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Warner Bros.
Entertainment

Undertaking a journey to the end-to-end digital future of Media & Entertainment — in partnership with Accenture

Warner Bros. Entertainment — a household name among consumers and industry leaders the world over — is a global leader in the creation, production, distribution, licensing and marketing of all forms of entertainment. A Time Warner Company, Warner Bros. is a fully-integrated, broad-based entertainment business that stands at the forefront of every aspect of the entertainment industry, from feature film production to film distribution, from home video/DVD to cable, from comic books to feature animation, and from interactive gaming and entertainment to product and brand licensing.

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"We have a vision... to create a seamless infrastructure that will allow technology to integrate and streamline many of the time-consuming steps and procedures inherent in film production, post-production and distribution. This will allow our people to focus on the most important creative components in the process and will also minimize the number of times material has to be re-processed, maintaining the highest possible quality from the initial creation all the way through to the very last user."

Chris Cookson

President of Warner Bros. Technical Operations

Warner Bros. Entertainment

In addition to its long-standing position as a high-performance business in its industry and pre-eminent global creators of all forms of content, Warner Bros. has a history as an innovating pioneer in new ways of distributing and consuming content. It has been responsible for inventions ranging from the first talking picture to much of the technology for DVDs, and also led the industry's foray into the DVD sell-through market. Given this track record, it is hardly surprising that the company was among the first in the industry to grasp the full disruptive power, potential and implications of digital technologies. Its view was summed up by Chris Cookson, President of Warner Bros. Technical Operations, when he commented: "The future entertainment environment will be digital – from end-to-end."

In the future envisioned by Warner Bros., digital content of all types will be created, stored, shared, and accessed quickly, efficiently and securely across all its operations and by each member of the content value chain. Warner Bros. knows that companies able to achieve this are likely to become the winners in the newly-evolving digital environment,

whose drivers and dynamics are becoming clearer by the day.

However, it also knows that it cannot make the transition to the digital future overnight – especially given the global scale of its operations, the complex and fast-moving nature of the entertainment industry, and the scale of the challenges facing today's players. Again, the winners will be those companies that can profitably serve their emerging digital markets while continuing to progress towards the long-term transformation that is needed. Accenture's research has identified the traits of high-performance businesses. Among the findings: high-performance businesses create decision-making structures, processes and cultures that result in superior ability to accelerate insight to action, unleash the organization's energies and capabilities, and manage the balance between today and tomorrow.

Warner Bros. knew its solution to the challenges of going digital must be sufficiently flexible to maintain its business responsiveness and agility, while also allowing for fine-tuning and course changes as the digital marketplace

emerges. All these factors mean that the race to the digital future is not a sprint, but a marathon. As its strategic partner to help it map out the optimal route and ultimately arrive at its digital destination, Warner Bros. has chosen Accenture.

Business challenges

In 2001, Warner Bros. recognized that traditional ways of storing and sharing content, and the informal and labor intensive distribution networks that supported them, could be transformed into a single, totally integrated digital operation. It could see that the way forward was to transform its core media production and distribution capabilities into a single, totally integrated digital operation. Accomplishing this feat would make Warner Bros. one of the first studios in the world – if not *the* first – to move its entire film and television production, post-production and distribution to an entirely digital end-to-end-process.

At the same time, several challenges and catalysts were converging to usher Warner Bros. towards a fully digital environment. One was that user groups across the business were already working in discrete digital “islands,” but with little interconnectivity or

integration between them. Other imperatives included mounting cost pressures and shrinking release windows. Perhaps most crucially, the emerging digital ecosystem was causing a proliferation in the distribution channels for the company's content, while simultaneously multiplying the scale of piracy's threat to its core business.

So there was a strong business case for change, with clear demand from most business units across the corporation. Appropriate technical solutions were also emerging in the shape of file-based solutions. But while the destination was clear, major hurdles had to be crossed first. Warner Bros.' pioneering digital ambitions would take it into territory that was as yet uncharted by any Media & Entertainment business. How would it build the architecture, workflow, operating model and organizational structure to get there?

