

# FOCUS MEDIA FINANCE

In Nashville, the stars of the future perform day and night, and you can often even catch some of the big stars of today. America's 'Music City' was the setting for the 2010 Media Finance Focus Conference - **S4M's Eivind Sandstrand** was there and was impressed by the conference's vitality and optimism



**T**he 2010 Media Finance Focus conference was hosted by the Media Financial Management Association with the slogan "Refocus, Revitalize, Rebuild: Roadmap to Success".

MFM is a trade and interest organization for American media and broadcasting companies. Its mission is to be the premier source of education, networking, information, and signature products to meet the diverse needs of financial and business professionals in the media industry.

"We truly believe the conference signals the beginning of a revitalization of our industry and our organization", said Conference Co-Chair Dawn Sciarrino of Sciarrino & Shubert. The annual conference is only one of many ways in which the MFM helps media financial professionals find the information they need to succeed.

As Mary M. Collins, President and CEO of MFM and its BCCA subsidiary pointed out, the MFM also provides ongoing information in the form of The Financial Manager magazine, regularly scheduled Distance Learning Seminars as well as conference calls or webinars, industry guidelines, and regional seminars.

This year's conference was the association's 50th anniversary, but it

was by no means a middle-aged body that the representatives for Solutions for Media (S4M) discovered as they arrived as exhibitors on May 22nd.

## VITALITY AND OPTIMISM

Although the industry has taken its knocks over the past few years, S4M's Sina Billhardt and Eivind Sandstrand were impressed by the conference's vitality and optimism. Much like Nashville itself, which got hit by serious flooding from the Cumberland River less than a month before, the MFM members and conference attendees refuse to give up, and will always keep building and rebuilding.

S4M participated as an exhibitor for the second time and is now also an active member of the MFM Association and its committee on IT and Emerging Technologies. During the conference, S4M presented and discussed several of their solutions from a complete portfolio with other attendees, although this year the company's focus was on its solution for broadcasters who seek to increase advertising revenue and profits by optimizing spot placement schedules. Says Manfred Heinen, CEO of S4M: "Our S4AdOpt solution is a new and unique approach to the urgent challenge of maintaining advertising as a sustainable primary revenue source

“**Say goodbye to the usual classifications - focus on segmentations of lifestyle, behaviour, usage and locality**”

for broadcasters. For S4M, the MFM conference is a valuable forum to stay informed of the central issues of the industry, but also to meet with a very focused group of decision makers as potential customers.”

The challenges for the broadcasting and media industries are mounting up: multiple platforms must be managed re technology and organisation, traditional target groups diversify, local and niche interests become more important and the Internet is taking away users and revenue. To cope with all these issues is as complex as it is urgent. During the three days of the MFM conference speakers and panelists tackled these topics with passion, and new ideas and useful experiences were shared and discussed at breathtaking pace and in depth.

## ENGAGED CUSTOMERS

In the session "Pay Walls for Profit" Barbara G. Cohen suggested that you have to say goodbye to the usual classification of target groups by age or gender and to focus on segmentations of lifestyle, behaviour, usage and locality. Think about attracting customers with special interest themes, passionate niches, and local references on multiple platforms - including social media. With this strategy, you can find highly



engaged customers that will follow your content and even pay a premium because of the unique “fit” for them.

‘Multicasting’ might be a way to face the on-going diversification. In this panel, the drawbacks were well known to the panelists: costs of programming, less information and research on target groups and niche audiences, concerns about establishing a ‘secondary channel’.

But with an aggressive promotion and aligned programming to special interests and the opportunity to place spots for specific target groups, some success stories can already be told: whether it’s a very local ‘city’ music channel reporting from concerts round the corner (Cod music network), or a public TV network broadcasting only in Spanish (V-me Media), they found their niches and profited from low costs of operation.

Jim Trautman from Bortz Media and Sports Group also spoke of their success and how they had increased revenue by 10% with a niche multicast sports channel in just five years.

### INTERNET ADS

The same specific target groups are now reached with emerging media. Customers spend the same amount of time online as on TV, but only 20% of ads are placed on the

Internet, as we learned in the session on “Finance of Emerging Media”. Digital video is a rapidly growing segment, but the audience and panels all posed the question why this “channel” goes largely ignored by advertisers. Yes, it’s difficult to compare with traditional media measurements, there are billing complexities, different platforms with discrepancy resolutions, third parties and so on, but to ignore this market is not an option. Work is already underway by different trade organizations to establish standards and define terms in order to help advertisers and media work better together.

The new distribution possibilities brought new challenges and opportunities along and not every change worked. Representatives from print and broadcasting discussed the combination of newsrooms, sales and finance to sell multiple platforms. The key message from this panel – “Media Convergence – The Big Picture” – was that the seemingly converging user experience often results in an internal divergence of processes and systems. Where before vertically focused business could maintain a more narrow focus of skills, they now have to merge, consolidate, and then at the same time diversify these same resources.

▲ **Main Image:** Nashville and the Cumberland River  
**Right:** It’s all about music  
**Below:** Eivind Sandstrand

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### BUILDING ON MOMENTUM

In another session, “Restructuring Traffic”, a panel predominately from radio networks discussed the pros and cons of various set-ups including centralised, decentralised, and other forms of traffic structuring such as operating multiple stations from one location.

Although finance was a common thread throughout the sessions, other topics covered included emerging technology, media convergence, credit and collections, licensing and fights, as well as legal, HR and operational topics. Roundtable discussions were hosted by members and panels from MSO/cable companies, print industry, chief financial officers, and the Advertising Media Credit Executives Association and Broadcast Cable Credit Association.

This format of high level presentations and discussions about topics that really concern the audience seems to be the secret of the conference’s success. And MFM wants to continue that way. MFM Vice Chairman Richard Taub, Senior VP of Finance for V-me Media, who will be chairing the 2011 conference refers to the success and the optimism displayed this year in Nashville and intends to build on that momentum with a varied and exciting programme for the 2011 event. This seems to be a good attitude – so we at S4M are already looking forward to attending and exhibiting in 2011 when Media Finance Focus moves to Atlanta, May 15-17. ■

**S4AdOpt**  
 Optimized Advertisement. Increased Revenue. Guaranteed.

**Results**

**Analysis**

Starttime optimization:	17:00
Endtime optimization:	17:57
Duration optimization:	00:57
Optimized spots:	20,680
Delivery average:	103,16
Availability in %:	11.6

Horizontal & vertical spread

Quality Index

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Delivery for all theband targets

Spot length spread