

Enterprise Rights Management for Effective Content Monetization

Abstract

Breaking Bad. Mad Men. The Game of Thrones. House of Cards. Sherlock. The list can go on and on. The massive worldwide popularity of all these television series reinforces a fundamental truth about the media and entertainment (M&E) business — great content sells.

According to some estimates, M&E companies lose out on revenues worth as much as 10% of the \$600 billion rights management market annually, due to lapses in their monetization strategies. One major factor explaining this below-par return on investment (ROI) in content is suboptimal rights management.

Put simply, content businesses must view rights management as a profit center that helps them generate more revenues effectively, rather than a cost center or an accounting add-on with administrative mandates.

The Business Case for Rights Management

The content supply chain continues to grow in complexity as non-linear, direct-to-consumer (D2C) distribution channels increasingly disrupt the business models of their traditional, linear counterparts.

A supply chain comprises multiple stakeholders such as content creators, contributors, marketers, infrastructure providers, and technology vendors. Each stakeholder within the chain vies for maximum share of the average revenue per user (ARPU).

Content consumption patterns are shifting from mass content viewing to personalized content provisioning. This is causing a rapid shift from purchase to access models, and every transaction is now becoming a 'rights' transaction.

M&E companies should, therefore, look at systems that allow them to synchronize different functions and optimally use resources. For example, they can implement systems to ensure their scheduling, marketing, sales, and finance departments receive updated and accurate information, in as little time as possible. They can also pre-register contractual rights and payment terms in a next-generation system and extract more value from their rights portfolio.

The Rights Management Landscape

Distribution channels and product bundles are proliferating because digitally empowered customers seek personalized, rich content on demand, and in various media formats.

Consequently, rights management requirements have become complicated. They are now governed by a broad range of parameters such as location, exclusivity, subscription type, device, format, channel, and timing window.

Additionally, contracts for sports, news, and entertainment (both scripted and unscripted) continue to get more intricate. Because, they include varied dimensions involving restrictions, catch-up, clips, exclusions, number of participants and expirations, and on-demand.

Content owners are also prone to legal risks and substantial financial and reputational damages arising from inaccurate rights tracking, in the event of them erroneously licensing rights that they do not control.

Due to the presence of these complexities, companies are finding it difficult to standardize their contract structures, and associated systems and business processes and are grappling with longer time to market and increased cost of content delivery.

The IT Dimension

The conventional IT systems deployed by M&E companies for managing their rights portfolios, and administering licenses, are no longer fit for purpose in the D2C distribution landscape.

Most legacy rights management platforms are designed for content purchase models only. They are typically set up to oversee rights that are owned, acquired, or distributed. They do not offer the flexibility and scalability required for organizations to compete effectively in a cluttered marketplace.

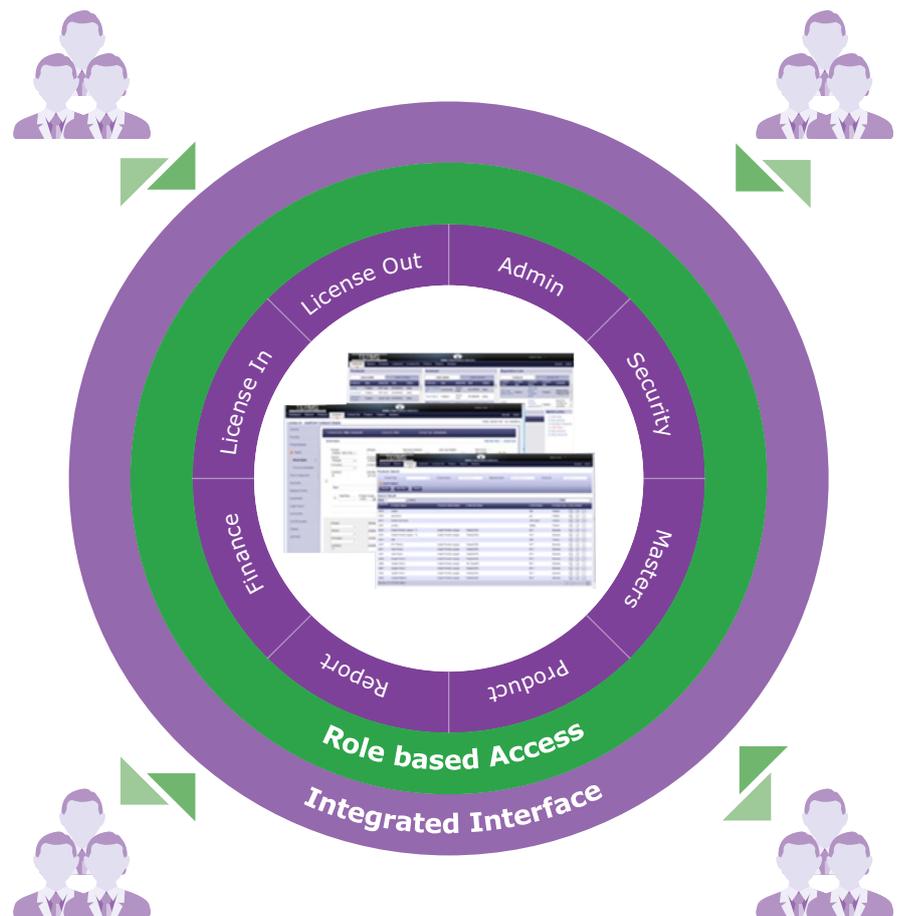
It is usually difficult to reconfigure a legacy system to factor in a subscription model. Such systems are also not capable of acting on the information pertaining to device registrations, personal video recording options, and consumption touch points.

