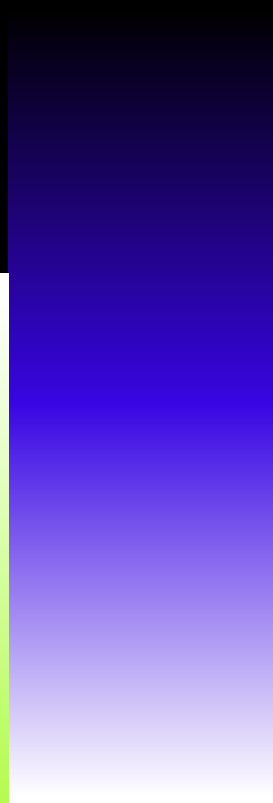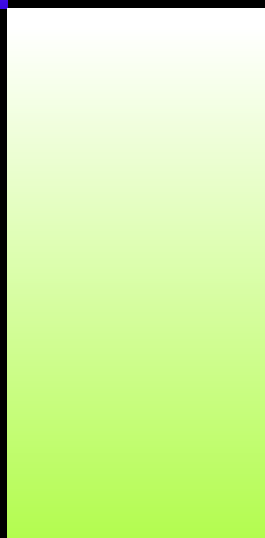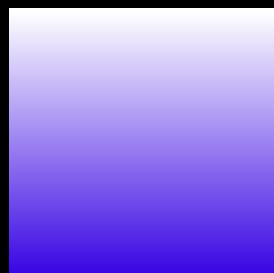# mediagenix

Beyond the Bottlenecks: Streamlining Strategic Planning

A Lean Six Sigma approach for media companies

CONTENTS

Chapter 1.
Executive summary

In this white paper, management consultant and L6S Black Belt Gijsbert Voorneveld explains how the Strategic Planning Process of media organizations can be improved using Lean Six Sigma.

Lean Six Sigma is an improvement approach that has proven itself in many different industries (Manufacturing, Logistics, Chemical Production, Transportation, Information Technology, Telecommunications) as a fundament for continuous improvement, long-term growth, and business profitability.

Using the principles of Lean Six Sigma (LSS), we investigate the Strategic Planning Process of media organizations to identify bottlenecks and determine how to address them. Removing bottlenecks and implementing improvements will improve process performance and financial ('bottom-line') performance.

This white paper focuses on a sample organization named 'MCORP'. For this organization, we reviewed the Strategic Planning Process and then implemented improvements that **resulted in a 31% overall efficiency improvement** (or **6.8 person day reduction per title**).

Improvements were made in all the major areas identified during LSS analysis; however, the most significant contributors were **'Make Strategic Content Plan'[1] (50%), 'Confirm Content Destination'[2] (57%) and 'Release Content to Clients'[3] (50%).**

The improvements were largely made possible by adapting processes and implementing a SaaS-based planning tool, which together eliminated an array of related inefficiencies ('waste' in Lean terminology).

We hope this white paper will provide you with detailed insights and inspiration to undertake your own Strategic Planning Process improvement projects!

"Reduce total processing time by 44%"

To inspire you for that next improvement project, we show you in 'Chapter 8 Next Steps' how a next iteration of continuous improvement could be kickstarted. We have already estimated that the next iteration could **reduce total processing time by 44%.**

Feel free to reach out to the author and contact person(s) of this white paper if you want to debate, discuss, or explore more areas and options for improvement or if you just want to learn more about using LSS in media organizations.

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1   Systemize and present all available content supply and demand holistically, easily accessible, and understandable.

2   Allocate available (future) content to platforms and customer segments/propositions that provide the best ROI.

3   Have a constant reflection of actual versus expected sourcing/production/exploitation and communicate this through the entire supply chain.

About the author: Gijsbert Voorneveld specializes in organizational performance improvement. He holds a Black Belt in Lean Agile Six Sigma. For the past 25 years, he has been designing and leading numerous improvement programs for national and international media, streaming, and broadcasting organizations.

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Recommended reading: For readers specifically interested in corporate strategy and the key challenges media organizations face today, we recommend also reading the excellent article **'The Content Strategy Challenge – Planning Content Amid Constant Change'** by **Nick Moreno.**

Chapter 2. Introduction: How to read this white paper

This white paper starts with the Executive Summary (chapter one) for those who want to quickly grasp what this white paper is all about: achieving improvements within the Strategic Planning Process of media organizations.

Chapter two (this chapter) introduces the various sections of the white paper and where to find or expect what type of content.

Chapter three describes how the media industry evolved over the past century, its current developments, and the specific challenges it faces today.

Chapter four details the position and relevance of the Strategic Planning Process in media organizations. We will explore how media organizations are using their Strategic Planning Processes today to jointly spend an accumulated USD 238 billion[4] on video content annually across the globe.

4   Typically, this is between 0.25 and 10 USD billion per media organization.

Chapter five provides the reader with a brief introduction to Lean Six Sigma and how its key improvement approach, DMAIC, is used: **Define** (what you want to improve), **Measure** (how the process is performing today), **Analyze** (look for clues and trends in the data), **Improve** (look for and select solutions), **Control** (verify that the improvements yield the expected results).

Chapter six takes the reader on the journey the organization 'MCORP' undertakes using the LSS DMAIC improvement approach. We will demonstrate how an LSS improvement team would be working to improve their Strategic Planning Process.

Chapter seven provides the conclusions that can be drawn from running the DMAIC improvement project at MCORP and offers some valuable hints on what the next steps after the initial improvements could look like and how you can start your own improvement project.

Chapter 3. How the media industry is transforming

The media industry has experienced several paradigm shifts throughout history. Starting from celluloid tape around 1888 through projectors, linear TV and on-demand TV, we have now entered the era of ubiquitous (video) content (experience).

Consumers now have the option to find their favorite shows and series anywhere and then decide whether they watch/wait for this on their own subscribed (or ad-supported) services or switch to a new, additional subscription or one-off purchase.

Alternatively, services such as Google, Amazon or television manufacturers (such as Samsung) might recommend new series and shows that match consumers' preferences and guide them to the providers and services from where to subscribe/purchase to watch the content.

