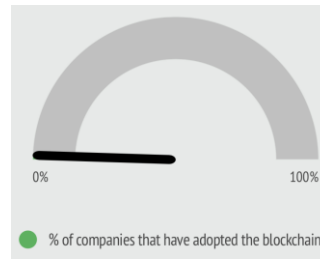
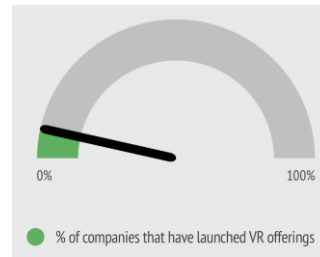
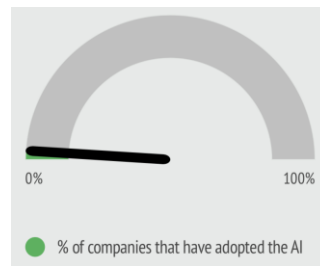
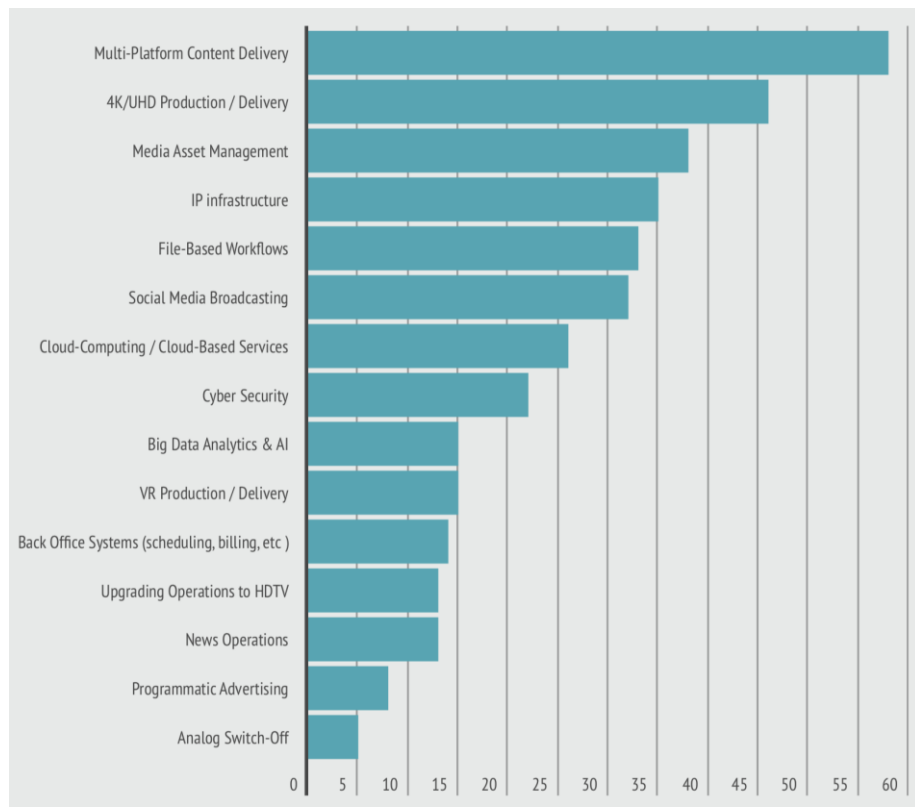
IABM data shows that most media technology users still prefer best-of-breed solutions, leaving many doors open for media technology vendors.

However, 98% of technology users demand interoperable solutions, requiring vendors to adopt an open approach to product interoperability. In fact, end-users increasingly frustrated with the lack of technology interoperability, are starting to build products by themselves.



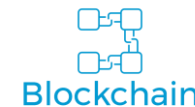


# Desire to invest in new formats and standards but an inability to do so



ATSC 3.0

4K



Investment priorities are often out of sync with the ability to execute against them.

