

M+E

JOURNAL

# Charting the Metaverse

The metaverse will prove transformative for M&E. But only when the entire industry gets on board.

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# THE ONLY CONSTANT IN THE CONTENT INDUSTRY IS CHANGE

How do we manage the impact change will have on the human effort?

**ABSTRACT:** “No data system will ever be perfect with human behavior presenting the biggest security risk,” said Dr. Eric Haseltine, chairman of the board for the U.S. Technology Leadership Council. This comment has a deeper meaning when you look across the technology landscape at any film studio, production house, or streamer. Between all the AI, technology engineering, and ERPs it is the human involvement that will make or break a company’s ability to transform, innovate, and scale. Implementing, upgrading, or enhancing an ERP system all starts with Organizational Change management assessment if you want adoption.

**By James Maysonet, Vice President, Global Media, Entertainment, and Alli Onni, MSC, Organizational Change Management Practice Director, invenioLSI**

Here is an immutable fact: the media and entertainment industry is purely driven by humans.

Humans create content, bring it to market, consume it and profit from it. What surprises us to no end is, why are people a secondary consideration when it comes to new technology, mergers and acquisitions, and corporate realignments?

As Dr. Eric Haseltine, chairman of the board for the U.S. Technology Leadership Council said, in a lecture to the Content Delivery and Security Association (CDSA) on Dec. 4, 2019, “No data system will ever be perfect with human behavior presenting the biggest security risk.” This comment has a deeper meaning when you look at any film studio, production house, or streamer across the technology landscape. At the core of all AI, technology engineering, and ERPs is the human involvement that will make or break a company’s ability to transform, innovate, and scale. If one wants to achieve adoption of any implementation, upgrade, or enhancement of an ERP system it must deal with human users and

Co-create the foundation with the integrated executive team

Create the new organization and build a new culture for it that supports the synergies between the old organizations

Recognize that all mergers and all people employees in a merger or are not the same.

human groups and organizations. A systematic approach to dealing with the human element of every technology project or initiative is what practitioners call Organizational Change Management.

Every major media conglomerate, streamer, and studio has undergone changes in technology, processes, or mergers and acquisitions, and each has had a significant impact on their business. Organizational Change Management is often not top of mind at the C-level of companies but, time and time again, it has proven to be at the foundation of a company's success or failure to adapt and grow.

In the last decade, there have been many mergers and acquisitions; most recently, Amazon Studios is merging with MGM, and Warner Bros. with Discovery. We once wrote "M&A no longer means 'mergers and acquisition.'" To many in the rank and file it means, 'more anxiety.'" More than 20 years later, we still believe this statement holds true, and we have had our fair share of both being acquired and working within the acquiring company. What is common across most companies we've worked with, is that they do not have technology issues; most companies suffer from culture clashes and psychological change management challenges. These are then followed by technology adoption issues. It is the people in any organization that will make or break the commitment to the investor's goals of advancement. Smooth integration starts with alignment

across the organization's impending change.

Alignment within an organization does not automatically follow when marching orders from company leadership are received. It is something that requires attention at every level in the organization and must permeate company culture. Employees should know where they stand, how the changes impact them, how their work affects the rest of the organization (upstream and downstream), and where the company is headed with the changes. As a bonus, this knowledge, when provided openly and sincerely, improves employee morale. People want to feel good about what they do for a living — they need a sense of purpose and want to make a positive contribution to the overall goals of the company. When company goals are being communicated and executed at all levels of the organization, especially during changes to structure, technologies, and processes, employees can demonstrate overall job satisfaction.

When planning for organizational change, a recipe for success is required, of which there are three main ingredients:

1. *People-centered approach*
2. *Leadership*
3. *Communication*



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## Leadership points to consider

Change management is not a HR set of activities or a PM set of activities

Include dedicated CM roles on that M&A team/integration team

Set up an integration management office

### PEOPLE-CENTERED APPROACH

The methodology used for delivering on M&A deals or implementing large information technology projects, has a significant impact on the outcomes generated and ultimately the value delivered. The more people focused on the approach, the more likely the deal is to fulfill its potential and, more specifically, its obligations to shareholders. It is time to be ruthlessly people-focused and transform the approach from a series of transactions and milestones to a transition with markers and signposts.

Here are some of the key considerations for a people-centric approach in M&A. It all starts with leadership and making some crucial decisions: First, in this deal are we going to actively co-create a new organization that is complete and whole or are we going to co-manage separate organizations that are loosely integrated outside of key operations and financial reporting?

With that decision made, the focal point for change management is to identify the stakeholders, understand their motivations and attitudes, determine what changes they will be impacted by, identify what will help them adapt, and deploy an interactive communications and involvement campaign to ensure that both organizations understand the value they generate. As Aristotle said, “the whole is greater than the sum of its parts.” Both organizations need to “get to know each other” for the vision of the new “whole” to take root and make sense from the perspective of personal investment.