This new ubiquitous content experience dramatically changes the relationship between media organizations and their customers. As a result, media organizations will need to change and improve the way they work.

ERA	CHARACTERISTICS
Celluloid tape	• Scarce content • Scarce availability (theaters) • Content availability drives distribution
Linear Television	• Scarce content • Mass distribution and revenue growth • Multi-year financial planning horizon • Multi-year distribution agreements
On Demand	• Exclusivity of content • Importance of user interface • Many new entrants • Reshuffling of content-exploitation windows and platforms • New ROI models
Ubiquitous	• Importance of (global) search, find and discoverability • More content and distribution platforms and partners to work with • More, shorter and changing availability windows • Shorter pay-back periods and smaller margins • Continuously evolving business models (SVOD, FAST, etc.) • More changes to investment plans and planning in response to consumer/market feedback and focus on ROI

Table 1: Changing industry characteristics

To thrive in the new ubiquitous era, media organizations must adapt and improve their processes to deliver on today's market characteristics, as listed in Table 1.

In this white paper, we focus on the Strategic Planning Process and how improving it will help media organizations succeed in this new, ubiquitous era.

Chapter 4. The Strategic Planning Process in media organizations

4.1. POSITION IN THE ORGANIZATION

Where do we find the Strategic Planning Process in a media organization?

For organizations that offer and produce content, there might be a 100% overlap with what organizations consider their overall Company Strategic Planning Process, as their organization's purpose is to offer and produce content and therefore, all their resources are geared to enable the production of that content.

A telecommunications organization, on the other hand, will have a Company Strategic Planning Process that is largely geared to planning network upgrades. Subsequently, they will consider content planning an important part, but not the most important part of the planning process.

For the rest of this document, we will use the term 'Strategic Planning Process' to refer to the process of content planning for the mid- to long-term that ensures:

- the timely availability
- of the right content
- for the right audience
- on the right platform
- in the correct quality and quantity
- at the right cost
- at the planned ROI.

4.2. THE STRATEGIC PLANNING PROCESS IN A NUTSHELL

Media organizations face a unique challenge when planning their future content. Unlike planning and scheduling functions (which work largely with content already owned and available), the Strategic Planning Process considers content that has yet to be approved, produced, acquired, or even conceptualized.

The strategic content plan is constantly in flux, as new content ideas are added while others are removed and/or updated to reflect changes in strategic and creative direction.

Company values & vision	Market & economic development	Content & social ratings
New & existing platforms & services	Existing inventory	Budget
Programming demand / Content providers & partners		Brand guidelines

Strategic Content Planning Process →

| Strategic content plan v1.0 | Strategic content plan v1.1 | Strategic content plan v1.2 | Strategic content plan v2.0 |

Dependent entities:
Sourcing, Production, Planning, Scheduling, Sales & Marketing, Distribution,...
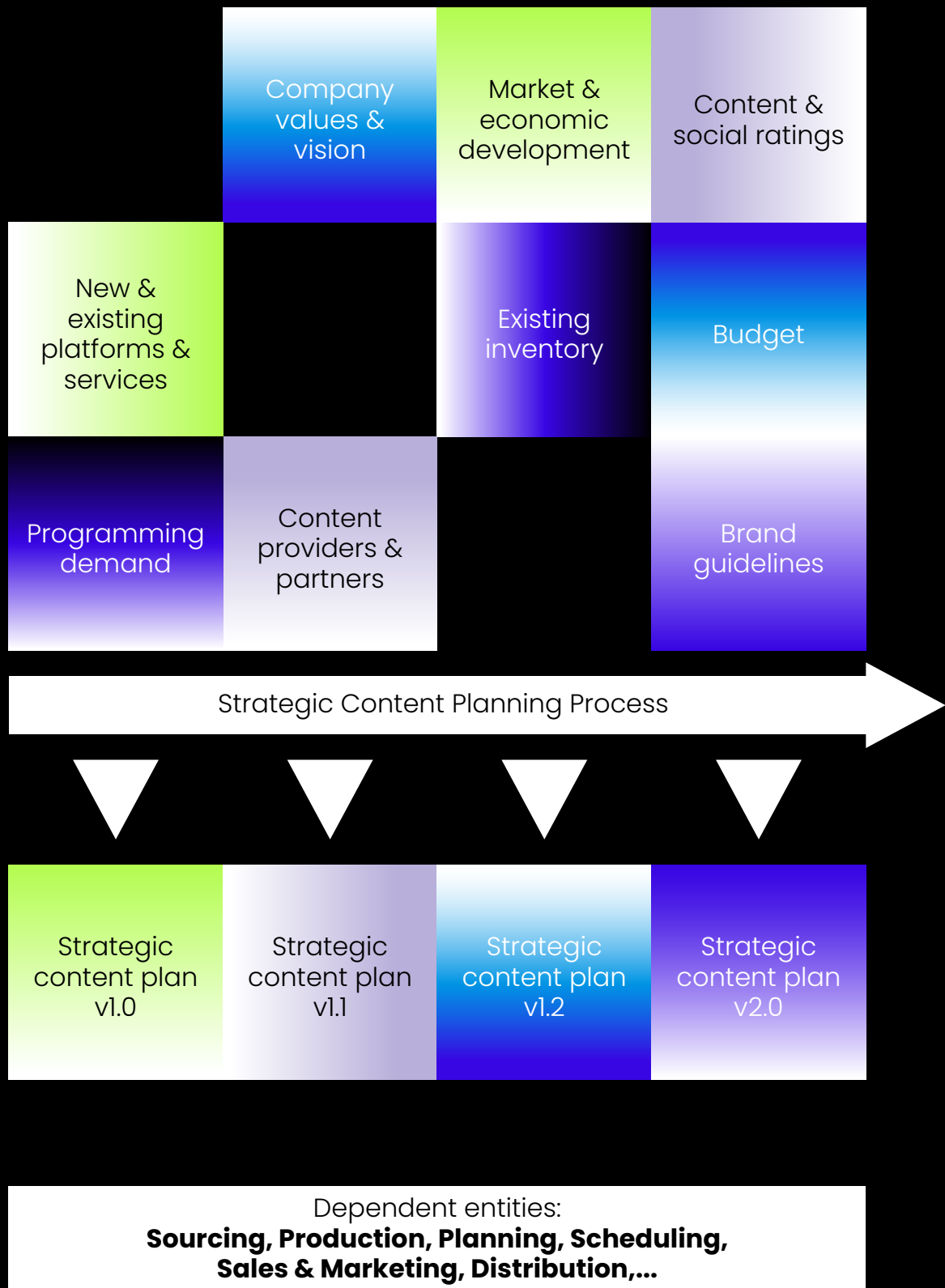
Figure 1: The Strategic Content Planning Process context

Figure 1 demonstrates how the various, largely unstructured inputs are constantly evaluated and transformed into actionable versions of the company's strategic content plan through the Strategic Planning Process. These versions of the strategic content plan provide detailed information about content ideas, commitments, planning, and budgets that are crucial inputs for the other entities to do their work properly.

