

**Media Conglomerate
Internet Commerce
Case Study**

Company Background

A publicly traded media conglomerate, which operates in over 50 countries had failed to monetize its Web properties. The company owned many businesses, a mix of business to business services, publishing, and entertainment.

The Challenge

The information and media industry is facing major challenges to existing business models. While online revenues are growing rapidly, offline revenues from traditional print media and retail sales are shrinking faster. A media conglomerate recognized the need to implement a strategy to address the shift in consumer purchasing behavior. New online competitors become preferred the sites for consumers and business partners. The media conglomerate recognized that it needed to transform its business in every area from product development to corporate structure to information technology services and investments. The media conglomerate hired Edgewater to program manage that Digital transformation initiative, recommend strategic investments, and subsequently manage one of the largest transformative investments.

The following challenges had to be met in order for the company to meet its goals:

- Shift from a decentralized to a centralized organizational model
- Create financial projections for future revenue streams
- Illustrate and promote the importance of the proposed business transformation to the entire organization
- Regain consumer and partner loyalty through improved consumer-to consumer interactions, as well as consumer-to-partner interactions
- Create a customer service model for increased interaction with the end consumer
- Define a technology platform capable of providing the consumer with a cutting edge experience

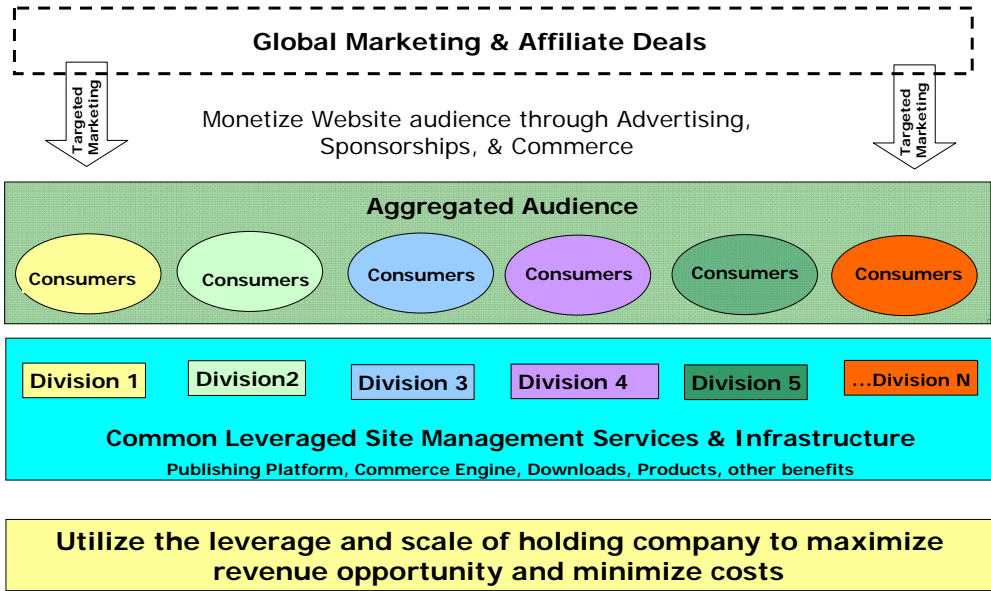
Objectives

- Re-brand the company's direct to consumer business by identifying and evaluating revenue streams
- Revamp the current E-commerce solution
- Create/Define an organization to govern the new direct to consumer business
- Centralize the direct to consumer operation
- Define a new technology platform
- Identify, evaluate, and hire technology partners

The Approach

Edgewater and the company identified new opportunities to increase revenue while supporting the industry trend of increased online sales. The company was faced with a fragmented Web environment that minimized revenue opportunities while maximizing costs. Edgewater recommended that the company re-organize their Web initiatives as a network of Web sites with a common back-end infrastructure.

Company can increase revenue and decrease costs by aggregating Websites into a managed network



The solution called for the creation of destination websites that would frequently and consistently attract consumers and partners. These sites would not only maintain consumer interest, but also provide opportunities to monetize each site visit. In order to achieve this vision, the company needed to create an organization to manage this new initiative and implement a new web-based technology platform. Edgewater worked closely with a team of internal executives to define the new organization and its operating procedures. Edgewater also interviewed all of the business units and subsidiaries to define the web platform’s functional and technical requirements. It was apparent to all involved that the media conglomerate needed to partner with a group of leading technology companies in order to implement and maintain the new technology platform. Edgewater developed a rapid program management approach to define requirements, select the best-fit partners, and launch a solution quickly. Specifically, Edgewater completed the following key tasks:

- Interviewed various individuals throughout the organization in order to identify areas of the business that could be consolidated into a centralized operational model
- Defined the organizational structure for the central unit, including hierarchy, roles, responsibilities, operating model, and budget
- Proposed that the company define, build, implement and maintain a direct to consumer (D-to-C) business that includes online sales of digital and physical products, membership services, partner products, and mobile products
- Edgewater and the media conglomerate collected detailed functional and technology requirements for the direct to consumer (D-to-C) business
- Managed the Request for Proposal Process
 - Identified potential technology partners and distributed a Request for Proposal (RFP). The RFP was separated into seven components:
 - Integration Partner
 - -9 potential Partners

- Web Content Management -3 potential Partners
- Community and Social Networking -6 potential Partners
- E-Commerce -4 potential Partners
- Site Analytics - Incumbent Partner
- Email Marketing -5 potential Partners
- Mobile Messaging - Incumbent Partner
- Facilitated the RFP response process by serving as the vendor point of contact for all RFP questions
- Gathered and evaluated all vendor responses to the direct to consumer (D-to-C) RFP
- Facilitated three rounds of demonstration sessions in which each vendor presented a solution tailored to meet the company's requirements.
- Presented the company with a final recommendation including technology/platform direction and technology partner selection
- Developed a five year revenue forecast model for the direct to consumer (D-to-C) business
- Created the structure of the Program Management Office that would be used to steer the technology deployment phase of the D-to-C initiative.
- Drafted the partner SLA's and assisted in developing contractual requirements and negotiating strategies.

