

M+E

JOURNAL

Today's localization challenges are enormous. The opportunities are unprecedented. Is the industry ready for the mayhem?

GIVING VOICE TO CHAOS

SECURITY SOLUTIONS

The threats to our most valuable assets are many. M+E vendors are on top of it.

WORKFLOWS AND THE CLOUD

Much has changed in the way we track, access, move and store everything we deal with.

SMART CONTENT

The many ways the industry adopts new technologies to make content smarter.

22.02

STOP CHASING. PRIORITIZE THREATS BASED ON VALUE TO THE BUSINESS

By Richard Atkinson, President, CDSA



Richard Atkinson is president of CDSA and his experience covers 15 years in classified defense and 22 years in M&E senior leadership positions, driving profound business revenue and change. ratkinson@cdsaonline.org @CDSAonline

In my many years in various businesses, one consistent thing I have seen — especially in the media and entertainment business — is a tendency for teams to be highly reactive and keep trying to address way too much. Especially in going after things that might have emotional aspects but mean little to the actual business. Certainly, in the areas of fraud prevention and anti-piracy, but in many other areas as well.

Before you call BS, let's talk about a few examples. I've consistently seen (meaning over and over and over, whether it is the in-house teams, or the vendors trying to support them and make a compelling difference) the situation where a team is trying to address all the geographies of the world. As if all the geos were worth the same to the business.

Letting specific markets like China or Russia or other small but problematic markets get way too much attention and resources is the issue. If we looked at the current revenue of your business by market, most will likely be about 33 percent domestic (USA/Canada) and the remaining 66 percent from other markets. If we looked at the top 10 in rank order, most likely it will be something like this: USA, UK, Germany, France, Canada, Japan, Australia, Netherlands, Nordics, Benelux ... or something similar. What is key is that the top five far outweigh the bottom five, and after the top 10 (or 15 if you have a strong level of business in countries like Mexico, China, Russia, New Zealand, Brazil) the rest of world is just noise.

You could spend huge resources trying to make a difference in a market, and even if you were highly successful, the business in that market might grow dramatically but would be a blip to the overall global business. Sure, at times the business is going to prioritize these regions and put very aggressive and demanding leaders in charge that pull on you hard to help them. But, again, for the overall

YOU COULD SPEND HUGE resources trying to make a difference in a market, and even if you were highly successful, the business in that market might be a blip to the overall global business.

business in terms of your value, you should focus first on those top five markets.

You say that the business already has those markets, so why spend time, effort, and money on a market that has low percentages of fraud/piracy when there are other markets with much higher need? The answer requires me to connect a few dots.

First, it is highly likely that your top three markets are all "mature," with relatively low fraud rates and a culture of higher brand trust and low aspects of black-market/alternative distribution. There is also likely a moderate amount of "customer-facing fraud" where customers are sold products and services that they believe are genuine but are not. If your team can address even a moderate amount of this activity, those customers — who are already paying for the product but just from the wrong people — will shift to legitimate business sales at high levels. Lastly, in terms of scale and opportunity, even though the rates of fraud are low the market/revenue is large. Meaning even if you can only impact a 15 percent rate by a few percent, it adds up to a LOT of value to the business. And, because these customers are already poised to pay, that revenue comes through existing channels and directly to the bottom line. You are a hero. But make sure you baseline things BEFORE you start ramping up. You want the results of your effort to

be attributed properly, and not attributed to a marketing campaign or other activity.

The example I gave was specific to geos/markets, but this approach to linking your efforts to those most valuable to the business also include channels, products, or other aspects. You will not have to make these up, just go see your CFO and tell them that you want to link your activities to the areas of the business that are most valuable and

therefore you can actually contribute the most (note: I expect that you will have to educate them on this approach as it is totally logical but counterintuitive since they tend to think that your efforts should be focused on high-piracy but low value markets).

So, get focused. Even if you just focus on one top market to “prove you can make a real difference,” I am confident from my own experience and others I see doing this, that it works. ■