Examples of these changes include adding more locally produced or sourced content to meet regulatory requirements or adding more specific tent-pole events to stimulate viewing of new content types.
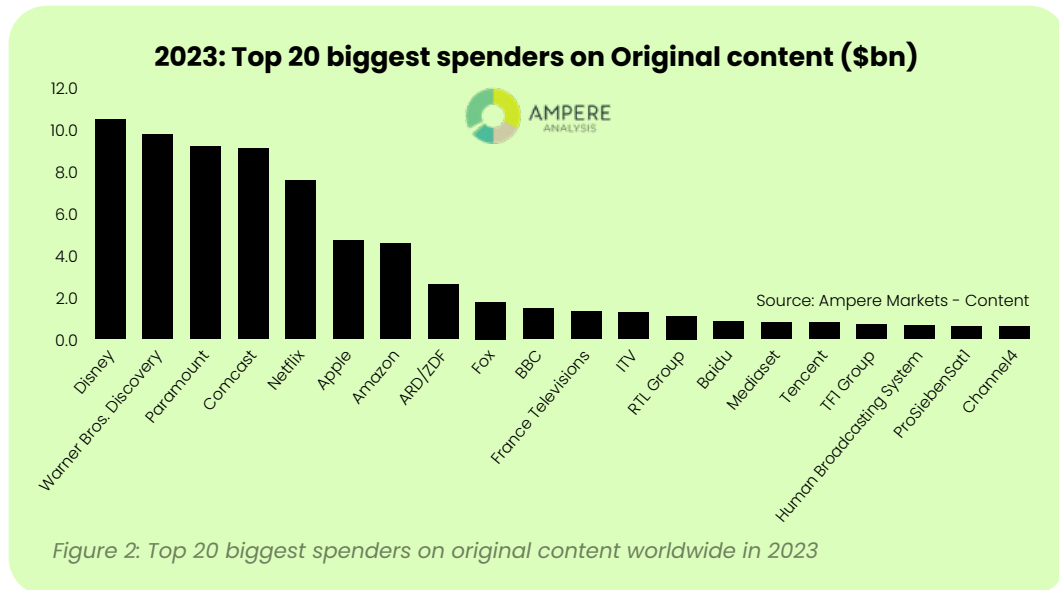
Maintaining the strategic plan is challenging due to the dynamic nature and the number of different stakeholders that deliver their inputs and views, which together comprise the company's vision and commitment to the content that needs to be produced and/ or sourced.

The financial budgeting team may have set annual targets for the total available budget or cash investments, while the programming and marketing departments have indicated their favorite new content genres for the upcoming period.

Another example of a stakeholder with specific needs might be a (distribution) partner who is promised a certain volume of a specific title or genre per calendar year. In this situation, the strategic planner is the one who creates the conditions for the programming department (by making sure there is enough of this type of content in the pipeline) to have enough titles to meet this obligation.

4.3. FINANCIAL RELEVANCE AND DYNAMICS OF THE STRATEGIC PLANNING PROCESS

As Content is at the heart of what media organizations do, substantial portions of the companies' resources find their way through the Strategic Content Planning process.

2023: Top 20 biggest spenders on Original content ($bn)

Figure 2: Top 20 biggest spenders on original content worldwide in 2023

The world's top 20 biggest spenders on original content individually spend roughly between .75 and 10.5 billion dollars annually on new original content, totalling 238 billion dollars. For individual companies, the portion of their revenue spent on content ranges typically between 24% and 74%[5] of their total revenue!

In practice, a media organization that spends 1 billion on content annually will have to manage roughly 4,000 fresh program hours[6]. This means (among many other things, just highlighting the most obvious ones here) scouting the programs, negotiating contracts, paying all parties involved, keeping all internal stakeholders informed on the status and timing of the new content, aligning with finance and legal as well as housekeeping to make sure all internal (data) files are constantly updated.

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5   This is an indicative range based on sample calculations using information from selected media organizations' 2022 and 2023 annual reports. Example individual scores: BBC (69%), ITV (69%), ProSiebenSat.1 (24%), Netflix (74%).

6   This indicative number is based on the total cost spent on content annually by major broadcasters in the UK combined with the number of new content they produce annually. These numbers are sourced from the Ofcom 'Media Nations UK2023' report.

4.4. HOW DO MEDIA ORGANIZATIONS OPERATE THEIR STRATEGIC PLANNING PROCESS TODAY?

While downstream processes such as (presentation) scheduling, traffic and media management have benefitted over the years from increased standardization and automation, the Strategic Planning Process has been largely left behind.

Due to the nature of the Strategic Planning Process (loosely defined, many stakeholders, frequent involvement from senior management), this is often done in spreadsheets, often on a personal drive (!).

Some of the largest organizations have implemented parts of the Strategic Content Planning Process in financial systems (greenlighting spending for a new production), CRM systems (tracking program ideas), and legal databases (signed contracts). However, as this does not provide the holistic view needed, they still maintain spreadsheets combining all data.

4.5. MAIN CHALLENGES FOR THE STRATEGIC PLANNING PROCESS

The main challenges of the Strategic Content Planning Process can be grouped into four clusters: Decision-making, Planning, Communication, and Resources.

Figure 3 shows some of the key problems strategic planners typically face. We will now investigate each of these clusters in more detail.

