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# Why Siloed Solutions Won't Win in the D2C Economy



*Rights holders with integrated enterprise solutions can realize advantages in areas including avails and business analysis*

**By Amos Biegun, Global Head, Rights, Royalties, Vistex**

**Abstract:** Winning in the direct-to-consumer (D2C) economy will require smart and nimble solutions to keep up with consumer demand. But is the trending, quick-fix, siloed approach to software a safe long-term strategy? Or will the ultimate victors implement enterprise software that can weather the complexity and volume inherent to the new business model?

**W**e're living in a time where a single Spotify download means breaking down a penny into hundredths of a cent, just to pay all the parties involved that are owed royalties. It's a mark in time when rights owners are expecting that those in charge of fully monetizing their content will do so quickly, to keep up with consumer demand.

Technology has made it possible to distribute content faster, to a broader audience, and in myriad forms. That has only multiplied the complexities of managing the supply chain, as well as payment and reporting requirements on the back end. Spreadsheets and legacy systems tied together by email chains and off-line conversations simply can't support the sheer volume of transactions passing through the enterprise. Only those who can ensure data integrity will be the clear winners in the D2C economy.

Rights and royalties management is a tangled decision tree of formats, blackout dates, multiple languages, geographies, subtitled or dubbed versions, music, streaming vs. downloads, promotional

The new and growing **laundry list of factors** involved in **exploiting content** and then **getting paid accurately** can be daunting. And yet, **tracking all of this data** on a series of siloed solutions and spreadsheets — **with a total lack of standardization** — remains a **bad industry trend that**, unless resolved, will **eventually hamper the curators** of even the **best libraries of content**.

offers, niche licenses for devices and more. Payments owed are equally complicated and are increasingly becoming more sophisticated. The new and growing laundry list of factors involved in exploiting content and then getting paid accurately can be daunting. And yet, tracking all of this data on a series of siloed solutions and spreadsheets — with a total lack of standardization — remains a bad industry trend that, unless resolved, will eventually hamper the curators of even the best libraries of content.

We're seeing global organizations addressing Enterprise-wide challenges by using a "spot solution," which in itself may work sufficiently well, but lacks integration into a company's ERP and the ability to provide a single source of data for the enterprise. With the smaller players, we're seeing a huge reliance on spreadsheets, which is an even greater cause for concern. People are subscribing to multiple services on multiple devices, adding a firehose of complexity. Old-school rights and royalties management is unsustainable.

People are always astounded to learn that something as simple as a title-naming convention is not adopted industrywide. Once you realize that simple fact, you can begin to imagine how easily data can go awry.

We understand how rights and royalties gone rogue can hurt the industry. Miscal-

culations can put key players out of business. At the very least, inaccuracies can create distrust and enmity between parties, resulting in permanent breaks in their business relationships.

The consumer, at the heart of the D2C economy, has a hunger for content. They have literally thousands of choices, and that's how they like it. But this extreme demand requires constant attention. Therefore, access to creators and content variety to secure enough content deals is more mission critical than ever in the entertainment industry's history.

### **The benefits of a single solution**

Approaching rights and royalties management with siloed solutions is not the answer. So what promise does an integrated enterprise solution hold? A great deal. For example, rights holders with integrated enterprise solutions can realize many advantages, which include:

■ *The ability to accurately manage the high-data volumes encountered by the industry's move to streaming;*

■ *Full visibility into real-time avails across the enterprise — with a single system of truth;*

■ *The ability to analyze business performance in real time, for accurate forecasting, planning and agile decision making.*

### **Picking winners and losers**

Notably, the most groundbreaking aspect of an enterprise solution is its ability to leverage the data that can unleash artificial intelligence and predictive modeling to identify the content that is most likely to be profitable. This is where the entertainment industry needs to catch up with its high-tech production side.

While billions of dollars are spent each year to produce and distribute content that is compelling and profitable — the infrastructure that supports the core of the entertainment enterprise is compromised by using siloed systems that don't talk to one another. The winners in the race for eyeballs will ultimately be those who replace siloed solutions and spreadsheets with a single system that can drive strategic decisions and trusted results. ■



*Amos Biegun is a 30-year veteran of the rights and royalties business. His objective is to ensure that the Vistex expansion into this area remains unrivaled and that growth is unparalleled. Under his guidance, the suite of Vistex solutions has become the industry standard for global companies of scale. [amos.biegun@vistex.com](mailto:amos.biegun@vistex.com) @abiegun*

# Rights & Royalties Made Easy

Manage high volumes of streaming data with an enterprise-wide system that gives you a single source of truth for:

- Agile avails
- Accurate forecasting & planning
- Real time insights for better decision making

There's only one solution for rights  
and royalties in a direct-to-consumer world



**Vistex**<sup>®</sup>  
Now it all **adds up**<sup>™</sup>

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