

A woman with long brown hair, wearing black-rimmed glasses and a black sweater with white floral patterns, is sitting at a desk. She is looking down at a silver laptop, with her hands on the keyboard and trackpad. Her fingernails are painted orange. She is wearing a silver watch on her left wrist and several rings on her fingers. On the desk, there is a tablet, a striped pen, and some papers. The background is a plain wall.

# A BUYER'S GUIDE TO BUSINESS MANAGEMENT SOFTWARE

For Media and Publishing Companies



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Read Time: 10 minutes

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## **New Demands, New Pressures**

Today's consumers expect access to content whenever and however they want: in print, on the web, on smartphones and on tablets. Media and publishing companies are under extreme pressure to meet this demand cost-effectively. Faced with diminishing revenues from traditional advertising and subscriptions, publishers know that they can't afford to invest in money-losing mediums or properties. They must find new ways to drive revenue from emerging content channels.

These pressures are reshaping the very organizational structure of media and publishing firms. There is perhaps no better example than Jeff Bezos, the man who made billions upending the publishing business with Amazon. He has turned his sights on the newspaper industry, buying the Washington Post. After years of buyouts and cost cutting, Bezos has introduced an app that delivers the newspaper to the Amazon Kindle and appointed a new head of technology. Meanwhile, Amazon has opened a physical bookstore.

## Making the Right Decisions

But the pace of change in the industry can make it hard to make well-informed decisions. Where are the new opportunities for publishers to work with retailers and how can publishers impact the customer experience with the tools at hand? As Fred Argir, the new Chief Digital Officer at Barnes & Nobles, commented at Digital Book World 2016, the opportunity is there:

“We have all the data we need. How do we mine it? How is it meaningful? How is it operationalized?”<sup>1</sup>

In this environment, how can media and publishing companies get the data they need to make the decisions that could mean the difference between profit and loss, survival or extinction? How are they going to become nimble enough to adapt quickly to market realities?

For example, publishers who invest too much in print books—only to find that readers that year prefer to access titles in digital formats—could find themselves with massive returns and unsold inventory. These mistakes lead to real-world consequences for the business.

<sup>1</sup> B&N CDO Fred Argir: “We Must Win the Mobile Experience”, Digital Book World, March 2016.

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## Chapter 1

# HOW TO EVALUATE BUSINESS MANAGEMENT SYSTEMS

### Focus on Outcomes, Not Features

Rather than giving you an exhaustive list of features against which you should compare the systems you're considering, this buyer's guide focus on outcomes—in other words, what you're trying to achieve.

Here are the six outcomes that we've found to be the most important for today's media and publishing companies:

- Gain visibility into your business to make better, timelier decisions.
- Get up and running quickly, and speed time to value.
- Streamline your order management process.
- Enable ecommerce channels.
- Scale with growth.
- Ensure a successful deployment with the right partner.

### Outcome #1:

#### Gain Visibility Into Your Business to Make Better, Timelier Decisions

Look for an integrated, configurable business platform that unifies your business processes from end to end, including financials, sales, services and analytics. It should feature role-based dashboards that can report in real-time on industry-specific KPIs, giving you complete visibility into your complete business lifecycle.

With a 360-degree view of your company and crucial business metrics, you'll be able to:

- Evaluate how your business is performing across divisions, products and geographies.
- Closely monitor content performance, as well as division profitability and performance.
- View and track advertising performance, from insertion order to invoicing.
- View subscriptions across properties.
- Manage expenses.
- Standardize forecasts.
- Determine how to invest in each product or media property to maximize revenue.

## Thrillist Media Group

Digital media company Thrillist Media Group, which offers city guides for metropolitan hubs, saw its revenue increase 50% the year after it went live on NetSuite.



### Outcome #2:

#### Get Up and Running Quickly, and Speed Time to Value

Given the accelerated pace with which the media and publishing industry moves, you likely won't have the luxury of unlimited time and money to deploy a new business management system. This is why many publishers are turning to cloud-based or Software-as-a-Service (SaaS) solutions. Compared to on-premise systems, SaaS is more economical, faster and requires less human capital.

To ensure a rapid deployment, look for a vendor that offers:

- A cloud-based, configurable solution that reduces or eliminates the need for costly custom coding scripts.
- Training curriculum customized for your organization.
- A global services team able to support international deployments.

### Outcome #3:

#### Streamline Your Order Management Process

Many publishers find themselves managing two different revenue streams: advertisers and subscribers. Look for a business management system that expedites lead-to-cash processes, optimizes workflow and helps you better control your profit cycle.

The system should:

- Track advertisements from insertion order through fulfillment and verification, and then automatically generate invoices per a customized billing schedule.
- Display reports and comparisons of ads sold and billed, fulfilled and remaining to be fulfilled.
- Integrate with other solutions you use to drive your business, such as DoubleClick, OpenAds and other ad and verification servers.
- For subscriber management, proactively manage subscriber renewals to sustain revenue and minimize churn.