DECISION-MAKING

- Data not available
- Relevant data not collected
- Lack of analysis tools

PLANNING

- Limited visibility
- Siloed departments
- No or late updates

COMMUNICATION

- Fragmented & incomplete
- No standard processes
- Unclear policies

RESOURCES

- Too many systems
- Data duplication
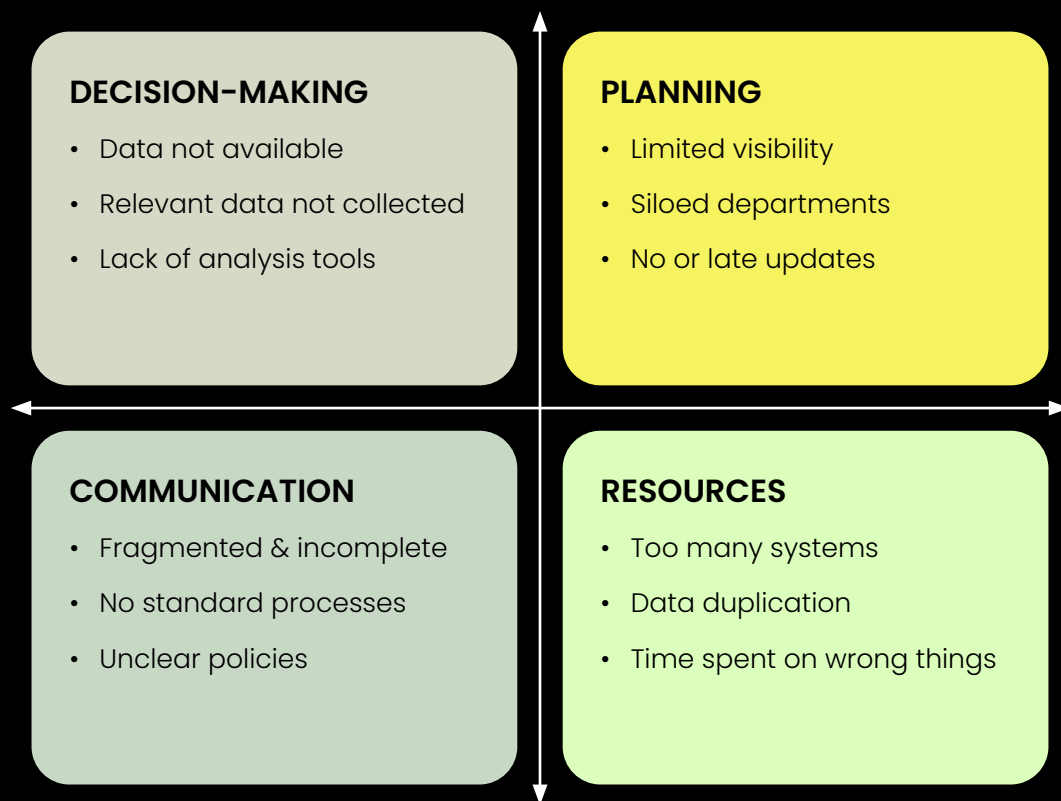- Time spent on wrong things

Figure 3: Main challenges for the Strategic Content Planning Process

DECISION MAKING

When making decisions on what content to buy, produce and/or (dis-)continue, strategic planners face multiple issues:

- **Data not available:** In many cases, the data needed for this decision is not readily available. The data is in the wrong format, in another system and/or does not provide the level of detail they need to make an informed decision.

- **Relevant data not collected:** When working across multiple platforms, for example, you might find out that you have viewing data for the SVOD platform but not for the OTT service.

- **Lack of analysis tools:** This makes it almost impossible to interpret the enormous amounts of data generated internally and externally.

PLANNING

During the creation of the strategic plan, strategic planners face the following issues:

- **Limited visibility:** Often, the strategic planner has access to various systems (or files) maintained by other departments; distilling the right information from those systems (CRM, Finance, MAM, etc.) is time-consuming and might not provide the whole picture, which hampers the ability to have an all-encompassing view of content already available and/or committed.

- **Siloed departments:** As different departments use their own systems and cadence, there is always a need to translate the planning (typically multi-year) maintained within strategic planning into the calendars of the other departments (fiscal years, calendar years, events, etc.).

- **No or late updates:** When other departments receive updates on content status, they might not always inform Strategic Planning. For example, if fewer episodes are produced than anticipated and this is communicated to the operations team, this information might not always reach the strategic planning team.

COMMUNICATION

The strategic content planner has a pivotal role in informing internal and external stakeholders about the status of the content in the strategic plan. They incur the following problems when communicating:

- **Fragmented and incomplete:** Planners typically must rely on their memory, Excel trackers and email boxes to track what has been agreed upon and communicated to all involved parties. As a result, communication becomes very dependent on people and is prone to error.

- **No standard process:** Strategic plans are released at unpredictable intervals. As a result, the strategic plans that are distributed vary in detail and accuracy, making it difficult to anticipate and process them properly once they are received.

- **Unclear policies:** If not everyone in the organization understands strategic content planning policies, they will have difficulties interpreting what it means, for instance, when some content shows as 'committed'. How does the organization perceive this? Are we 100% certain this content can be used in marketing? Are we committed to taking the pilot episodes or the whole season?

RESOURCES

Strategic content planning requires a very diverse set of expertise, which leads to the following resource problems:

- **Too many systems:** To do the job properly, strategic planners often need to access many different systems. Each time, they have to remember what they need to search for and navigate through another system. This takes valuable time from experienced staff who should be spending it on more value-added activities.

- **Data duplication:** As strategic planning is at the start of many processes, strategic planners are often tasked with creating the initial entries of new titles in finance, rights, planning, and operational systems. The same data often needs to be entered many times, wasting precious time.

- **Time spent on wrong things:** Due to the many different systems and data sources and ways to communicate this, the strategic planner might spend most of their time processing data in systems and emailing the results to anyone needing them. This time (of often senior people) is better spent on the actual planning instead of administrative overhead.

Chapter 5. Towards a Lean and Agile Strategic Planning Process

Lean Six Sigma (shortened to 'LSS') is a methodology aimed at improving customer satisfaction, product quality, and process performance through process optimization and statistical tools, as well as encouraging a mindset of continuous improvement.

