



A Vision for the Future of the Media Industry

## Avid Everywhere

### The media industry is facing a period of unprecedented change.

From the way media is produced and managed to the methods used to protect, optimize, distribute, and analyze content, every part of the value chain is being affected. These changes have created enormous pressures—and opportunities—for media organizations and creative professionals. The market forces behind these challenges can be categorized around three key industry pain points:

#### The accelerated digitization of the media value chain

Technology has enabled almost every aspect of how we live to become increasingly digitized. It is not surprising that the social desire to connect more directly, efficiently, and powerfully is also impacting the media industry. But the acceleration of this seemingly obvious digitization trend is having a massive impact on the media industry and fundamentally altering the value chain that has been in place for decades. At its simplest, the creative side of the value chain is fusing with the business (or monetization) side, causing the two previously separate components to be inexorably linked, and providing the opportunity for a more interactive, powerful, and efficient connection at every step from creation to consumption.

This opportunity to connect the idea to create a piece of content for the enjoyment of another human, digitally and more directly, is providing new challenges never before faced by the industry. Organizations are under intense pressure to connect and automate their entire creation-to-consumption workflow—yet current technology solutions have stubbornly remained highly siloed, and road maps are increasingly disconnected from the most urgent industry needs. At the same time, digitization has lowered the barrier to creating content, and therefore increased competition for advertising and audience share. As a result, the need for seamless, integrated workflows is greater than ever. This is not just a matter of business efficiency; there is significant risk that those who do not adapt may not have a long-term role in the media chain.

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### The “consumerization” of content creation and distribution

Gone are the days when content creators had the ability to dictate when, where, and how consumers enjoyed media. Not only are today's consumers more sophisticated than ever; they're empowered to create and consume content anywhere, anytime, through any device and any format. This consumerization has increased the cost and complexity of monetizing assets, as multiple formats, distribution channels, and devices have proliferated. Technology has also enabled content customization, tailored delivery models, and created more sophisticated consumer analytics. As a result of all these factors, there is now intense competition for share of the consumer's wallet and viewership. At the same time, it is now possible to understand consumption patterns, profiles, and preferences, allowing an increased opportunity to monetize digital assets in ways that previously could only have been imagined.

### Relentless pressure for operational efficiency

Across the media industry, unrelenting cost pressures combined with drive for topline revenue growth are making a significant impact on spending priorities. While some IT budgets are growing slightly, strategic investment priorities are reorganizing away from creative solutions and towards solving the challenge of monetizing, protecting, repurposing, and optimizing content. Organizations are facing increasing technical and monetization complexity in the creation, protection, and distribution of high-quality, branded media assets—and looking for innovative ways to solve these issues. Technology integration, vendor management, and interoperability challenges have made already-limited flexibility, agility, and innovation even more difficult. The need for innovative thinking in the industry is obvious.

### Market Forces at Work

The proliferation of digital media has created great demand for systems to manage an ever-increasing flow of content.

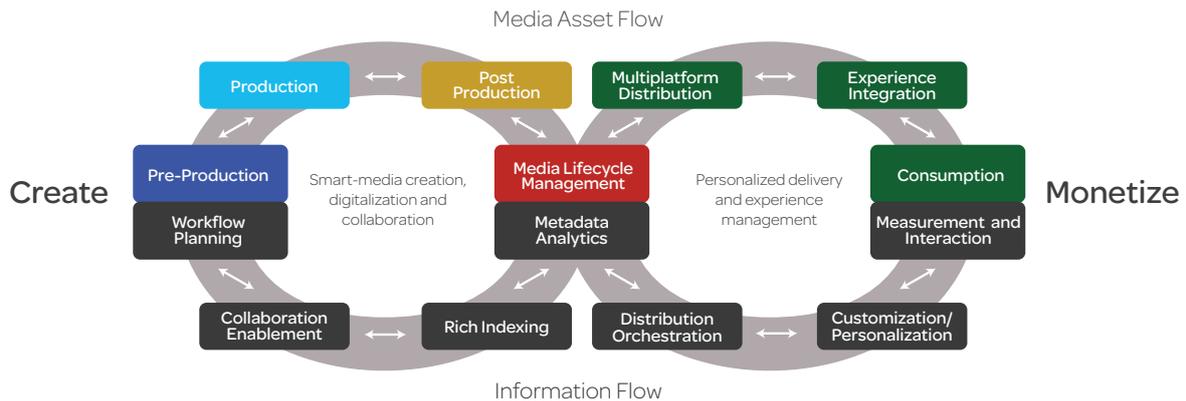
—Frost and Sullivan

According to a survey of 800 end-user IT organizations, software for management of images and video is the fastest-growing segment of the content management market.

