

DAM AS SAAS 2.0: MONETIZING THE CONTENT LIFECYCLE



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"We Accelerate Growth"

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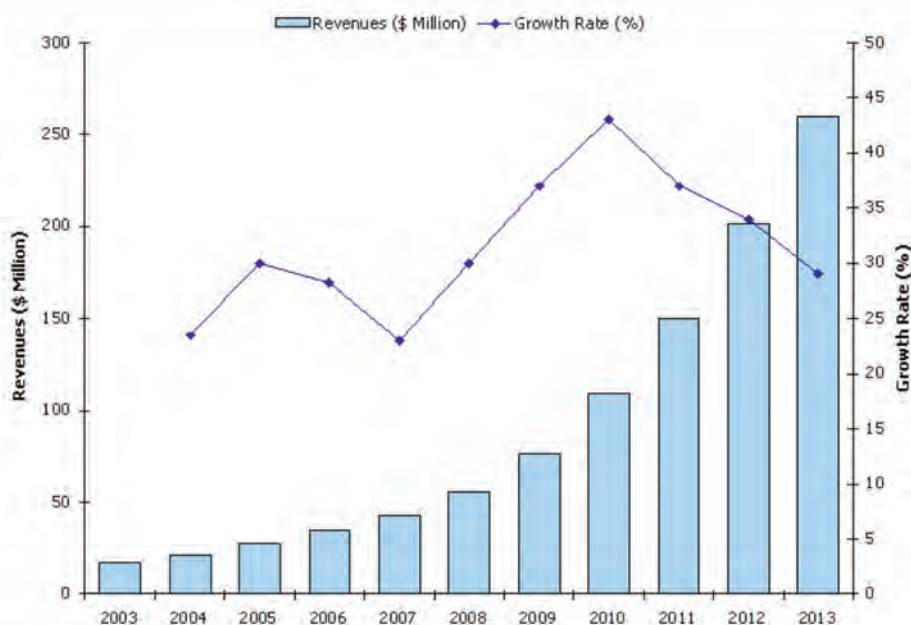
MARKET OVERVIEW AND CHALLENGES

Digital Asset Management (DAM) has evolved tremendously over this decade and has spawned the emerging model of DAM as Software-as-a-Service (SaaS). DAM as SaaS has not only capitalized on the value proposition of the overall DAM market but also brought to the table some very compelling benefits that are unique to the SaaS model.

The value proposition of DAM is based upon eliminating the cost of lost or misplaced work, cycle-time acceleration, workflow integration, collaboration and maintaining brand integrity. Using the SaaS model for DAM, customers not only get the above mentioned benefits, and in some cases, faster than through an installed deployment, but are also able to free-up valuable internal IT resources to do other productive tasks. Extensive Service Level Agreements and negotiated contracts also ensure continued stability of the business process with guaranteed up-time and the ability to bring the solution in-house if needed. Software updates are also provided on a continuous and iterative basis.

These factors have helped propel the DAM as SaaS market to grow at much faster growth rates than installed solutions. As seen in the revenue forecast chart below, based on Frost & Sullivan's latest analysis, this market is expected to grow at a very aggressive compound annual growth rate of well over 30 percent, and achieve revenues totaling over a quarter of a billion dollars by 2013.

Digital Asset Management Software-as-a-Service (SaaS) Solutions Market:
Revenue Forecasts (World), 2003-2013



Note: All figures are rounded; the base year is 2006. Source: Frost & Sullivan

Though the increased use of digital media is a boon for the DAM vendor community, it is also a double-edged sword creating some significant challenges that have emerged due to the rapid proliferation of digital media.

Increasing File Sizes and Bandwidth Constraints

Apart from the increased creation and use of digital media, the average file size of content is also increasing. To take the example of images, both the file size and the pure number of digital images taken have steadily increased each year. This is true for almost all media types from text to images and audio/visual content. The emergence and popularity of high definition video has been further fueled by the availability of numerous devices to receive content. This burgeoning demand has created a huge infrastructure challenge. High resolution images and video are storage and bandwidth intensive.