LSS is the synthesis of two powerful concepts: 'Lean' and 'Six Sigma'. Over the past twenty years, LSS has proven to be an effective method for making organizations in many different industries more profitable, productive, data-driven, connected, and agile.

Where Lean aims to transform processes to flow continuously and without waste (only perform activities that add value for the customer), Six Sigma deploys statistical data analysis to ensure consistent quality and identify areas for improvement by looking for patterns in data.

5.1. THE LEAN SIX SIGMA APPROACH EXPLAINED

In 2001, Barbara Wheat c.s. published 'Leaning into Six Sigma' where they combined the benefits of **Lean and Six Sigma** into a definition of **Lean Six Sigma** around seven principles:

1. Focus on the client and what they need from you. The factors that describe what the client wants from you are described as **CTQs or Critical to Quality** (e.g. delivery within five days, put exactly five liters in a can).

2. Describe how the work is done using **'value stream maps'.** These value stream maps provide critical insights into the company's core processes, how they deliver on the CTQs, and where value-added and non-value-added activities occur.

3. Analyze the workflows, where you can remove bottlenecks, optimize capacity, balance activities, work differently and faster with fewer errors and strive for 'pull'; only produce when there is actual demand from the customer.

4. **Remove and/or reduce non-value-added activities**, such as excessive administration or movement.

5. Introduce process management through facts and data **using statistical tools such as control charts** and Six Sigma principles. This allows teams to control the process better and spot improvement opportunities early on.

6. **Empower people** to improve the processes they work on. Once they become enthusiastic about their journey towards continuous improvement, provide them with training and tools for analysis, visualization, teamwork, and any other resource they ask for.

7. Implement **improvements using the DMAIC approach.** When everyone uses the same DMAIC approach, there will be a significant learning effect throughout the organization, and people can easily collaborate on improvement initiatives using a shared approach.

5.2. USING DMAIC TO IMPROVE YOUR PROCESSES

Where the first six principles describe a company-wide approach to implementing LSS, the seventh principle (use DMAIC) is a project approach that can be used either in organizations that have already implemented LSS or organizations that have not done this yet but are looking to tackle problems using the LSS approach and toolkit.

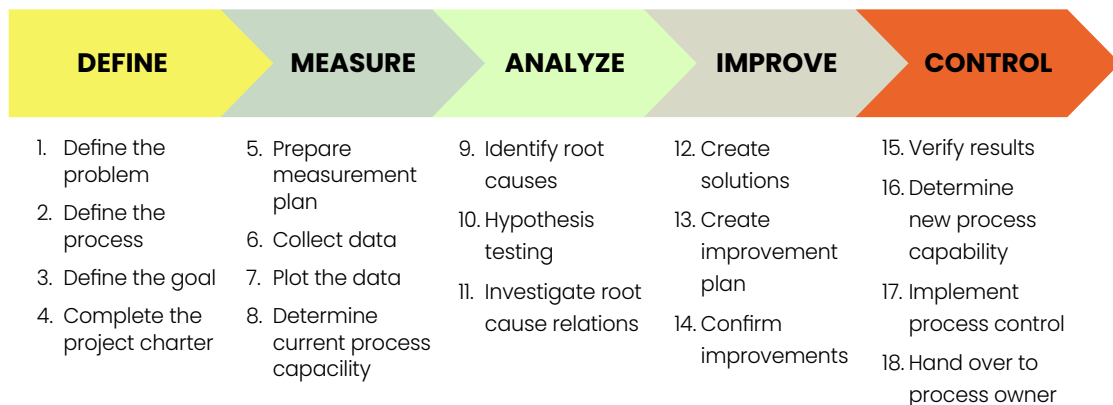| DEFINE	MEASURE	ANALYZE	IMPROVE	CONTROL
1. Define the problem	5. Prepare measurement plan	9. Identify root causes	12. Create solutions	15. Verify results
2. Define the process	6. Collect data	10. Hypothesis testing	13. Create improvement plan	16. Determine new process capability
3. Define the goal	7. Plot the data	11. Investigate root cause relations	14. Confirm improvements	17. Implement process control
4. Complete the project charter	8. Determine current process capacility			18. Hand over to process owner

Figure 4: DMAIC approach

In this white paper, we will use the DMAIC approach as a guide to define an (artificial) project for a media organization looking to improve its Strategic Content Planning Process. We will call this artificial media organization 'MCORP'.

Although this is not a real-life case, the examples used are derived from real-life (project) experiences from the author who has been working with a variety of media organizations who live through real-world problems in the Strategic Planning Process every day.

Chapter 6. A case study, MCORP

6.1.   DEFINE

For our hypothetical media organization, MCORP, we will now define the problem, the high-level process, and the improvement goal. Due to the hypothetical nature of this case, a project charter is not required

6.1.1.   WHAT IS THE PROBLEM WE ARE TRYING TO SOLVE?

Teams involved in content planning, preparation, and delivery experience missing, incomplete and late information leading to suboptimal decision-making, excessive workloads, process breakdowns, duplicate data entry, and late and/or no content delivery. These factors lead to higher operational costs and lower than projected/expected revenues.

6.1.2. HOW IS VALUE CREATED BY THE STRATEGIC PLANNING PROCESS?

Value is created through MCORP's business processes. The main Strategic Planning Process is visualized in the value stream map below. The value stream map is built from right to left. We start with what the customer wants (new and attractive content) on the right. Then we work our way upstream to the left until we receive the input or source materials and information (studios, partners, and distributors). This process is supported by the many different finance, planning, rights, production and operational systems and spreadsheets represented by the boxes above the process.