—Gartner

Global spending on entertainment and media is forecasted to rise at a 5.7% CAGR to \$2.1 trillion in 2016. —PwC

## New Media Value Chain



These combined pressures have dramatically altered the media industry value chain. In years past, organizations utilized a linear value chain in which content moved through pre-production, production, post-production, distribution, and delivery—with predetermined handoffs occurring between each process. In today’s world, the previously linear value chain has fused to create a fluid, interactive, and multi-dimensional process in which digital assets can be controlled all the way from concept to consumption.

In addition to changes in the traditional value chain, digital technology is creating fascinating opportunities for measuring and analyzing content. Organizations now have the opportunity to use metadata analytics to examine why, when, and how consumers enjoy media. By incorporating immediate feedback into the content creation process, producers can tailor their output to consumer needs, likes, and trends.

With all of the challenges and opportunities in today’s environment, what can media organizations do to win?

**“It’s not a value chain anymore. It’s an ecosystem of networked collaborators who commit to solve a specific part of the industry problem.”**

—PwC

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### How to Win in Today's Environment

An organization's ability to succeed depends upon how aggressively it can adapt to the new realities of its business. Many organizations are struggling not only with the tools to execute their strategic initiatives, but also with the organizational structure itself—which is steeped in a traditional siloed view of content creation and distribution.

The challenges created by the accelerated digitization of media assets, the “consumerization” of content creation and distribution, and relentless pressure for operational efficiency have resulted in five specific needs for media organizations:

#### Integrate the Content Creation and Monetization Processes

In the new digital landscape, the content creation and monetization processes are linked. The cost pressures and opportunity to optimize and tailor delivery with increased interaction, puts a premium on a single integrated solution that is more efficient, powerful, and flexible across the entire workflow. The core challenge for media organizations is to align their creative and business teams to act as one and to have the technology tools to enable strategic execution across the enterprise.

#### Deliver Higher Quality, Inspiring Content

While the value chain is changing, one thing remains clear – content is still king. In a market that is evolving rapidly and experimenting with new ways to engage audiences, high-quality content—with a great image and audio experience—is the strongest driver of audience engagement. To motivate increasingly sophisticated consumers to act, studios, channel programmers and broadcasters need to produce high-quality content that is created, finished, and distributed through professional production, asset, and workflow management systems.

### Industry research from Avid and Ovum

Avid recently commissioned a global study conducted by leading research firm Ovum. Seeking insights from both media organizations and consumers, the goal was to help our community understand, anticipate, and capture the opportunity of the unprecedented changes taking place in our industry.

Results showed that while the value chain is changing, one thing remains clear—content is still king. 65% of consumers identify the visual and audio experience as a key driver of enjoyment.

In addition, the research shows there is profit in media archives, if organizations can employ the right metadata strategy. 37% of consumers would pay to watch archived episodes of their favorite shows. However, although media producers believe they could monetize as much as 33% of their archives to take advantage of consumers' willingness to pay, they say most of that material is currently inaccessible.

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### Embrace Seamless Collaborative Workflows

Just as consumers are no longer constrained by how and when they consume content, media organizations are no longer limited to working within the walls of their facility. Media professionals should have the tools that enable them to create, share, protect, optimize, and distribute content collaboratively from everywhere. And while cloud-enabled technology is an excellent tool, organizations should have the choice to tailor the environment in ways that work best for them—not dictated by a particular vendor. Constant and real-time connectivity now allow for distributed and complex workflow environments to be available everywhere. To take full advantage, media organizations need solutions that will allow them to efficiently and easily respond to a broad range of content creation and distribution demands with a single integrated platform.

### Protect and Optimize Media Asset Value

The intense changes to the business model require media organizations and professionals to get more out of each asset quickly and less expensively. This underscores the need for organizations with complicated business environments to rapidly create, access, distribute, and monetize content at lower cost. To do this effectively, they need to ensure that assets are protected, are immediately available when needed, and can be repurposed easily and efficiently. Multiple siloed vendors following the traditional value chain are not only putting media organizations out of touch with consumers; this practice is also siphoning critical capital in areas such as integration and interoperability, in ways that still don't match the needs of today's environment.

### Partner with Industry Experts

In order to credibly solve current and future challenges and stay on the forefront of industry innovation, media organizations need technology partners who offer deep industry expertise; who have a proven and trusted history of solving the industry's most complex problems; and who have a long-term history of investing in the industry.