# Migration to the cloud has begun in earnest and there is a long tail

■ Adopted Cloud  
■ Not Adopted Cloud



Cloud adoption rose significantly between 2014 and 2017 as the technology matured and more end-users espoused its benefits (especially the economics).

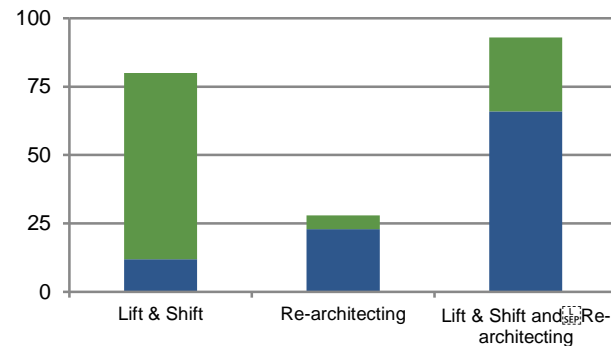
■ Hybrid Cloud  
■ Private Cloud (Off Premise)  
■ Private Cloud (On Premise)  
■ Public Cloud



Among media companies, there is a preference for hybrid and private cloud solutions.

Public cloud adoption primarily occurring around applications that leverage on-demand friendly economics (eg., transcoding).

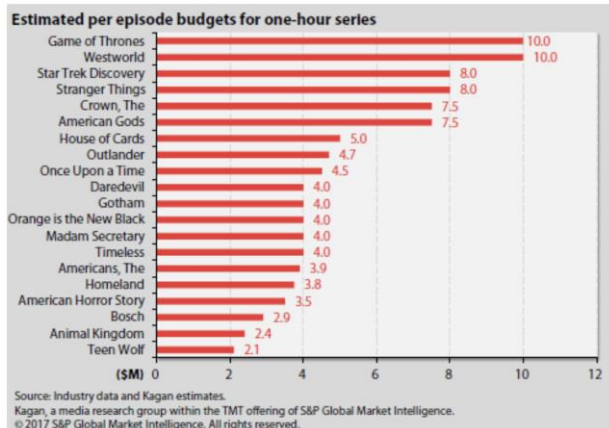
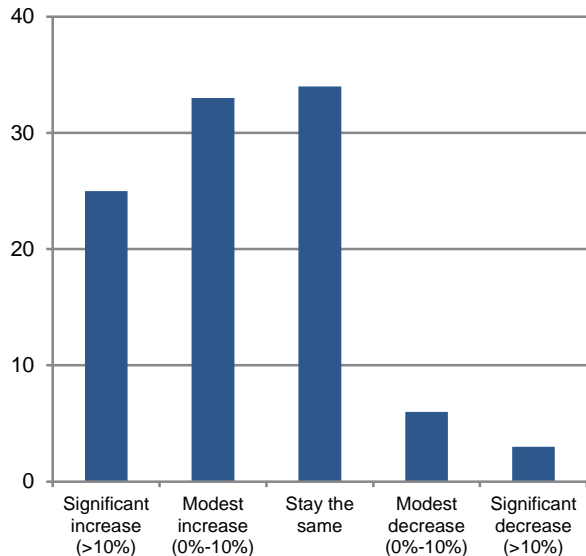
■ All Companies  
■ Over 1k Employees



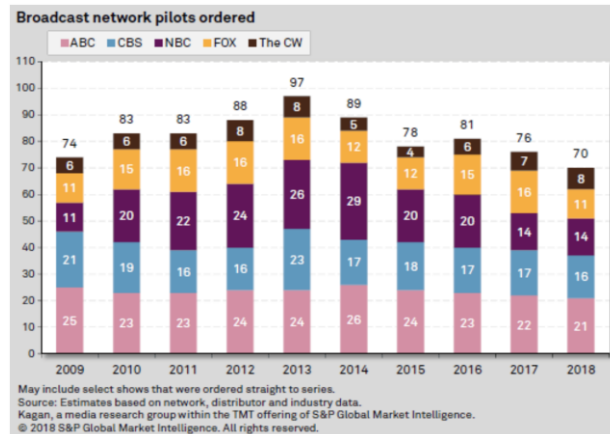
Among enterprise-sized companies, there is a clear preference for Lift & Shift, with 68% stating this is the strategy they will leverage.

