



SAP for Media

A COMPETITIVE DIFFERENTIATOR FOR ADVERTISING AND MARKETING AGENCIES

It's a new era for advertising agencies. Devising great ad campaigns for clients was never easy, but it seems things used to be simpler. TV advertising was the dominant ad medium, followed by radio, print, outdoor, and events. All of these delivered predictable mass audiences and stable demographics to advertisers. Today, audiences are fragmented and new media abound. Advertisers still expect great creativity, but they also expect great strategy and an ability to deliver in both the old and new channels. On top of all this, as media buying has moved to specialty media-buying houses, agency revenue from media buying has declined, and more of that revenue now must come from creative projects.

The result? Most agencies have become consulting firms whose profits are dependent on project and client profitability. Without the financial cushion from media buying, ad agencies and marketing companies must keep closer tabs on project economics, maximize employee billings, and manage their organizations to optimize revenue and profit per employee.

To achieve the twin goals of successful projects and optimal profitability, agencies require new tools. They need the SAP for Media solution portfolio.

SAP for Media gives account managers the tools to effectively manage their accounts and projects, share creative work globally over the Web, and manage account profitability. It delivers robust analytic reporting across all dimensions of the business. And it's mobile. From time sheet entry to project reporting, SAP for Media is Web based and works on popular PDAs and other mobile devices.

It is harder to succeed in the advertising industry these days, and SAP understands that. SAP for Media helps firms improve their financial performance. And that's the bottom line in today's fiercely competitive marketplace.

Balancing Business and Creativity

Ad agencies and marketing firms must perform a difficult balancing act. They must improve their bottom line while developing fresh, creative ideas for ad campaigns and strategies to get the attention of ever-harder-to-reach consumers. It's not easy. Just as important, the systems that employees use must support and enhance the creative and collaborative process rather than constrain it.



Figure 1: Challenges of Ad Agencies and Marketing Companies

Account Management

To address today's challenges in account management, successful agencies will do the following:

- As always, **create inspired ad campaigns** and marketing strategies
- Effectively **collaborate with colleagues and clients**
- Provide a **balanced scorecard of key metrics** to examine feedback on client satisfaction and manage job, client, and division profitability

Operations

In operations, companies should focus on the following:

- Make business processes more efficient to achieve **increased revenue per employee**
- **Reduce costs** by reducing redundancies
- **Balance costs** between internal staff and freelance talent to maximize revenue and minimize unnecessary external expenses

Competition

To address challenges of competing companies, successful firms will differentiate themselves via strategic capability, flawless execution, or superb creative work. This will include the following:

- Monitoring and measuring client satisfaction
- Cost-effectively delivering the best resources to the client

Clients/Customers

To satisfy the needs of increasingly more demanding and sophisticated clients, successful agencies will do the following:

- Work with clients to demonstrate a clear ROI between their spending and sales performance
- Become expert at delivering the client's message in both traditional and new media

Management

Executives managing their agencies and marketing companies have the following tasks:

- **Impose financial controls** without stifling creativity
- Enforce accountability for attaining revenue targets and profitability targets across projects, accounts, and divisions globally
- Enhance accountability using financially based and client-based performance metrics that are visible, measurable, and indisputable
- Ensure Sarbanes-Oxley Act compliance

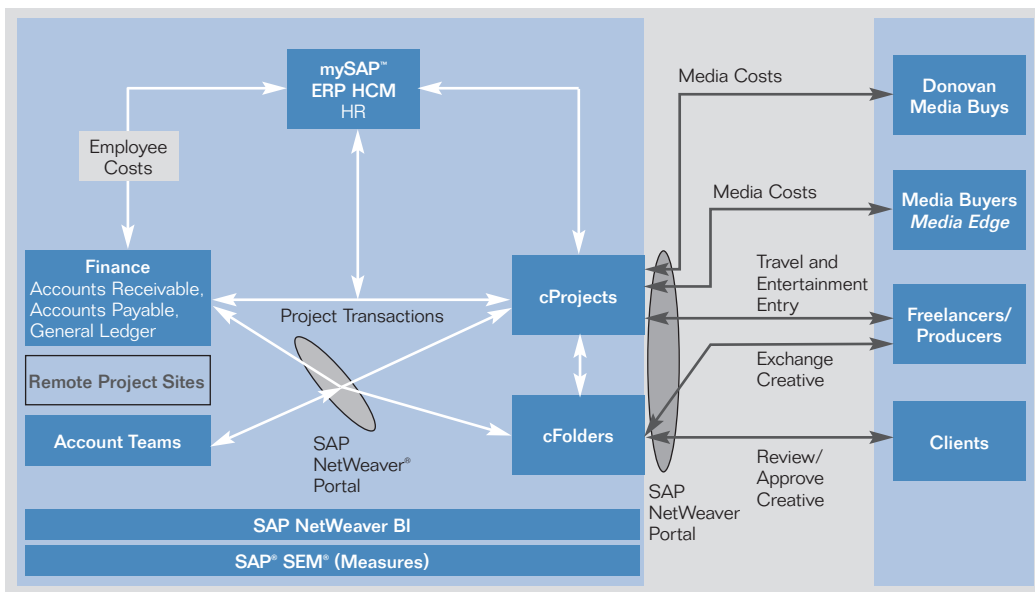


Figure 2: Components of the Solution for Agencies from SAP

Meeting the Challenges

SAP for Media helps firms meet today's challenges. It delivers broad functionality for managing interactions with clients, media-buying companies, and freelance contractors. It helps your business run better, and it helps your teams spend less time in administration and more time doing great work for your clients. The result? Satisfied clients and improved financial performance.