### LEADERSHIP

Leading change in the merger and acquisition space means driving to a foundational operating model that is defined in enough detail to be translated into culture and communication. People need more than a vision. They need a high-level road map to understand the journey they are on. The context that leadership fails to provide is fair game for employees to invent for themselves. Being people-focused in your approach means recognizing that change management starts before the deal is announced and continues long after closing.

### COMMUNICATION

Communication is the most crucial part of the integration process and needs to transition quickly away from the language of the M&A world. M&A language is not easily compatible with the language of culture or relationships. M&A uses words like target, absorb, and optimize. We hit targets and we shoot at targets. People do not want to be absorbed. They want to know how they fit into the new model. The importance of using a people-friendly dialect in early messaging is a common oversight that quickly sets an organizational tone of suspicion at best, or resistance at the lower end of the continuum. Peter Drucker said it best; “Culture eats strategy for breakfast.” Taking a people-centered approach and deploying organizational change management early in the deal-making process is your best mitigation to stop culture from chewing on your value proposition. Remember, communication is key.

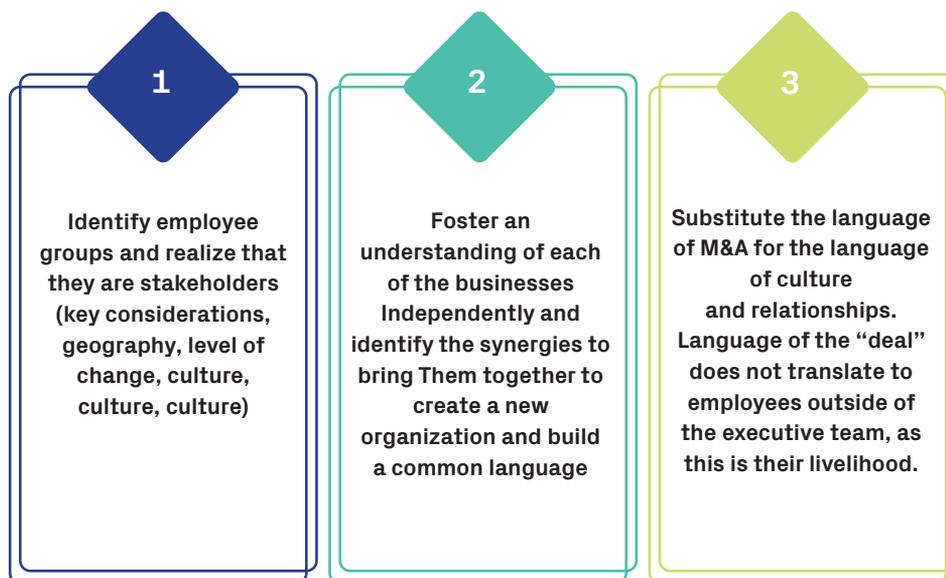
Any organization looking to upgrade to new technology like an ERP, to merge with another company, or to realign the structure of the entire company, should pay heed to what those humans offer as it relates to success of adoption and impending translation to ROI. We have observed failures to adopt new technologies and processes that stem from a lack of a true change management approach. Many organizations have suffered financially because the human effort was not considered as an impact of the changes. Our advice: engage with an organization that is certified across multiple disciplines, has a dedicated team, and has great experiences in organization change management; invenioLSI is one of these.

### WHY INVENIOLSI

invenioLSI is recognized as the world’s #1 independent SAP consultancy and implementation partner for public sector and services organizations. Our domain specialisms include media and entertainment, government, healthcare, education, and public transport.

It is our broad work in multiple industries with depth in SAP that enables us to bring a new perspective to the media and entertainment industry. We have earned the

## Communication points to consider



Partner Center of Expertise (PCOE) certification from SAP. The certification is awarded in recognition of SAP partners who have continuously delivered standardized, high-quality customer service and reliable support.

Our award-winning Change Management division has worked across multiple industries around the globe, successfully helping to achieve company goals. We use our own IP, cloud, digital, and analytics skills and capabilities to accelerate SAP-based projects that help businesses transform the quality of services and save long-term costs.

invenioLSI brings unmatched industry experience coupled with unique expertise in advanced technologies to help our partners realize the full value of their digital investment.

With our EMEA HQ near London and our North America HQ in Waltham, Mass., invenioLSI is fully international. Our flexible delivery model — with nearly 1,500 experts — ensures our global customer base benefits from high-quality engagements, by delivering quicker time to value and helping enterprises be more effective. ■

A stylized graphic featuring two interlocking gears. The top gear is partially cut off by the top edge of the frame. The bottom gear is larger and more prominent, with a lightbulb shape integrated into its center. The lightbulb has a blue base with three vertical lines and a white top. The gears are filled with a pattern of blue and yellow circles. The background is a gradient of blue and green.

# KEEPING PACE WITH AN EVOLVING INDUSTRY

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