# Media and technology budgets are simply not keeping pace

## Media Technology Investment in the next 12 months



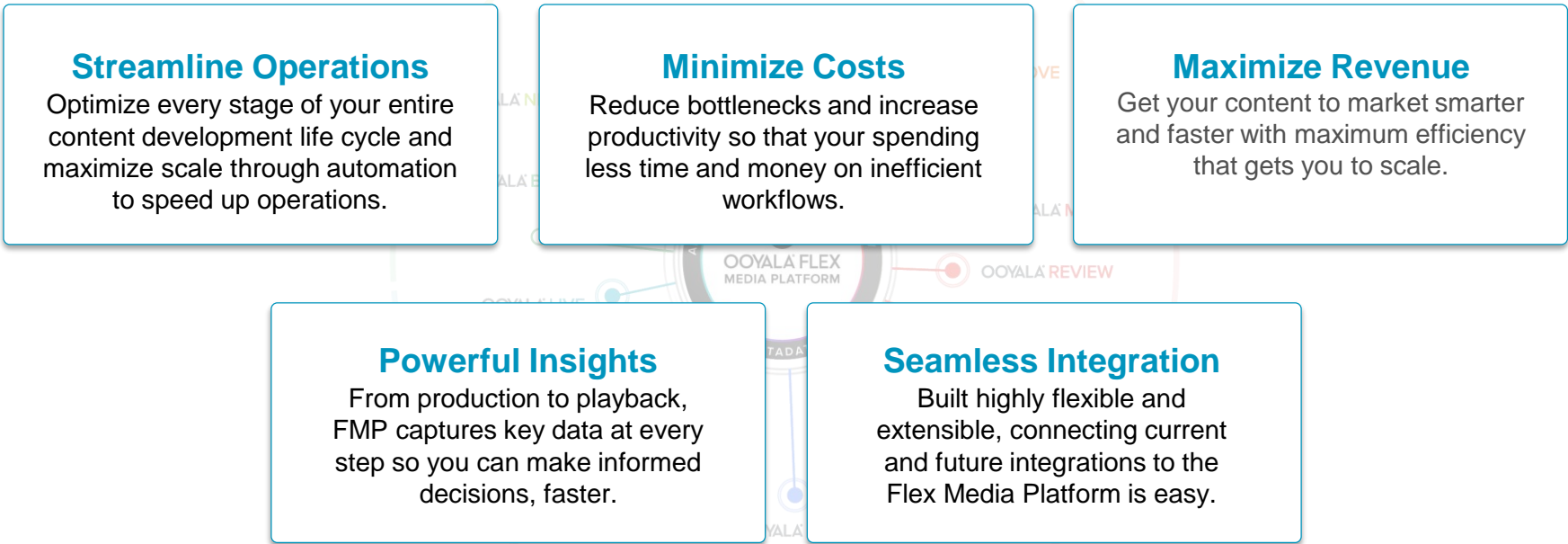
Production costs for pilots have risen dramatically in the past few years, with the majority of pilot budgets ranging from \$2 million to \$9 million, while some high-end drama pilots have been budgeted up to \$30 million.



As original content flourishes and competitors seem to enter the space daily, US broadcast networks ordered fewer pilots for next season with the total dropping to 70, a 10-year low.