Coupled with the sheer increase in the amount of content being created and shared, this has created a tremendous strain on the existing delivery infrastructure, both upstream and downstream. Creative and marketing departments now deal with an increasing amount of media types. A lot of the marketing collateral that is created has many different versions that need to be collaborated on during the production process. Internal and external stakeholders to the content need access to it in real-time. These processes create serious bottlenecks in the delivery mechanism as most corporate infrastructure has not been setup to deal with high volumes of high resolution content. Such scenarios impede the ability of marketing departments to be nimble and react to market dynamism.

Integration with Content Workflows

A serious challenge facing organizations is the ability to integrate their content workflows with the DAM system. The DAM market is fast growing and highly lucrative. This has prompted many vendors to enter the DAM market with solutions that merely provide basic indexing and search the DAM system. The DAM market is fast growing and highly lucrative. This has prompted many vendors to enter the DAM market with solutions that merely provide basic indexing and search capabilities. By definition a DAM system is a solution that enables the ingest, archival, search, management, repurposing, sharing and cross-platform publishing of content in a seamless, collaborative and secure environment which is easily integrable with other third party systems within the content workflow spanning the asset lifecycle from creation to delivery.

Many solutions that claim to be DAM at best provide some superficial integration ability if any with some of the tools of the content workflow. In most cases there are no APIs that are built into the other tools of the content workflow. For example, a person in the IT workflow looking for product images to post to the company web server would first look for the piece of content within the repository, save it locally and then re-upload to the web server. This creates needless latency and contributes to a lack of control of the asset, thus prolonging the process, and creating a greater risk exposure to a process that can be easily handled within the DAM systems through a Web Services framework.

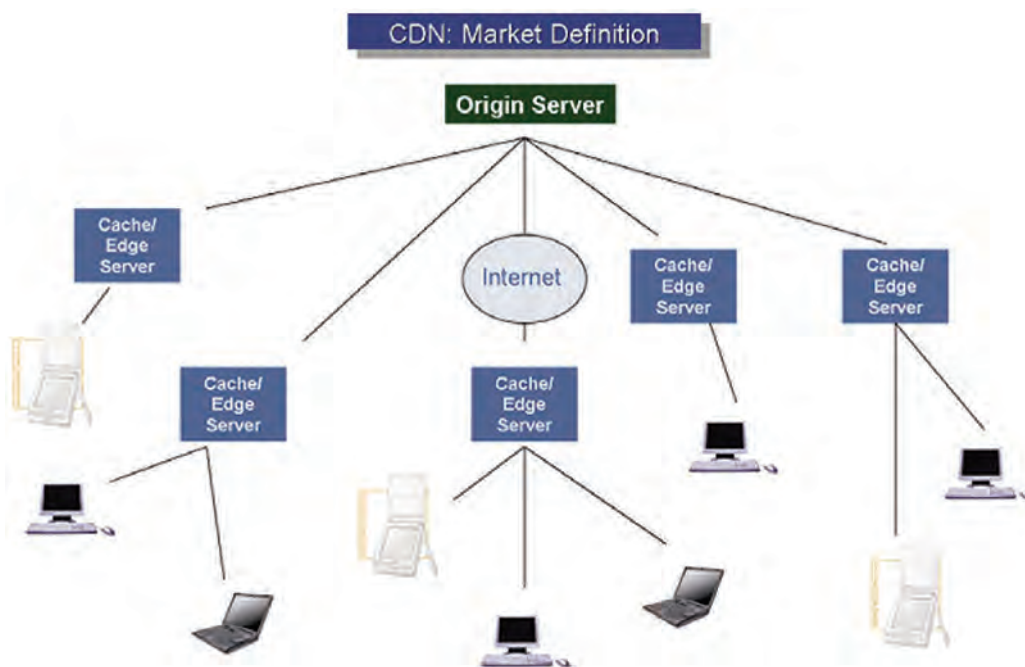
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Lack of Approval and Routing Processes

Another major issue facing most marketing and creative departments is the lack of any coherent approval or routing process. These processes are manually driven and require a lot of human intervention to keep track of what assets are sent to whom for approval and then manually entering the received comments into the system. This again creates a lot of process latency and exposes the workflow to a higher degree of human error.