The legacy systems were developed for the analog age. This means that they only cover 'elemental' rights dimensions like title, date, territory, and language. In contrast, the scope of rights in the digital era spans granular content 'chunks' such as segments, formats, sound tracks and clips, chapters, paragraphs, or graphics, as well as distribution platforms across countries, territories, and languages.

It is also challenging to ensure data consistency in many prevalent rights systems, where information is stored across disparate content repositories—in different forms and metadata levels. Due to this, decision makers do not get a single, consolidated view of pan-enterprise data; making it burdensome to render the assessment of distribution rights held for a given item.

Need for Centralized Rights Management

By implementing a centralized rights management system, M&E companies can effectively manage soaring transaction volumes, and the increasing granularity of content rights.



A centralized rights management system allows an organization to integrate data from various departments.

A centralized rights management system can enable robust monitoring of intellectual property rights and can yield the following key business benefits:

- **Diversified revenue streams:** Companies can integrate 'rights in' and 'rights out' on a single platform; this can help them monetize archived content for expanding their top line.
- **Increased content monetization:** Companies can eliminate data silos to oversee rights at the corporate level; thus, they can boost content leverage ratio across divisions by improving visibility into assets and underlying rights.
- **Reduced time to market:** It can provide enhanced visibility into inventory, based on an efficient rights availability mechanism; thus companies can improve scheduling speed and increase sales.

- **Higher operational efficiency:** It can help automate workflows throughout the value chain, from content tracking to rights management. This helps reduce manual dependency and errors, institutionalize process standardization for rights and contract management, and minimize legal risks pertaining to broadcasting of content for which rights are not available.

Roadmap for Effective Enterprise Rights Management

M&E companies can successfully orchestrate a centralized rights management system by following the proposed three-stage roadmap.

- **Stabilization:** To begin with, M&E companies should take stock of existing rights management processes across various business units, as well as at the enterprise level. They should also do a comprehensive analysis of prevalent workflows, associated goals and pain points; this will allow them to envisage the desired changes in business processes. Finally, they should map corresponding upstream and downstream systems to ensure alignment of the same with the enterprise architecture.
- **Standardization:** The next step is to establish an interoperable, independent content and licensing application infrastructure that would be compatible with the workflows of various business units, and foster real-time information exchange—particularly for downstream systems. Alongside, they should also design a scalable and flexible application infrastructure to support dynamic business scenarios like internal content sharing between multiple business units.
- **Continuous improvement:** As the final step, companies should continuously automate standard workflows and track and refine rights management applications, thus freeing up business users from the task of overseeing non-critical processes.

Conclusion

By implementing a fully integrated enterprise rights platform, companies will be able to integrate data from various departments, including finance, accounting, royalties, participations, scheduling, and ratings, across the organization.

They will also be able to track the performance of their acquired rights, thereby optimizing existing monetization strategies for higher ROI.

As content globalization continues to gain traction, rights management will be the strategic differentiator for companies in the media and entertainment (M&E) industry.

A robust rights management practices and systems can enable M&E companies to reach consumers faster, and more efficiently, across diverse platforms.

References

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