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### Leading the Industry Fight

With so many unprecedented changes at play, the media industry needs a leader to step forward and provide direction. Avid is uniquely positioned to assume this role. With over 25 years of experience working with the most successful media organizations and creative professionals in the world, Avid has a unique perspective for what the industry requires. Only Avid combines the openness, flexibility, cutting-edge innovation, and comprehensiveness needed to spearhead the media industry's fight to overcome the extraordinary challenges we are all facing.

To that end, we are presenting a strategic vision that will help the industry navigate through these tumultuous times. It's not just a vision for Avid—it's a vision for the entire media industry. And we want everyone to join the cause.

### Key Customer Challenges

Avid recently spoke with several leading media organizations to find out what challenges are making the greatest impact on their business. Here is what they highlighted:

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|------------------------|---|
| <b>Customer:</b>       | Major motion picture studio   |
| <b>Key challenges:</b> | Fusing the creative and business side of the house; figuring out how to monetize assets   |
| <b>Customer:</b>       | Multinational news organization   |
| <b>Key challenges:</b> | Having a reliable, future-proof infrastructure that can quickly take advantage of new technology                                      |
| <b>Customer:</b>       | Local TV news station   |
| <b>Key challenges:</b> | Creating higher quality programming and greater operational continuity; accessing the newsroom from the field                         |
| <b>Customer:</b>       | Television network  |
| <b>Key challenges:</b> | Taking advantage of more innovative and lower-cost technologies without sacrificing security, flexibility, features, and capabilities |

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**It all begins with an idea.**

Imagine a world where anyone with a creative idea can conceptualize, produce, monetize, and distribute their work for the enjoyment and pleasure of others, and be rewarded by the global community for the assets they've created. Where they can share a common platform that connects the creation and consumption pieces of the value chain fused together into a single integrated framework that flexibly adjusts for their needs.

"Avid Everywhere" is our vision for facilitating this process—for connecting creative professionals and media organizations with their audiences in a more powerful, efficient, collaborative, and profitable way. To make Avid Everywhere a reality, we are developing the most fluid end-to-end, distributed media production environment in the industry, a comprehensive ecosystem that encompasses every aspect of the new digital media value chain.

### Avid MediaCentral Platform

It starts with the Avid MediaCentral Platform - a common services platform providing the underlying media services, connectivity, orchestration, and administrative capabilities to support the entire media value chain. The platform facilitates an open and extensible environment that integrates with technology from Avid as well as other providers. Content creators and distributors gain the ability to produce, manage, deliver, and monetize media that adheres to a common set of standards,

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regardless of the vendor and tools they choose to use at each step of the way. In addition, Avid will provide complete flexibility over how, when, and where our customers deploy and use our tools. We will never force customers into a model that doesn't work for them.

To gain entry to the Avid MediaCentral Platform, MediaCentral | UX delivers a unified experience across web, mobile, and desktop devices. This cloud-based, web front-end enables anyone participating in the media value chain to access the right content, workflows, and applications—everywhere at any time.

Avid is providing complete freedom of choice in how media professionals acquire and use products running on the MediaCentral Platform. Work can take place on premises, remotely through the cloud, on a Mac or PC, through a monthly or annual subscription, on demand with a floating license, or via software purchase.

### Modular Application Suites

Building on the Avid MediaCentral platform is a series of three modular application suites. Avid is well known for its industry-leading applications for sharing, collaborating, managing, and customizing creative assets within the production workflow. Moving forward, we are extending these capabilities to include monetization tools—applications that allow content creators to protect, encrypt, reformat, distribute, and repurpose finished assets to maximize their value, tying together media creation and monetization across the value chain.

**Artist Suite** – Avid's industry-leading audio and video creative tools for editing, mixing, and live sound production. Taking advantage of the common services and media management modules within the Avid MediaCentral platform (including remote collaboration, media access, digital rights management, and more), content creators using any module of this suite are fully networked with anyone else using the platform – and can focus on creating and collaborating, while the heavy lifting is done behind the scenes. Further, they can work on premise or via the cloud with all of the same media access.

**Media Suite** – solutions to securely manage, distribute, and re-purpose assets. Re-purposing assets is critical to reaping higher value from them. Robust metadata tagging and management are critical to realizing full asset potential across the value chain. With the Media suite, we are

“Metadata is absolutely central to the new music economy. It is the lifeblood to servicing revenue and effectively paying artists across an increasingly diverse marketplace where revenue streams are increasingly fragmented and global. As a result, it is of paramount importance for the industry and creatives alike to get it right, and to get it right across the entire lifecycle of our music—from the deal, to the studio, to street.”