To optimize employee utilization, you need to know who's available and what their skill sets are. The mySAP™ ERP Human Capital Management (mySAP ERP HCM) solution integrates with SAP's overall solution for agencies and helps you choose the best talent for each project. mySAP ERP HCM also gives you Web-based reports on project time and expenses, as well as automatically routes time sheet approvals from employees and freelancers. SAP's solution for agencies can also integrate with other popular HR solutions.

The Collaboration Projects (cProjects) suite, the project management system from SAP, helps manage every project. cProjects lets everyone working on a project – clients, media buyers, writers, producers, and graphic artists – interact collaboratively over the Web. It structures projects in phases, uses standardized process templates, and manages many interrelated projects simultaneously. It integrates seamlessly with Microsoft Project.

The Collaboration Folders (cFolders) application from SAP allows staff and clients to view creative content on the Web. If a client wants to check out a rough cut of a commercial, he or she can download it from cFolders, watch it, and give the agency feedback. The creative team – including off-site freelancers – can work on design and content as a virtual team.

The SAP® Strategic Enterprise Management (SAP SEM®) application and the SAP NetWeaver® Business Intelligence (SAP NetWeaver BI) component are combined in SAP for Media to standardize a firm's reporting system and set up key performance metrics. The reporting system provides not just data but also real insight into performance and profitability – at the project, at the account, in the region, and company-wide.

SAP for Media provides these other important functions:

- Web-based functionality, so remote employees, clients, and partners can collaborate wherever they are, whenever they like
- Workflow-enabled transactions, for “event-triggered” account and project management
- Multiple views of a project and lists of time and expenses in cProjects
- Integrated project scheduling with mySAP ERP HCM or your current HR management system, for the best use of internal and external resources
- Profitability monitoring, according to client, project, campaign, office, and cost center

- Viewing, approval, and routing of project deliverables, such as storyboards, rough cuts, and print ads
- Support of full compliance with Sarbanes-Oxley regulations

To Learn More

For more information on how SAP for Media can help you manage your firm for improved profitability and enhanced creativity, call us at +1 888-727-1993.

Powered by SAP NetWeaver

SAP for Media solutions are powered by the SAP NetWeaver platform. SAP NetWeaver unifies technology components into a single platform, providing the best way to integrate all systems running SAP or non-SAP software. SAP NetWeaver also helps organizations align IT with their business. As the foundation for enterprise service-oriented architecture (enterprise SOA), SAP NetWeaver allows organizations to compose and enhance business applications rapidly to drive business change.

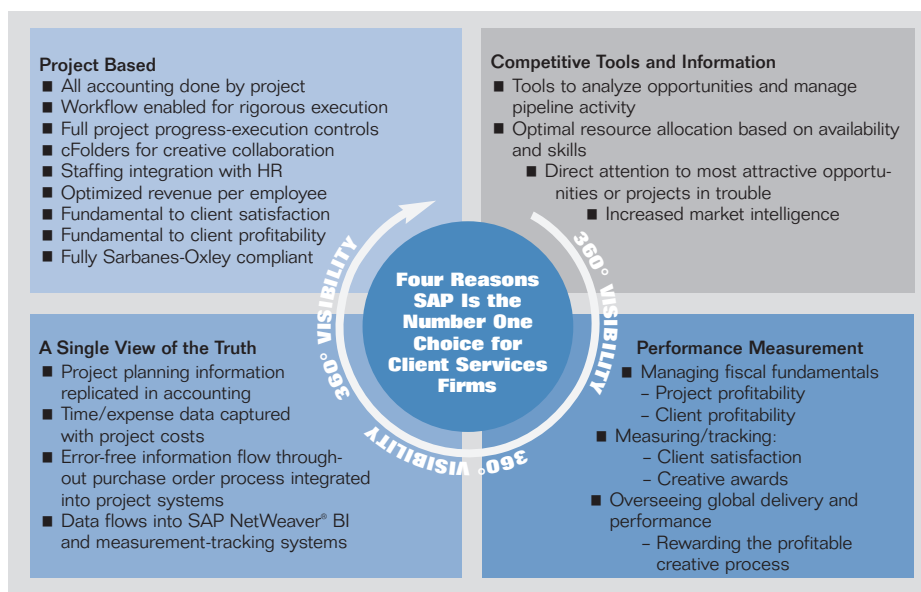


Figure 3: The Value Proposition for SAP® for Media

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