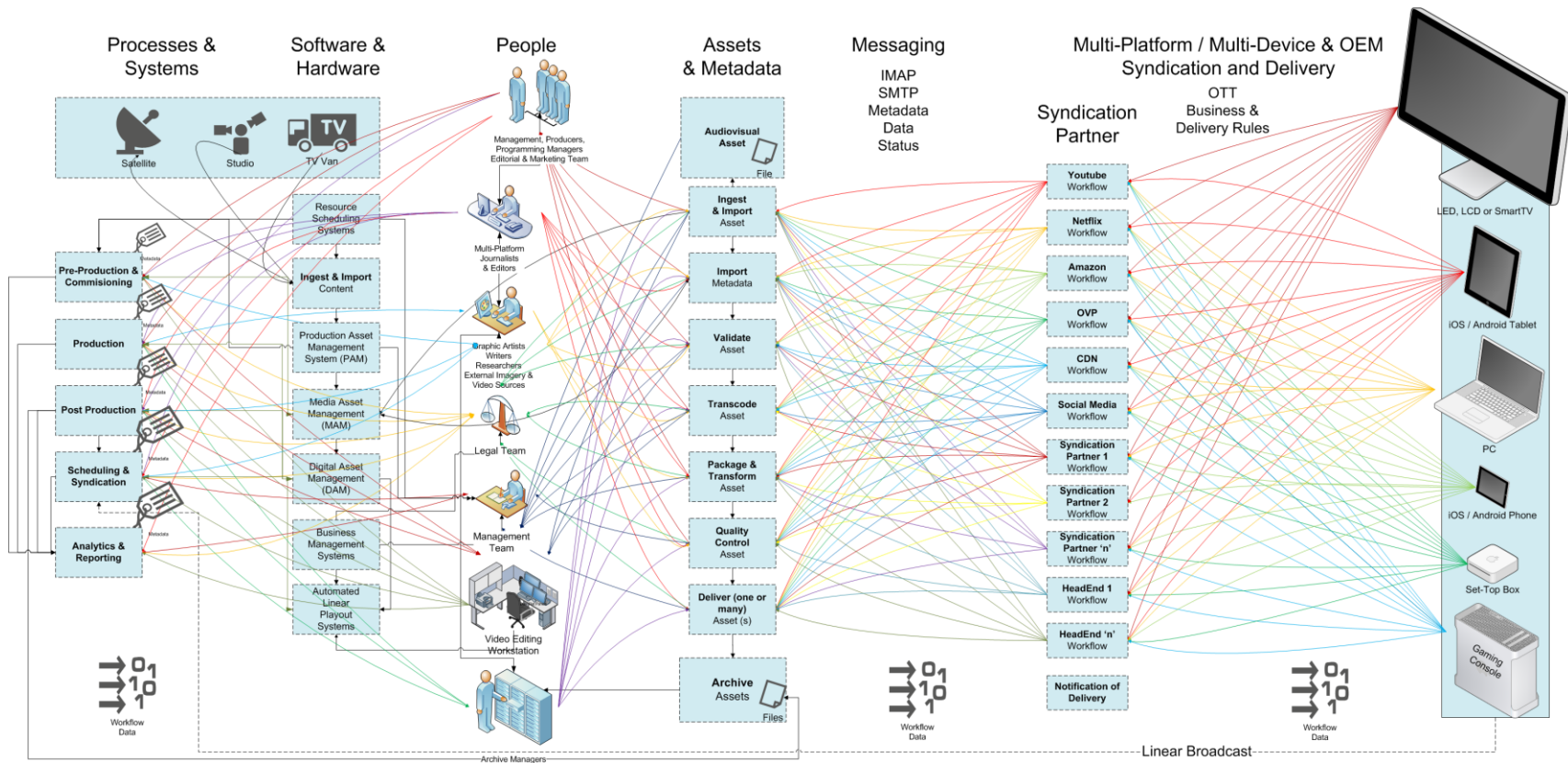
# What you get with a Connected Supply Chain





What does a typical content supply chain look like?