DAM AS SAAS 2.0 TO THE RESCUE - THE WIDEN SOLUTION

The DAM vendor community is proactively trying to address these challenges. Widen Enterprises has been quick to realize that the best way to address the bandwidth issues caused by increasing amounts of high resolution content was to put a node between the customer and the host server. This is very similar to the well established Content Delivery Network (CDN) architecture used to ease traffic over the Internet.



Widen has been very innovative in using the same underlying principle of moving content as close to the end-users as possible without imposing burden on the originating content server.

The Widen Appliance

The Widen Appliance brings digital assets closer to the departments creating and using the digital media. The Appliance is an on-site hardware/software combination managed by Widen within the SaaS architecture. Widen manages the on-site service used in tandem with its hosted services

(Widen Collective) to enable a fully replicated set of digital assets in different geographic locations supporting multiple creative operations and business continuity plans.

Internal designers, marketing staff, and administrators can search and find files in the web-based Source Controller interface to the Widen Appliance and check these files out into their own local workspace. When changes are made to a file, it can be checked back in through Source Controller to update the file in the master asset repository. Therefore, the most current asset is available to all users internally and externally as soon as it is checked in.

File Management and Synchronization between the Widen Appliance and Widen Collective applications is automatic. Assets in the Source Controller application for the Widen Appliance can be opened directly in Adobe Creative Suite and QuarkXpress. The Source Controller user interface can support multiple Widen Appliances for installations located in different geographic locations.

The customer does not have to worry about maintenance of the Appliance as Widen maintains the responsibility for maintenance and upgrades. This model helps with creating efficiencies on the creation-end upstream enabling the creative and marketing department knowledge workers to work at network speeds while the SaaS model supports global demand for digital media downstream accelerating the entire workflow and eliminating bottlenecks.

In addition, Widen has created more modules to better address the end-user market needs. These enhancements include:

Content delivery networks or CDNs emerged in the late 1990s as a piece in the Internet value chain combining hardware and software technologies to ease traffic congestion and handle peak usage. CDN vendors have established infrastructure comprising data centers, central access points and a wide network of servers in various regions that catalyze the delivery of content from the source to the end-users. The edge servers cache and distribute the most accessed content from the source. The CDN service then involves processing a request from the end-user and directing it to the server most proximate in the geographical network instead of routing it to the original server. This helps serving frequently requested content and reducing bottlenecks in the Internet delivery. This in turn reduces time latency, and helps content providers to manage and monitor their end traffic usage.

Photography Workflow Management

Web-based photography workflow management allows photographers and/or corporate marketing departments to route photos for comment and approval. Images are delivered automatically to clients in the formats and sizes needed for immediate approval and feedback. Integration with Widen's Digital Asset Management system provides creative teams a single point of entry for review, comment, and distribution of images.

This eliminates repetitive administrative tasks in routing and approving images and streamlines time and resource intensive processes through automatic routing and ondemand file conversions. This enables users to share images with clients immediately via the web across multiple geographic locations thereby accelerating cycle time considerably.

Project Collaboration

Project Collaboration is a web-based document approval application for routing documents to multiple individuals for review, comment, markup and approval. The online application consolidates all reviewer comments in one central location with time-stamping on all actions. Automatic email notifications trigger tasks for selected users to review each version of the project by a set deadline. Final versions can be released into the digital asset library.

This process improves communication by allowing multiple stages of the approval process to take place simultaneously while enforcing greater accountability with automatic email triggers and tracking of all activity in one location. This is significantly faster than traditional email routing and no attachments are sent thus eliminating clogging of email servers and easing storage concerns on the desktop while eliminating printing and delivery costs. This again accelerates the approval cycle time.