We will now explain each step pictured in Figure 5, *from right to left*, to explain in detail how each step creates value for the client.
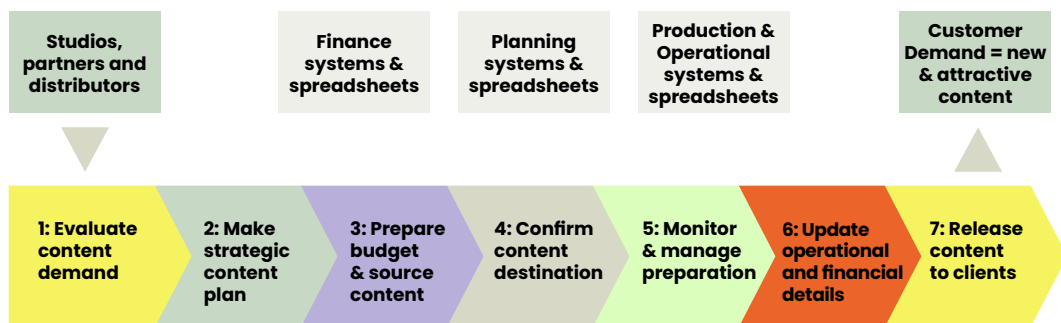

Figure 5: MCORP value stream map

Step 7 is where the content hits the platform and, ultimately, the consumer. This also means reacting to real-life events (e.g. earthquakes, elections), title performance (e.g. taking items offline that are not performing), and last-minute reshuffling due to competitor analysis. All these factors might impact the overall strategic plan and require careful consideration and updating of the strategic content plan.

Step 6 is processing the administrative details such as invoices and monitoring the overall quality of delivery and timings. Payments are approved, and amortization schemas are defined to ensure the new titles are properly financially treated and costs are properly allocated. This is also reflected in the P+Ls of the various platforms and services.

Step 5 is creating operational work orders to ensure the content arrives correctly prepared and configured on the destination platforms and destinations. Titles are formally confirmed with internal and external title registries (EIDR, ISAN, etc), new vendors are set up, and purchase orders for localization, etc, are initiated. During this step, many smaller and bigger updates on detailed planning are processed, which, from time to time, requires updating the strategic planning.

Step 4 is where the content is committed to specific channels, services, outlets, and platforms. This is a delicate process as content often comes with (internal and/or external) restrictions on how content can be planned/scheduled on platforms for specific languages, territories, services, and technology/devices. Content quotas or restrictions agreed upon with partners and/or affiliates, platforms, and joint ventures are also considered. Once content is committed to specific platforms and services, sales and rights databases and internal content tracker systems are updated to inform all parties of the planning intent.

Step 3 is about negotiating content terms and conditions and cost with internal and external studios, partners and distributors and reflecting this in accurate budgets that fit regulatory and financial guidelines (such as certain spending in specific fiscal year(s), the percentage spent on independent and/or regional content, respecting volume and output deals). Also, getting the appropriate approvals and signatures is done to make sure all purchasing procedures and guidelines are followed and complied with.

Step 2 is where the different content types are being plotted on a canvas to evaluate when and where content could become available. This is iterative work where commitments, budget constraints, and major (marketing) events are all being evaluated to create an outline of the multi-year content planning. Content might or might not be allocated to specific services yet. The strategic content plan is intensively socialized with all internal stakeholders to align everyone on the planning and rationale behind this: Why are we sourcing what content for what services, and how does this align with the company's objectives?

Step 1 is to evaluate content demand. This starts with evaluating the company's content mission and what type of content is considered a good fit for MCORP's audiences and services. Content performance and market dynamics are analyzed to see how existing content performs and what is expected of new content. At the same time, conversations are held with (internal and external) studios, partners, and distributors to scout for new content.
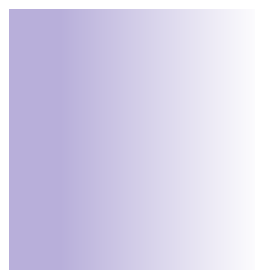
6.1.3. WHAT IS THE GOAL?

In LSS, understanding the client's question is key. This is why the business process exists in the first place: the client desires a product or service for which they are willing to pay. The companies' processes exactly deliver that; without the customer demand, there would be no need for the process!

If we know the customer's need, we can ensure the process will deliver precisely what the client requested. In the case of MCORP, we know that clients want new, fresh content frequently to make sure they continue to use MCORP services. If we drill down on this high-level requirement, we can define this as:

MCORP clients want:
a) the timely availability
b) of attractive content
c) on easy-to-use/access platforms
d) in the correct quality and quantity
e) at the right price.

We define what clients say they need as 'Voice of the Customer' or 'VOC'.

We also know that MCORP concluded that the current Strategic Planning Process is not well organized:

'Teams involved in content planning, preparation, and delivery experience missing, incomplete, and late information leading to suboptimal decision-making, excessive workloads, process breakdowns, duplicate data entry, and late and/or no content delivery. These factors lead to higher operational costs and lower than projected/expected revenues.'

We define what internal business units, managers and employees express as 'Voice of the Business' or 'VOB'.

You could say the client is happy when all items under 'VOC' are fulfilled. This means that for MCORP, delivering what is expressed as the 'VOC' is a priority, as this will bring them the revenue they seek. At the same time, MCORP needs to do this in an economically profitable way to stay in business (VOB).

VOC

- The timely availability
- of attractive content
- on easy to use/access platforms
- in the correct quality and quantity
- at the right price

VOB

Profitable business:
- Effective processes
- Efficient processes
- Agile (+ fast) processes
- Predictable processes
- Qualitative output

Figure 6: VOC and VOB for MCORP

This white paper considers how to improve the Strategic Planning Process using the LSS approach, concepts, tools, and insights. Figure 6 provides the potential measurable aspects[7] we could investigate from a VOC and VOB perspective.

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7   These lists are not a fixed set, as insights and needs can differ per organization and situation being evaluated.

The table below illustrates the details that could be measured per aspect of the VOC and VOB.

VOICE OF THE CUSTOMER

Timely availability:
- Is content published around relevant (live or life) events of the customer?

Attractive content:
- Is content scored better than competitor content, what are customers posting about our content?

Easy to use/access platforms:
- Is the consumer expressing that he or she find the content easy to consume, is it available on the platform or device of their choice?

Correct quality and quantity:
- Is the consumer happy with the release of our series/seasons/batches?

At the right price:
- Is the consumer finding our content attractively priced, are they considering alternatives from us or competitors?

VOICE OF THE BUSINESS

Effective processes:
- Is the process successful in selecting, evaluating the requested amount of content. What is the yield of the process?