# Like this: Unparalleled levels of complexity in media operations



# Here is a simplified version of the content supply chain

"End-users are increasingly adopting a supply-chain approach for handling media content, from production to distribution."

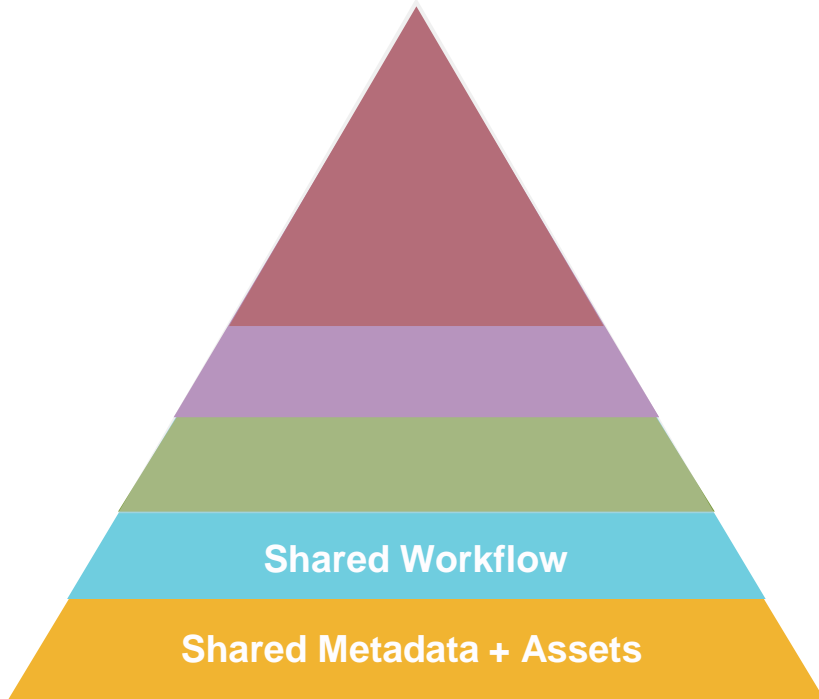


**But,** today's current Content Supply Chain is a siloed process, causing lost productivity, mis-management of data and lost revenue opportunities.



But what's the value of the connected  
supply chain?

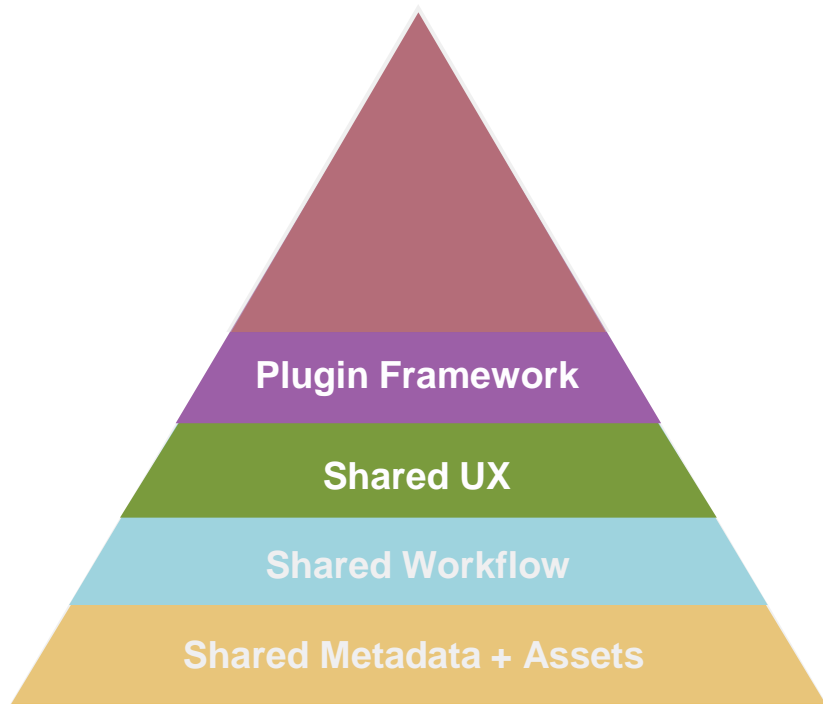
# Basic Needs: Creating a central asset and metadata repository



