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More than ever before, SaaS vendors need to be on top of deployment and adoption

SAAS IS CHANGING THE CUSTOMER-VENDOR RELATIONSHIP

By Brian Chavez, VP, Strategic Business Development, Signiant

ABSTRACT: The advent of cloud technology has greatly expanded the conversation around what media companies expect from their technology stack, and is changing the ways buyers and sellers interact. Specifically, with SaaS solutions, the relationship between the vendor and the customer is at the heart of the buying process, and continues throughout the entire customer lifecycle.

As the modern media technology stack shifts toward Software-as-a-Service (SaaS) offerings, the technical and business model aspects of SaaS tend to come to the forefront. Those things are important, but arguably the most transformational aspect of SaaS is the impact it has on the relationship between software buyers and sellers.

In the SaaS world, software companies and their customers have continuous, ongoing interactions that involve a much higher level of mutual dependence than was the case with hardware or licensed software. This can create a very healthy dynamic between technology suppliers and media companies, but new ways of thinking are required.

ALIGNED INTERESTS AND SHARED OUTCOMES

When technology is acquired via an upfront capital purchase, the supplier doesn't really have a strong vested interest in whether or not a product is successfully deployed and adopted. There's generally a high-level desire to preserve the relationship in the interest of future sales, but it's somewhat decoupled from the specific product experience. To some extent, the vendor can throw things over the wall and make it the customer's problem to extract value from the purchase.

WITH SAAS, the customer-vendor relationship is changing in ways that benefit media companies, the software suppliers that serve them, and the industry as a whole. Not all of the changes buffeting the industry in 2021 are positive, but this one definitely is.

With SaaS, on the other hand, the software supplier cares deeply about deployment and adoption. Renewals and growth are the lifeblood of a SaaS business, and customers won't renew or grow unless the product is delivering real value. SaaS companies therefore invest heavily in building a shared understanding of their customer's desired outcome, and then proactively and continuously ensuring that the product is being used and delivering according to expectations. The customer success function typically assumes this responsibility within SaaS companies.

If value is being delivered, the annual renewal is a given and both parties benefit accordingly. The SaaS company books a renewal and the customer continues to benefit from a value-add service. But if the deployment isn't successful for any reason, the customer can always choose to not renew. This fact keeps the vendor on their toes and focused on successful outcomes.

SERVICE COMPONENTS

From an operational perspective, the mutual dependence between SaaS suppliers and their customers is very literal — the vendor deploys and manages software in the cloud on behalf of their customers. In the case of cloud-native, multi-tenant SaaS, a single deployment serves many customer entities and enables massive economies of scale. The SaaS supplier procures many of the necessary cloud services, operates the deployment on an ongoing basis, and continuously updates the software with new capabilities.

The focal point for these activities is the SaaS company's site reliability engineering (SRE) team, often referred to as DevOps in the early days of SaaS. The SRE group monitors the software on a 24-7-365 basis to ensure availability and security. If there's any disruption of service, they notify customers and take immediate action to remediate. In the event of an outage at a cloud data center, for example, they might switch a certain service (or the entire deployment) to a different cloud region. Service status notifications keep customers posted when there's an interruption or degradation of any kind.

Separately, the SaaS vendor's customer support team is available to respond directly to technical questions from customers. This critical function has carried over relatively unchanged from earlier hardware and licensed software business models. In media use cases, there are always integrations, technical deployment nuances, and user-related issues to be addressed on a case-by-case basis. The presence of a knowledgeable customer support team is a key difference between consumer-oriented SaaS offerings and the mission-critical enterprise offerings typically deployed within the media supply chain.

INFORMATION FLOW

Greatly increased information flow is another element of the evolving customer-vendor relationship in the SaaS world. Multi-tenant SaaS enables the SaaS provider to automatically collect, aggregate, and analyze a wide range of data, ranging from utilization of the software itself to various aspects of the environment it's operating in. Privacy considerations are obviously important here, and modern SaaS architectures are carefully designed to ensure that all of the data used for aggregate analysis is fully anonymized. Customer-specific insights are only ever shared with that customer.

The benefits of a continuous flow of customer-specific information are fairly obvious. That's how utilization is metered for consumption-based pricing models, and the vendor's customer success team can proactively reach out if discontinuities are observed. Customers can benefit from easy access to both historical and real-time data for operational insights and internal cost allocation.

Information exchange with the entire customer base



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is also powerful. For example, the software supplier can provide in-product notification via a “What’s New” area of the interface when new functionality becomes available. Somewhat more subtly, anonymized data collected by a SaaS platform can inform the evolution and continuous improvement of the software. It’s now possible to see which features are actually used, what kinds of files are involved, and where bottlenecks might be occurring. There’s huge value in the collective learning and optimization enabled by access to data from a very large pool of cloud-connected users, particularly if those users have shared interests within a vertical market. This data-sharing capability is especially useful in the media industry, which operates as a vast ecosystem of interconnected supply chains.

THE STATE OF PLAY IN M&E

Signiant introduced the first true cloud-native SaaS solution into the media supply chain back in 2012 with the launch of Media Shuttle. That same SaaS platform now supports multiple products and connects more than 50,000 media and entertainment companies around the world. We have been on a shared journey with our customers to re-define the relationship between our companies for

the SaaS era, and Signiant’s experience with the growing interdependence has generally been very positive. We know we have to deliver every day to earn the high renewal and growth rates fundamental to our success, and our customers take the partnership seriously too.

The knowledge-intensive, relationship-focused nature of the hyper-vertical M&E technology market lends itself well to this new framework. Our most sophisticated customers have taken the lead in putting greater definition around our status as a strategic supplier, and they’re working with us to increase the cadence of engagement at all levels. They lean into the increased mutual dependence rather than shying away from it, and they actively pull us into new models of collaboration and communication.

With SaaS, the customer-vendor relationship is changing in ways that benefit media companies, the software suppliers that serve them, and the industry as a whole. Not all of the changes buffeting the industry in 2021 are positive, but this one definitely is. ■

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