Dynamic Media Building

Dynamic Media Building provides self-service promotional resources to sales channels for creation of localized promotions from a menu of brand-approved marketing content. Users point and click to populate printable media templates with predetermined images and text options. Printable media types include ads, brochures, direct mail, point-of-sale displays, sell sheets and proposals. The application pulls high-resolution photos and logos from the digital asset library. Text options can be pre-configured or allow users to enter their own text. Document previews are generated during every step of the build process. Users receive a print-ready PDF file in the end and have the option to deliver the file with print specifications to their preferred print vendor.

Dynamic Media Building enables sales channels to co-brand materials within brand guidelines and also enables the creation of professional quality media online without design expertise or creative software. The solution automates repetitive graphic design processes. Corporate campaigns can be extended through the repurposing existing assets thus providing a higher ROI.

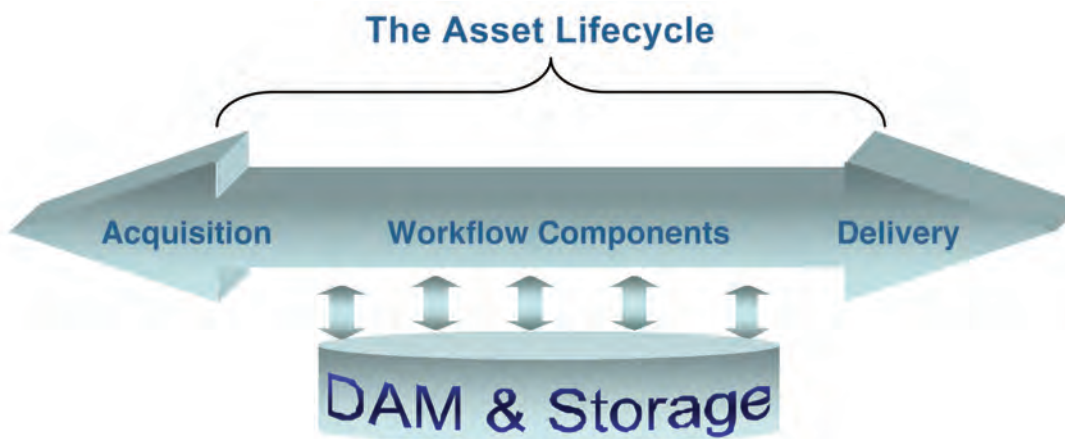
Web Services

Widen Web Services enables multiple systems to work together to accomplish departmental and organizational objectives. Widen technology operates as a platform to integrate with technologies that complement digital asset management. This full breadth of software services enables marketing and creative teams to be empowered through a seamless integrated workflow from a single point

of entry to a collection of best-in-class software technology and resources. Customers can now leverage the core competencies of multiple software applications through one window.

REVISITING REEBOK – MAPPING THE ASSET LIFECYCLE TO PRODUCTIVITY

The Sports Licensed Division (SLD) of the adidas Group, which includes Reebok and adidas brands for licensed apparel, provides a classic case study to see how an asset's lifecycle can be managed from creation/acquisition through to delivery.



Since deploying Widen's DAM solution, SLD has seen all sorts of benefits that include:

- A significant increase in requests for digital samples rather than physical samples that has helped eliminate a lot of traditional costs
- Increased collaboration and significant decreases in time-to-market
- Increased new revenue generation by empowering field sales with up-to-date content in real time

Today these benefits are manifested across the entire life-cycle.

Content Creation/Acquisition:

Widen has deep roots in the prepress industry. This strong legacy is brought into play through Widen's photography services. The digital sampling process begins by photographing items.

Content Repurposing:

Prepress operators create base assets from which colors and graphics can be applied to create digital representations of physical products that in many cases have not even been created yet. For example, from one photograph of an NFL jersey, Widen can create all 32 teams, home and away, for each player in the snap of a finger.

This is a significant cost and time saver for companies that are looking at building branded marketing collateral for similar products or just virtually testing the marketability of a product idea.