Ooyala's Maslow's Hierarchy of Needs

- First, this means having a MAM that can span all environments and touch all asset + metadata repos - in headless or UI-based form.
- Next, this means a workflow and orchestration capability that connects all systems that store or transform the asset and asset metadata.
- When you have these basic capabilities, you cut down duplication of content and become more efficient by reducing manual (or spreadsheet driven) tasks.

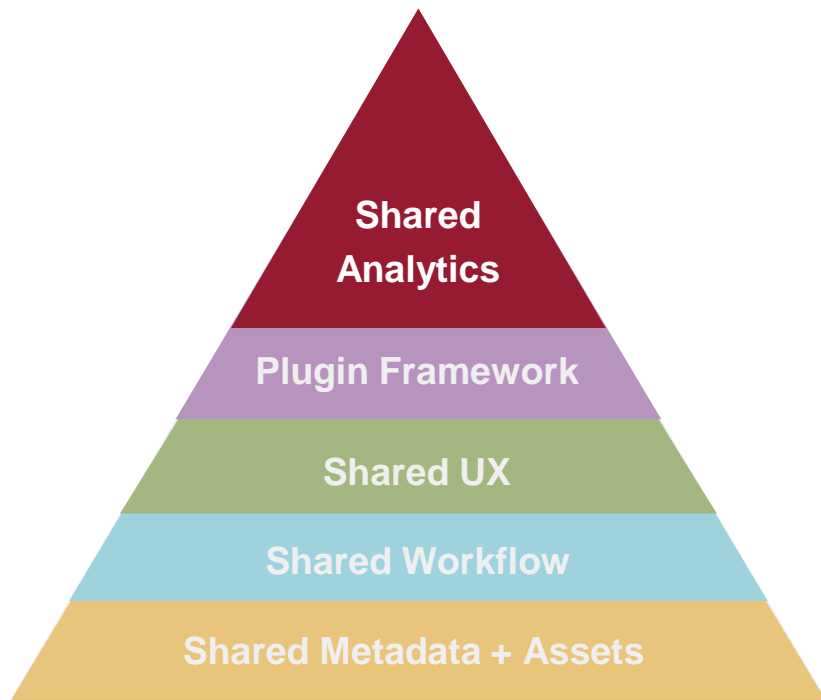
# Psychological Needs: Making usage and expansion easier



Ooyala's Maslow's Hierarchy of Needs

- At this point, you've some connective tissue spanning your entire content supply chain but it is still incomplete.
- You can improve on this by creating a shared user experience, which further improves efficiencies by reducing the number of UIs any one user has to use.
- But perhaps most critical at this stage is the ability to easily plug in new components - and so - technologies. This ensures new standards and formats like VR or AI are not an eternity away.