Efficient processes:
- Is the process run efficiently with the effective use of people, systems and other resources?

Agile (+ fast) processes:
- Is the process outputting the titles we need fast enough; can we easily adopt and change during the process?

Predictable processes:
- Is the process stable over time and under control, how many exceptions are there?

Qualitative output:
- Are the results coming out of the process of the expected quality level?

Table 2: Voice of the Customer and Voice of the Business

For this white paper, we have chosen to study the VOB aspect 'Efficient processes' in more detail. We realize the other VOC and VOB aspects mentioned are also worth further investigation. However, as LSS is an Agile approach, it is important to focus on creating value early. By limiting ourselves (for now) to the aspect of 'efficiency', we ensure we deliver value quickly and with a better chance of success.

We believe that focusing on improving one aspect (efficiency) of the Strategic Planning Process will demonstrate the improvement potential in an easy-to-understand format.

6.2. MEASURE

In our previous step (Define), we decided to focus on improving the Strategic Planning Process by making it more efficient. To make our future improvements tangible, we first must measure the process performance today.

6.2.1. WHAT ARE THE KEY METRICS?

In the Lean toolkit[8], there is a tool named 'Value Stream Mapping' (VSM), which is a practical tool for measuring efficiency and throughput (in terms of volumes and timing). You have already seen the graphical representation of this tool in Figure 5.

VSM also has a feature to quantify this value stream; for this, it needs data for each step:

1. Processing time: The working time to complete each step (for one item/title).

2. Queuing time: The time that passes between two steps. For example, how long is an item (title) sitting idle before the next step picks it up?

3. Customer demand: The number of items (titles) the client demands during the time period we are evaluating.

4. Suppliers: The number of suppliers that provide input for our value stream.

This VSM can provide insights into:

1. **Total processing time:** Total number of working days to get one item (title) to the customer passing through all value stream steps.

2. **Total throughput time:** Total time (calendar days) lapsed to get one item from the source, processed and delivered to the customer.

3. **Total queuing time:** The total number of days an item waits between the value stream steps.

4. **Process Cycle Efficiency:** How much of the total elapsed time is spent processing an item.

6.2.2. THE STRATEGIC PLANNING PROCESS QUANTIFIED

Using the basic value stream model introduced in Figure 5, we are now adding the values for Demand (B: top-right corner) and Supply (A: top-left corner). As we also add in the Processing time (PT) and Queuing time (QT) metrics, we arrive at a quantified value stream map as shown in Figure 7.
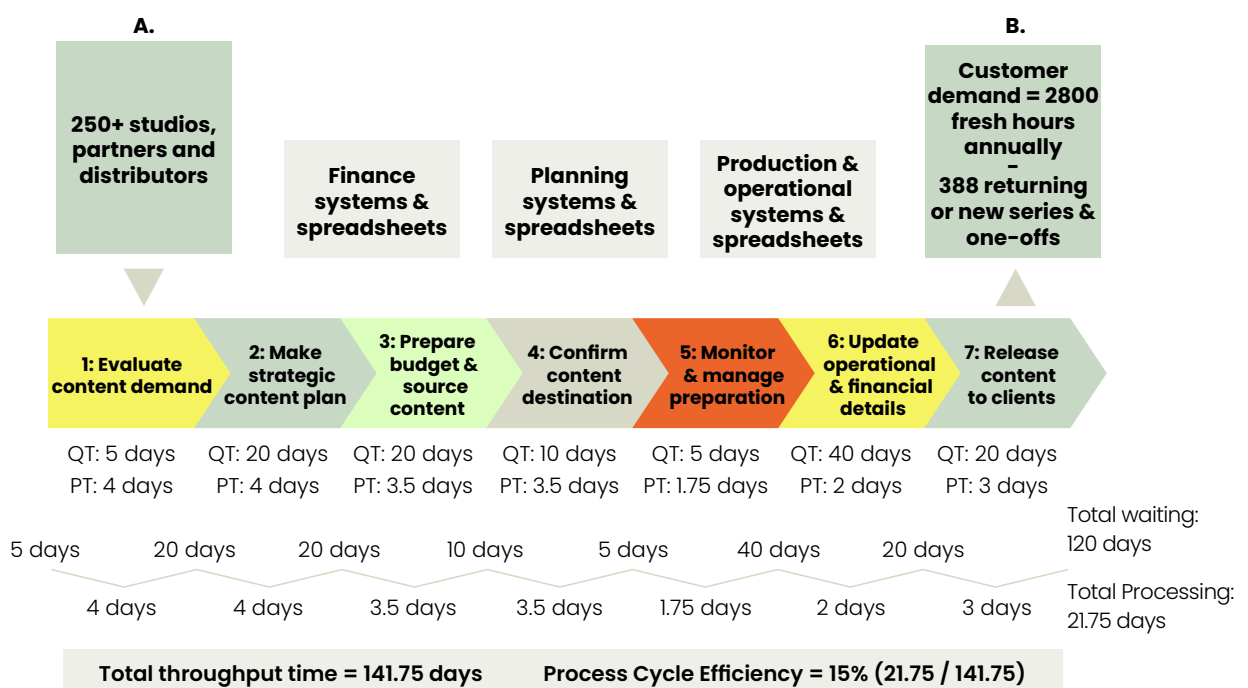

Figure 7: Value stream map quantified

Now that the value stream is quantified, we can see the time and resources needed to transform input (A) into output (B).

The data is presented per title. The metric 'Total Processing' shows how much working (processing) time is needed to get one new title[9] from A to B. Likewise, we can see how much time is spent waiting (Total waiting) and the overall throughput time (Total throughput time).

Please note that we specifically look at activities needed to identify, source, and deliver content (titles) to the customer. The view on this content in its various stages (steps 1 to 7) is what we consider the strategic plan. Activities done by other processes and/or actors interacting with the Strategic Planning Process are not measured/counted in this specific VSM.

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9   A 'title' can represent different things: a new season for an existing show (with, say, 24 episodes), a one-off high-valued documentary, a newly acquired series (with, say, 12 episodes), etc.

6.2.3. CURRENT PROCESS PERFORMANCE AND CAPABILITY

Now that we have collected and plotted the numbers in the VSM in Figure 6, we can evaluate the results.

