

Publication Media Services Industry Sector

With the world of print media facing unprecedented challenges, seismic shifts need to take place in many areas of magazine, newspaper, and book publishing, particularly with regard to the amount of money spent to create content and produce publications. By defining innovative transformational alternatives to current operating models, Sylvan has allowed its publishing clients to achieve greater efficiency and flexibility in their business operations.

Background

The Sylvan Media team has proven that there are innovative operating strategies available to Publishers, that will ensure that their business can thrive in this marketplace. Chief among those strategies are:

- Streamlining the content development process, while not compromising quality
- Reducing costs by taking advantage of an enhanced network of lower-cost resources, located both onshore and offshore
- Leveraging next generation technologies to optimize research, analytics, editorial editing, and publication layouts
- Aligning the publishing process with the needs of the Sales department
- Transforming the back-office business functions (I.T., Finance, Human Resources...) to be more streamlined and cost effective

Benefits

Publication Media firms have attained first-year cost savings that range from 32%-58% over their previous operating costs. By virtue of the full life-cycle approach, these cost savings have been directly attributed to the ability to provide services from low-cost geographies. These firms have also experienced a return on their initial investment (ROI) that ranged between 3 months and 12 months. Media companies can custom tailor a solution that can achieve 48-72% in operational cost reduction, while providing the required flexibility for the organization to scale up or down, based on the varying needs of the business.

In all cases, the quality of services being provided has equaled or exceeded the previous service levels within the first year of operation.

Business Challenges

Media companies are experiencing tremendous margin pressure as a result of decreasing readership and evaporating advertising sales. These organizations are confronted with the need to reduce costs in order to maintain an acceptable level of profitability, while not eroding their ability to continuously drive new revenues. Cost cutting through layoffs has served to temporarily maintain margin performance, but has also provided the first step in an imminent downward spiral.

Experienced management teams are now considering the use of low-cost service providers as a method for reducing operating costs, while still maintaining the resource capacity that is required to perform revenue generating activities. These same management teams are also interested in exploring the outsourcing of all back-office business functions, assuming there is at least a 30% cost savings, with no associated decrease in the quality of services.

Approach

Sylvan brings a unique perspective that emphasizes the need to transform the business functions from end-to-end, in order to truly improve the processes and reduce environment complexity.



Contact Information

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About Sylvan VI

Formed in 2007, with its founding Partners coming from Big-5 consultancies, Sylvan Advisory represents a unique mix of buy-side and sell-side experiences, that is supported by deep industry, financial, and technical knowledge. With its headquarters in New York City, and satellite offices in Los Angeles, Atlanta, London, Amsterdam, and Singapore, coupled with a history of having conducted business in 43 countries, Sylvan is well-positioned as the premier global provider of value-creation services.

Case Studies**A b2b magazine publisher**

A b2b magazine publisher with over 40 magazine titles was able to achieve a 41% reduction in production cost, over a 5-year period, by the implementing a series of technology improvements and leveraging a variable workforce of onshore and offshore resources as part of their pre-press functions. In addition to these significant cost reductions, the operations gained improvements in cycle-times for magazine production runs, as well as increased levels of accuracy, and an overall improvement in the quality of the magazines being published.

A consumer magazine publisher

A consumer magazine publisher, with 3 major brands, transformed their editorial process by driving efficiency through their workforce, and leveraging a variable workforce model. As a result, this Publisher was able to reduce its annual editorial costs by 68%. As a residual benefit, this Publisher also experienced an improvement of the overall magazine's content, visual quality, and timeliness of content delivery. The Publisher has also experienced an 11% growth in newsstand sales revenue.

A leading international newspaper and communication company

A leading international newspaper and communication company, with over 200 newspapers and magazines, was able to reduce its annual production costs by 52%, by implementing a variable workforce of onshore and offshore resources within their pre-press, web based services, and advertising sales functions. Through implementation of technology improvements and changes in the process, they were also able to drive an additional 5% in editorial cost efficiencies.

A multi-media and communication company

A leading provider of Newspapers, Magazines, Books, Radio stations, Television Stations, and Billboards, was able to reduce its annual operating costs by 32%, by consolidating its backoffice business functions into a Shared Services Center, and then outsourcing the Center to an offshore-based BPO service provider. The transition of services was successfully completed within 6-months, and required no additional investment in order to reach steady-state.

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