## Outcome #4:

### Enable Ecommerce Channels

Even if you don't sell your products online now, you may in the future. Consider these new market realities:

- **More and more book publishers are augmenting their channels with direct sales and investing in self-publishing platforms.** Consumers may buy print books at a brick-and-mortar bookstore, or download them from a site like Amazon. But sometimes, they also go directly to the publisher to make their purchases. In July 2014, HarperCollins started selling all of its books, e-books and audiobooks directly to consumers on HarperCollins.com. Meanwhile, in May 2016, Macmillan acquired Pronoun, a self-publishing platform that, originally founded as Vook, was one of the early e-book and multimedia technology producers in the business.<sup>2</sup>
- **Ecommerce provides real-time market and demographic information.** Some publishers look at their direct channel not as their main revenue stream, but as a way to gain intelligence about their consumers. "It's not a big revenue channel," said Doug Seibold, founder of the independent publisher Agate, about its website. "But it helps us stay alert to the market, helps us to be fast on our feet."<sup>3</sup>

In its first quarter earnings for 2016, The New York Times reported it added 67,000 digital-only subscriptions and expects to have 1.5 million by the end of the year.<sup>4</sup>

Look for a solution with ecommerce capabilities that allows you to:

- Manage the entire web-to-order workflow.
- Manage content sales and subscriptions, as well as customer entitlements and subscriber self-service.
- Create consistent, engaging and personalized shopping and service experiences on any device, anywhere your customers shop.
- Tie ecommerce directly to the general ledger, with unified and recurring billing.
- Expand your online business by selling multiple brands, languages and currencies on a single ecommerce platform.

<sup>2</sup> "Macmillan Buys Self-Publishing Platform Pronoun", Publishers Weekly, May 2016.

<sup>3</sup> Reid, Calvin, "Is Selling Direct Worth It?", Publishers Weekly, July 11, 2014.

<sup>4</sup> "New York Times Co. Reports Loss as Digital Subscriptions Grow", New York Times, May, 2016.

## Outcome #5:

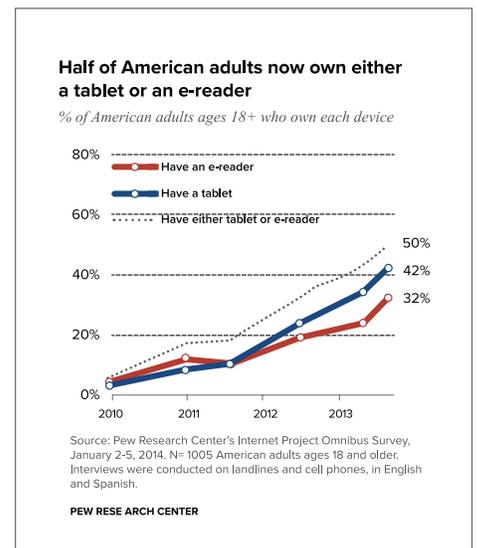
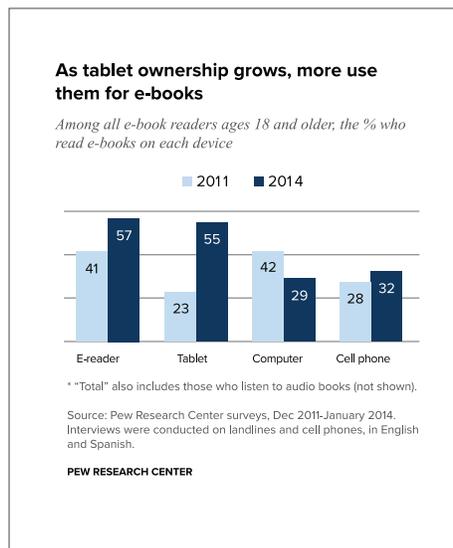
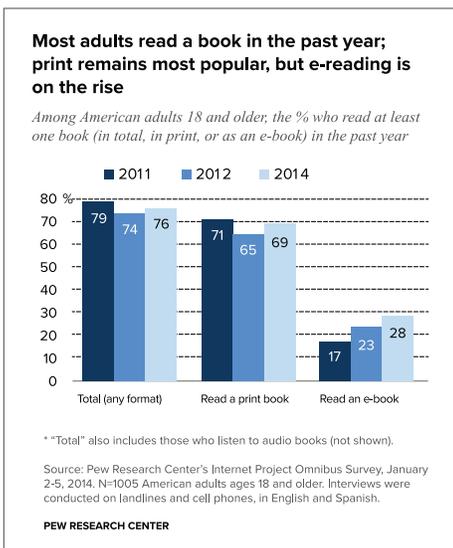
### Scale and Adapt for Growth

Newspapers are dying. Books sales are changing format. It seems as though every day, someone else is ringing the death knell of the publishing industry. Yet despite these dire prognostications, some areas remain strong, while others are simply shifting.