The Results

The Global Consumer group received initial approval and financial funding for the implementation of the newly centralized D-to-C organization and technology platform. The new, central organization oversees the management of web content, e-commerce, internet advertising, email marketing, website analytics, and mobile marketing. The centralized D-to-C technology platform provides a premier destination for the sale of physical and digital products, partner content and products, and new vibrant communities.

Edgewater worked with the Internal team to develop a complete business plan:

Market Entry Strategy

The new D-to-C platform was targeted to deploy in three phases:

- Phase I: Deploy a small set of business unit websites with a primary focus of e-commerce and ad serving
- Phase II: Deploy flagship sites with 75% of the desired functionality, including strong community and social networking capability)
- Phase III: Deploy remaining relevant sites on the established network

Technology Platform

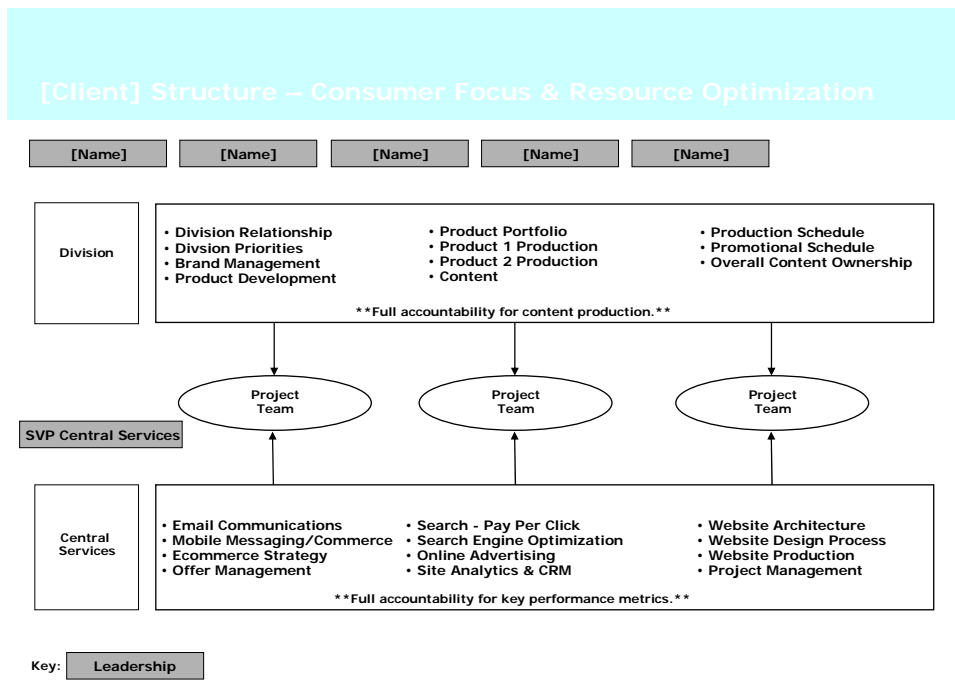
After three rounds of vendor demonstrations and evaluating potential partners, the company concluded that no single partner was able to meet all of its needs. Instead, the company decided to select a group of technology partners to develop the platform. The partners were selected as a function of cost, time to market, and completeness of solution.

Organizational Structure with resource Roles & Responsibilities

Edgewater defined the roles and responsibilities for all directors and subsequent roles that report to the VP of Interactive Marketing. The D-to-C central services group, will support the business units by creating websites, enhancing marketing campaigns, identifying additional e-commerce revenue and strategy, and improving interactions with its consumer base.

Operational Model

The operational model below depicts the working relationship between the technology partners, business partners and the company’s business units. The central services group will include a shared services organization that will deliver, maintain, and govern the business processes for the new D-to-C business. The new web-based technology platform will support all the business unites under the conglomerate umbrella.



Success Factors

The company has now established a singular, centralized internal organization, which can provide its end consumers e-commerce, web content management, internet advertising, email marketing, website analytics, and mobile marketing. The central services group with the new centralized D-to-C technology platform is distinctly positioned to offer digital products, physical products, partner content, and partner products on one platform. The key success factors related to the creation of the business and technology platform include:

- The various participants and business units within the enterprise were highly encouraged/directed by the CEO to participate in the functional and technical requirements gathering/definition exercises. There was a strong emphasis placed on business unit involvement from the onset. In fact it was made clear that the D-to-C initiative could only be successful with business unit involvement. This practice resulted with the central services group receiving, if not buy-in, at least active participation from all business units and partners, early in the project's process.
- Plentiful access to internal technical subject matter experts provided Edgewater with a deep understanding of the firm's current technology assets and deficiencies.

In addition the company leveraged several of Edgewater's expertise including:

- Edgewater's specialized focus on Media business and market strategy consulting which was implemented by a veteran consulting team with extensive experience with media and end-user clients.
- Media & entertainment, e-commerce, and internet technology industry experts who possess in-depth knowledge and experience with Media products and markets.
- Extensive experience performing Technology Evaluations of complex process and systems
- Expertise in merging business and technology requirements to create and tender extremely detailed RFP's. Then manage the complex process of governing vendors as they respond and objectively evaluating each vendor's response.
- Core competencies in program management, project management, and business analysis
- Proven track record in helping organizations implement complex enterprise-wide technology