Before deploying DAM, Reebok (now part of the adidas Group) had the NFL account with 32 teams and 10,000 to 15,000 images. Reebok would produce 30 to 40 physical samples which were sent directly to retailers. These samples were prone to getting lost and Reebok's bills to the recipients would rarely get paid. Reebok's staff was small, and not experts in managing digital assets.

After deploying DAM as SaaS through Widen, SLD has been able to scale and add the NBA, MLB, NHL, and NCAA, including 600 to 700 teams and now over a whopping 200,000 thousand images. SLD at an average now saves \$50 to \$60 per image for a physical sample that then does not need to be produced. Adidas' customers in turn are also saving roughly \$100 per image that they use versus producing it themselves from a physical sample.

Content Storage:

After prepress services are complete, the images are uploaded to the Digital Asset Management system and tagged with Metadata. Widen hosts six different Widen Appliance locations throughout the United States with fully replicated sets of data enabling onsite designers to work at network speeds.

This repository acts as the nerve center through which content is checked in, stored, managed and checked out. This eliminates the costs associated with mundane and unproductive activities such as searching for assets which in a traditional siloed environment might well be misplaced or worse - lost.

SLD's SKU base has expanded from 100,000 in 2002 to over 600,000 in 2007. The company has seen a huge decrease in requests for physical samples, while seeing an explosion of requests for digital samples. The SLD deployment of DAM as SaaS is a great example of how a company with a critical need has been able to maximize value and minimize cost.

Content Delivery:

Some of the largest online retailers in the world, like Eastbay, Dick's Sporting Goods, and The Sports Authority get their images from the SLD Media Collective Digital Asset Management system hosted by Widen. Brand integrity being a paramount concern with a company like adidas, the system as described makes it easy to get adidas and Reebok brand approved imagery and other assets, maintaining a consistent look and feel across multiple on-line and catalog vendor channels.

In 2007 with over 600,000 SKUs, Reebok was looking at a third of that or 200,000 digital samples that were downloaded. If they were still working with physical samples that would have meant a \$10,000,000 cost to SLD and an additional \$20,000,000 cost for their customers.

If it wasn't for the DAM as SaaS system deployed by Reebok, the company would not have been able to cope with this sort of demand.

SUMMARY AND CONCLUSIONS

The management of assets spans the entire content lifecycle from creation through delivery and is not a point solution. The value proposition of a properly implemented DAM system is immense and includes:

- Elimination of the cost of lost or misplaced work
- Cost savings on real estate by moving to digital storage instead of physical archives
- Cost savings through the elimination of maintenance of physical archives
- Cost savings through the elimination of physical delivery
- Time reduction in the business process through accelerated search and retrieval, and increased real-time collaboration of assets
- Reduction in time-to-market through digital delivery
- Repurposing of content
- Repurposing of saved resources

The value proposition is no leap of faith but has been proven time and again through deployments like those at Reebok. To remain competitive organizations across verticals are clamoring to build efficiencies. This has changed the customer perception of DAM from "nice to have" to "must have".

The ability to now provide an essential tool like DAM through a Software-as-a-Service model further augments the flexibility that this solution provides. Customers need not go through the integration pains or deployment delays that plague installed solutions. Through SaaS customers can start reaping the benefits of DAM in a matter of weeks than months. The scalability of these solutions allows these benefits to be reaped not only in the SMB space but across organizations of all sizes - across vertical markets.

With digital content being ubiquitous across all manner of organizations the role of effective Digital Asset Management has become that much more important making the DAM system the nerve center of any workflow. DAM not only allows management of an organization's digital assets but is also the hub that integrates traditionally siloed systems together into a seamless workflow.

As technology continues to evolve organizations need to be cognizant of emerging needs and future-proof themselves to stay relevant and competitive using the tools that empower their processes. With increasing burdens placed on internal IT departments, DAM as SaaS is just what marketers have been wishing for. It not only allows them to be active and nimble but also frees up valuable IT resources. The keepers of corporate branded assets are finding themselves in good hands with SaaS DAM.

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