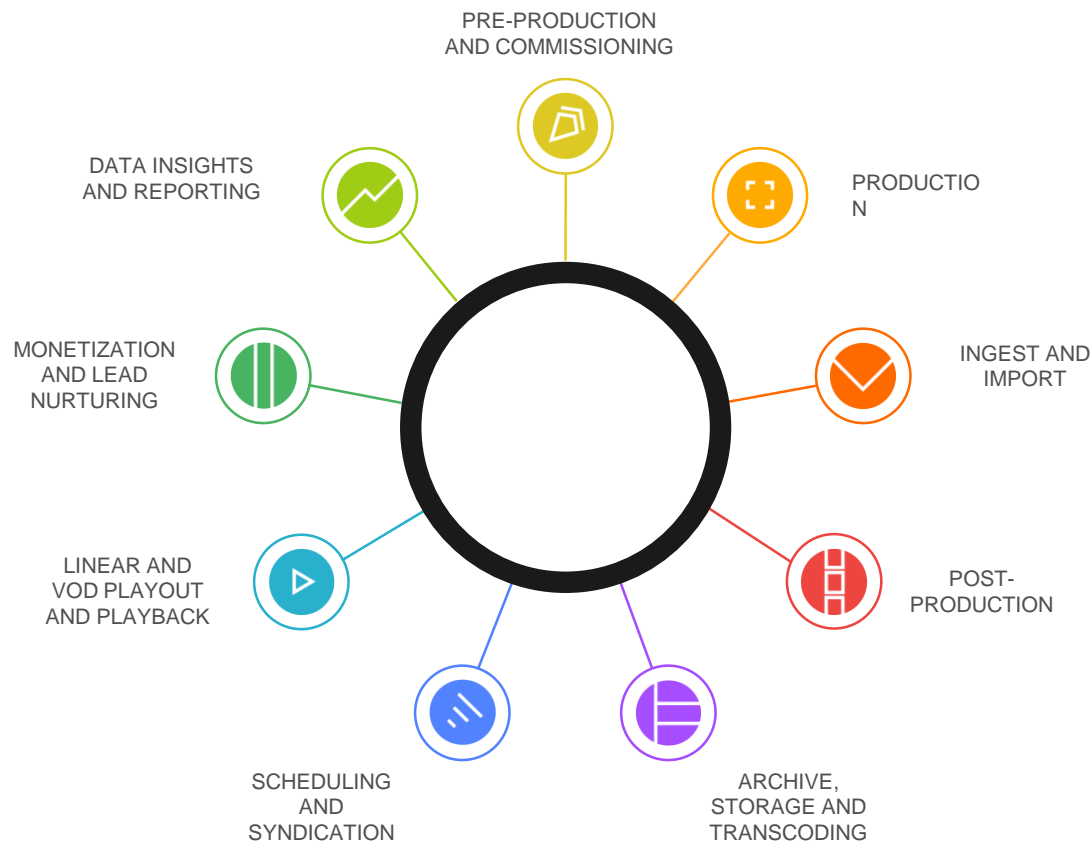
# Fulfillment Needs: Proving that your investments are paying off



Ooyala's Maslow's Hierarchy of Needs

- What comes next can drastically improve the lifecycle of your content and ensure you are not only producing content more efficiently, but that you are producing more of the right content.
- Every stage of the content supply chain creates a wealth of data. If you build your content supply chain to store all generated data in a single data lake, you can drive transformational change.
- This includes identifying workflow bottlenecks and more ambitiously, developing an idea of ROI for each piece of content.

# So, reaching the top of the hierarchy means closing the content supply chain



A closed content supply chain allows you to pump data back into content commissioning to help make more informed content creation processes.

This is how the major OTT properties operate.

# A little bit about Ooyala...





## ABOUT OOOYALA



For over 10 years, Ooyala has been at the forefront of shaping the OTT and media workflow revolutions as a leading provider of software and solutions that optimize the production, distribution and monetization of media.

With a presence in dozens of major cities around the world, Ooyala helps customers win at a global and local level.