Warner Bros. selected Accenture to accompany it on the road to its vision – a decision that marked the start of a mutual multi-year, multi-stage journey towards creating the world's first high-performance, digital Media & Entertainment business. It is a transition that is being powered by

the Accenture Digital Transformation Framework, and that has already delivered many transformational benefits.

How Accenture helped

Since 2001, Accenture has worked in close partnership with Warner Bros. to realize its vision of the seamless digital future. To balance the need for transformation with the demands of business as usual, Accenture partnered with Warner Bros. to develop a phased and measured approach. This involves planning and executing a series of targeted solutions, each of which builds and expands on the success of its predecessors. This approach has enabled the underlying concepts to be trialed, tested, proven and then taken forward elsewhere in the business, all with minimal disruption. As a result, the momentum of change is building all the time.

The first success was the design and implementation of the Media Asset Retrieval System (MARS). This is an enterprise-wide digital asset management system that

tackles the formidable challenge of storing, accessing, managing and distributing Warner Bros.' huge and extremely valuable archive of advertising and publicity materials. Today, MARS provides a single, secure and traceable end-to-end source for more than 4,500 internal users across 18 Warner Bros. business units, and for more than 30,000 external vendors and business partners. It houses more than 1,000,000 assets and serves more than 110,000 downloads per month.

The major benefits delivered by MARS — including a new level of supply chain control and integration, lower costs, greater speed and higher security — gave an early taste of how embracing the digital future could boost performance at Warner Bros. The next phase involved Warner Bros. partnering with Accenture on a comprehensive assessment of all its operations, examining its end-to-end creation, management and distribution of TV and film products, and identifying opportunities to streamline and integrate processes and migrate to a fully digital environment. The analysis also highlighted exposure points in terms of piracy and security, and enabled the development of mitigation strategies spanning key elements from innovative technologies through to human performance.

Again, Accenture partnered with Warner Bros. to apply a measured step-by-step approach. The first area chosen for transformation was Warner Home Video, which releases up to 400 movies a year across the world on DVD. Each movie involves a complex production process using multiple third-party suppliers for services such as menuing, subtitling and enhanced content.

Each of these suppliers requires a different version of the content to work on, and each copy must be secured and watermarked to prevent piracy. After a detailed analysis, Accenture developed a point solution that replaced and automated the existing labor-intensive process, saving time and money while improving security and supplier relationships.

This success was then carried forward into stage three: creating a roadmap to migrate Warner Bros.' entire operation to an integrated end-to-end digital environment. This meant taking the approach already proven with MARS and extending it across the entire lifecycle of the company's digital assets. Warner Bros. calls this fully digital supply chain Digital End-to-End (DETE) — and, having demonstrated the business case and created the blueprint, Accenture is now partnering with Warner Bros. to take the same measured approach as in previous phases, migrating components over time with a view to having the entire environment operational by 2010. The new structure will bring Warner Bros. the scale needed to serve an expanded set of distribution channels in a way that strengthens customer relationships, improves delivery efficiencies over time, and provides stronger security for copyrighted content.

High Performance Delivered

Migration to a fully digital environment via the DETE project will deliver a host of benefits for Warner Bros. At a strategic level, it will equip the company with the tools and processes it needs to tackle the two most pressing issues facing the entertainment industry today: the proliferation of business and distribution channels and the threat of piracy.

As well as addressing these challenges, DETE will deliver internal process benefits enabling Warner Bros. to save significant costs, reduce time to market and profitably service emerging distribution channels, while also opening up a host of opportunities and options — many of them as yet undreamt of. In summary, migration to the fully digital environment will justify the related investment through the resulting savings alone, while freeing up Warner Bros. to focus on the creative innovation that truly differentiates its business for billions of consumers worldwide.

Such distinctive capabilities are one of the three building blocks of high-performance businesses as identified by Accenture research. Another building block is market focus, which Warner Bros. also demonstrates. Thirdly, high-performance businesses maintain a strong capability-based perspective in their strategies, which they show in their market-maker mindset and achieve remarkable clarity when setting their strategic vision.

Warner Bros. is on a journey to become the high-performance digital entertainment business of the future. With Accenture's help, the destination is not just in sight, but within reach. The outcome promises to be Warner Bros.' greatest blockbuster to date.

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