- 63% of Americans say they read a print book in the past year.<sup>5</sup>
- 72% of adults say they've read a book in some format over the previous 12 months—a number that has stayed level over the past few years.<sup>5</sup>
- The average American read 12 books in the past 12 months.<sup>5</sup>
- Apple reports its iBooks platform is [adding 1 million new users a week](#).<sup>6</sup>

Your business management system should be able to scale to handle rapid subscriber growth, no matter how those subscribers are consuming content. Look for a solution that:

- Enables operational efficiencies that handle growth, not hinder it.
- Offers guaranteed uptime backed by a service-level commitment (SLC).
- Can handle volume in the millions of transactions per month.
- Has data centers designed to accommodate surges and spikes in usage, and to scale to address increased volume and transactions.
- Streamlines the complexities of billing.
- Manages revenue recognition issues.
- Tracks customer entitlements.



<sup>5</sup> Pew Research Center survey, "The Number of Book Readers Dips", March, 2015.

<sup>6</sup> "The ebook is dead. Long live the ebook", The Guardian, February, 2015.

“With NetSuite, we’ve been able to keep our positioning as dedicated to the high-end yacht market, but also improve our business by expanding to new market segments, cutting inefficiencies, and more accurately tracking the needs and buying habits of our existing customers.” – **The Superyacht Group**

Outcome #6:

### **Ensure a Successful Deployment with the Right Partner**

The success or failure of any software deployment, whether it’s an on-site system or a SaaS application in the cloud, often rests with the vendor partner you choose. Look for the following:

- **Vertical focus.** The vendor should have a vertical sales team focusing on media and publishing.
- **Sustainability.** The company should be built upon a solid business model that ensures that it will be around for the foreseeable future.
- **Business continuity.** The vendor must have systems and infrastructure in place—including effective certified disaster recovery capabilities—that ensure your business will have access to its data even through multiple types of disruption.
- **Audit control.** The vendor understands and enables your need to keep business metrics easily accessible for review and analysis by auditors and potential investors, reducing your investment in internal audit systems and increasing the speed at which your auditors can access that information.

## Chapter 2

# EVALUATION WORKSHEET

This worksheet provides an evaluation framework that summarizes the key business outcomes discussed in this paper, as well as the underlying functionality that a business management system must provide to support these outcomes.

OUTCOME	FUNCTIONAL CRITERIA	RATING (0-5)
Gain visibility into your business to make better, timelier decisions	Able to evaluate performance across divisions, products, and geographies, and create the appropriate KPIs for your business.	
	Closely monitors content performance, as well as division profitability and performance.	
	Views and track advertising performance, from insertion order to invoicing.	
	Views subscription trends across properties.	
	Manages visibility into expenses.	
	Shares forecasts across role-based security levels.	
	Determines how to invest in each product or media property to maximize revenue.	
Get up and running quickly, and speed time to value	Reduces or eliminates the need for costly custom coding scripts with a cloud-based, configurable solution.	
	Offers a customized training curriculum for your organization.	
	Supports international deployments with a global services team.	
Streamline your order management process	Tracks advertisements from insertion order through fulfillment and verification, and then automatically generate invoices per customized billing schedules.	
	Displays up-to-the minute reports and comparisons of ads sold and billed, fulfilled and remaining to be fulfilled.	
	Integrates with other solutions you use to drive your business, such as DoubleClick, OpenAds and other ad and verification servers.	
	Proactively manages subscriber renewals to sustain revenue and minimize churn.	

OUTCOME	FUNCTIONAL CRITERIA	RATING (0-5)
Enable ecommerce channels	Manages the web-to-order workflow experience.	
	Manages content sales and subscriptions, as well as customer entitlements and subscriber self-service.	
	Creates consistent, engaging and personalized shopping and service experiences on any device, anywhere your customers shop.	
	Ties ecommerce directly to the general ledger.	
	Enables unified and recurring billing.	
	Allows you to expand your online business by selling multiple brands, languages and currencies on a single ecommerce platform.	
Scale with growth	Enables operational efficiencies that handle growth, not hinder it.	
	Offers guaranteed uptime backed by a service-level commitment.	
	Can handle billions of customer requests per month.	
	Maintains data centers designed to accommodate surges and spikes in usage, and to scale to address increased volume and transactions.	
The right partner to ensure a successful deployment	Has a sales team focused on media and publishing.	
	Builds on a solid, sustainable business model.	
	Ensures business continuity with systems and infrastructure that allow access to data at all times as well as certified disaster recovery processes that map to your organization.	
	Understands and enables audit control with easily accessible business metrics.	

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