## WORLD-CLASS CUSTOMERS

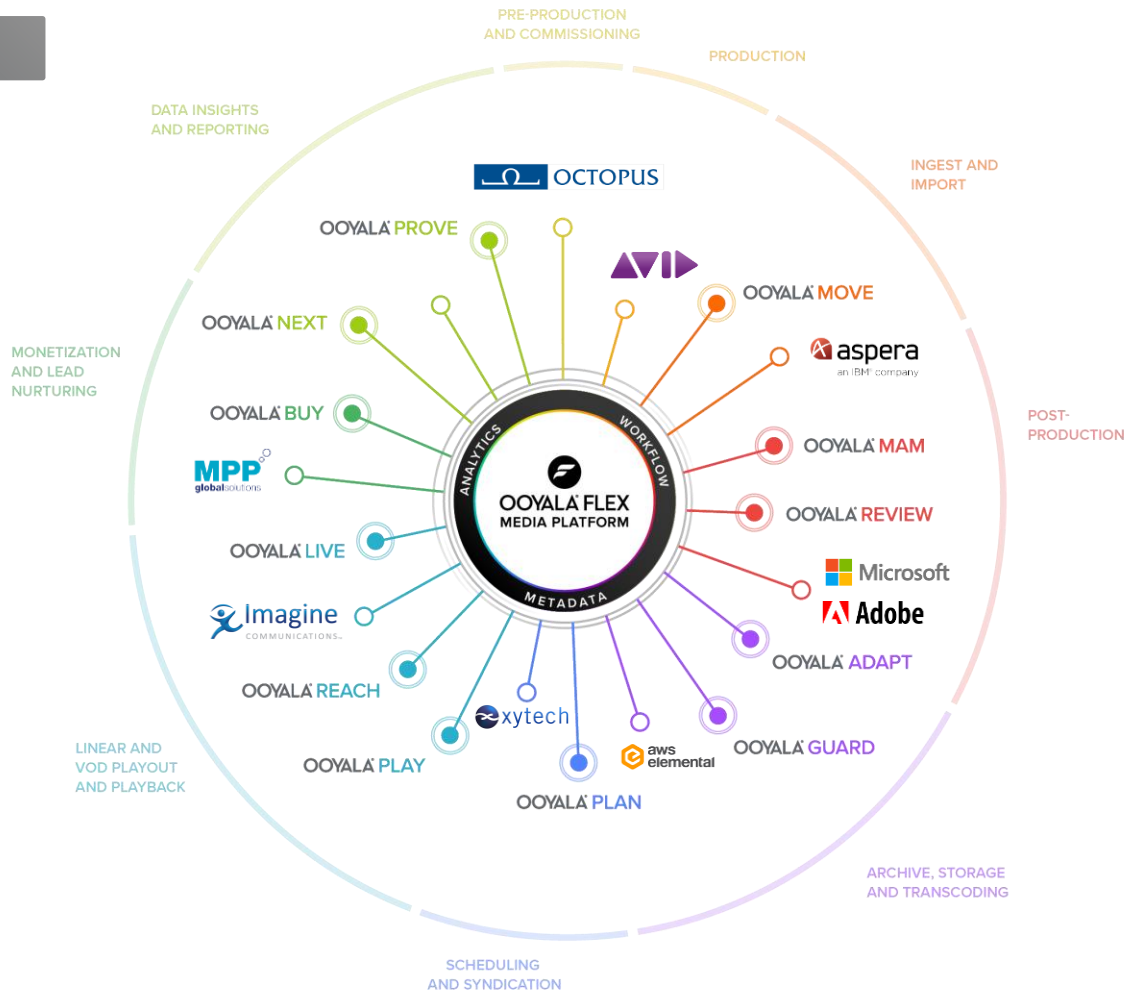


## TRUSTED PARTNERS



# Ecosystem

## OOYALA FLEX MEDIA PLATFORM





# Certified Partners |



# Proven Unique Value — Tangible Benefits

Typical broadcast / distribution company

**58%**

time reduction in  
project execution

**REDUCED TIME  
PER PROJECT**

**3 – 4x**

more projects with  
same personnel  
*(493/yr up from 145)*

**INCREASED  
PRODUCTIVITY**

**71%**

direct cost  
reduction  
*(~\$733,900/yr)*

**REDUCED COST  
PER PROJECT**

**1/2**

time to onboard  
new projects

**FASTER  
ON-BOARDING**

Reduced time per project, more content, better quality output, less human error: all can lead to increased revenues and audiences.

**INCREASED CUSTOMER REVENUES**

Thank You