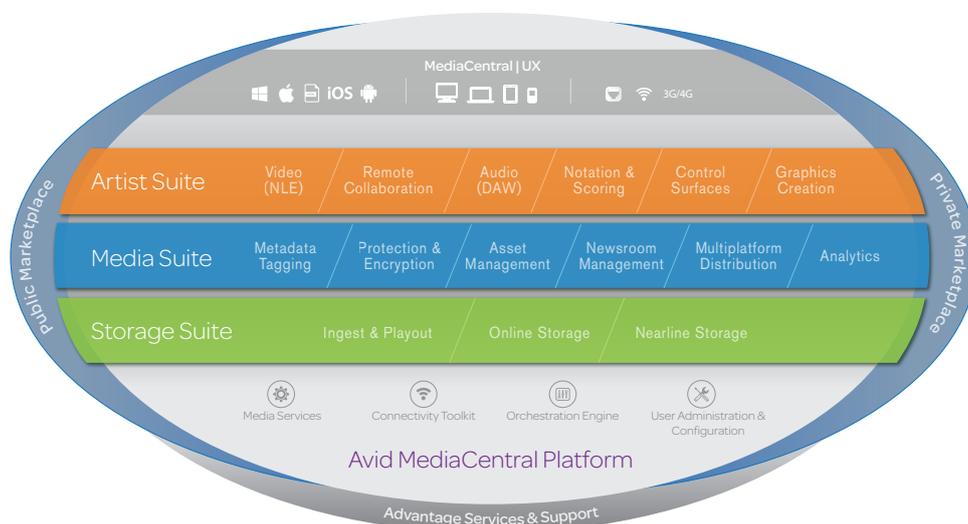
- Barak Moffitt,  
Executive Vice President,  
Universal Music Group

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building a solution to easily and automatically tag assets as they are created – on the same platform that was used to create them. In close collaboration with our customer community, Avid intends to lead the creation of a new industry-standard metadata tracking system, where metadata will be generated algorithmically and provide a significantly greater level of detail, making it possible to take a flexible and adaptable view of assets at any stage of the lifecycle.

**Storage Suite** – Solutions for highly optimized ingest, play out and production storage. Across our entire set of product and solutions, media will be readily accessible from everywhere, quickly and effortlessly – so that it can be easily found, repurposed, and optimized. Avid's media repository solutions combine highly optimized production storage with open storage and tape libraries, making it easier than ever to archive and retrieve media.

**Public and Private Marketplaces** – opening secure collaboration to the entire community. Content creators frequently need to share assets during the creation, production, or monetization process. Avid is introducing public and private market places to provide an easy, secure way to share files outside of an organization, and even with the general public. Those who previously lacked access to new markets will have exposure to a powerful buyer market. And enterprises will have a secure, private, protected environment to connect globally—all empowered by the Avid MediaCentral platform, with full access control, encryption, security, and authentication tools.



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### **Avid Everywhere: Solving the Challenges of Today —and Tomorrow**

The unprecedented pace of change facing the media industry is putting tremendous pressure on business models. An organization's ability to succeed depends upon how effectively they can work within the new media industry value chain.

The Avid Everywhere vision applies our unique experience with the world's most successful media organizations to understand the industry's current and future business challenges and anticipate the new technologies, workflows, and standards that will drive our community forward to success. Further, with so much of the technology at the core of Avid Everywhere already developed and in use, this vision represents a natural extension of our openness and cutting-edge innovation, not a departure.

Unlike companies that merely devote a portion of their focus to audio and video technology, Avid is exclusively dedicated to solving the strategic needs of media professionals, and we are continually evaluating the changes affecting our industry as the new media value chain rapidly evolves. At the end of the day, Avid is committed to growing, strengthening, and empowering the world's largest community of creative professionals by giving them everything they need to achieve personal and professional success, both now and in the future.

We encourage you to join us, get involved in what we're doing, and be a part of shaping the industry's future.



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#### About Avid

Through Avid Everywhere, Avid delivers the industry's most open, innovative and comprehensive media platform connecting content creation with collaboration, asset protection, distribution and consumption for the most listened to, most watched and most loved media in the world—from the most prestigious and award-winning feature films, music recordings, and television shows, to live concerts and news broadcasts. Industry leading solutions include Pro Tools®, Media Composer®, ISIS®, Interplay®, and Sibelius®. For more information about Avid solutions and services, visit [www.avid.com](http://www.avid.com), connect with Avid on [Facebook](#), [Twitter](#), [YouTube](#), [LinkedIn](#), or subscribe to [Avid Blogs](#).

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