- Processing one new title takes 21.75 working days.

- The total throughput time is 141.75 days, of which 120 days are spent waiting.

- Processing Cycle Efficiency is 15%.

What do these numbers tell us? At this stage, we can only say a little about the efficiency of the process. We know it takes 21.75 working days but we need to know whether this number is too high, too low, or exactly right. We will learn more about this in the next paragraphs, in the steps 'Analyze' and 'Improve'.

The same observation can be made for the 120 days of waiting time and the 15% cycle efficiency. There is obvious room for improvement, but a clear goal on what it should be was not given, so we will have to wait for the 'Analyze' and 'Improve' steps to dig deeper into the improvement potential.

For now, it is important that we have gathered key data that provides us with a baseline measurement. This is crucial in the upcoming steps when we will target improvements that we can evaluate against this baseline.

6.3. ANALYZE

Now that we know the current performance of the Strategic Planning Process, we can start to analyze it in more detail and find root causes for inefficient or slow processes (remember, our goal is to make the process more efficient).

6.3.1. IDENTIFY ROOT CAUSES

We start with a brainstorm to make our knowledge and experience of the Strategic Planning Process and its problems explicit.

Staff
- Not enough resources
- No dedicated resources

Methodology
- Different groups (legal, finance, operations) require different inputs
- Timing issues due to different 'calendars' (e.g. fiscal vs. calendar years, investor calls etc.)

Systems
- Time lost on copy-typing data between systems
- Errors introduced due to copy-typing

Information
- Incomplete and inaccurate data causing excessive waiting & searching for data
- Outdated data leads to issues that need (and take time!) resolving

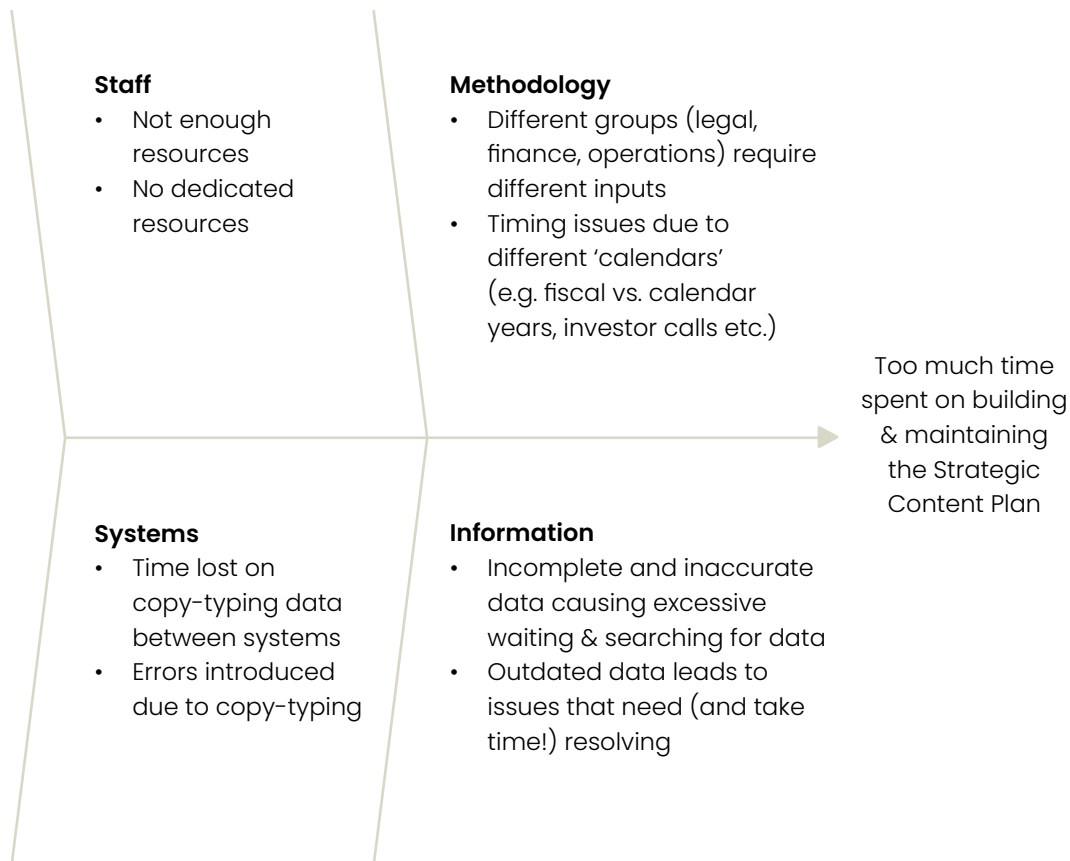Too much time spent on building & maintaining the Strategic Content Plan

Figure 8: Fishbone diagram identifying potential root causes

Our fishbone diagram identifies the potential root causes for MCORP in the domains of Staff, Systems, Methodology, and Information. Through a ranking (voting) process, we agreed that the root causes for the categories 'Systems' and 'Information' are the most relevant ones to investigate further.

We will now analyze our Strategic Planning Process while looking for evidence to support (or prove wrong) our selected root causes. We will use a SIPOC diagram (Supplier, Input, Process, Output, Consumer) and the TIM WOODS technique. TIM WOODS is used to identify waste in processes. The acronym stands for:

- **Transportation:** Moving items or information

- **Inventory:** Items or information that the customer has not received

- **Motion:** Excessive movement within the workspace

- **Waiting:** Waiting for information or items to arrive

- **Overprocessing:** Doing more work than necessary

- **Overproduction:** Doing work before it is needed

- **Defect:** Mistakes and errors that need to be reworked

- **Skills:** Not using workers to the fullest of abilities

SUPPLIER	INPUT	PROCESS	OUTPUT	CUSTOMERS	TIM WOODS FINDINGS
Strategy dept.	Company Strategic Goals		Future content evaluation checklist		**Waiting**: Cannot move forward before new company strategy is communicated
Research Dept.	Program ratings	1. Evaluate content demand	Preferred vendor list	Programming, Management, Legal & finance	**Overprocessing**: Ratings need reworking before they can be used
Programming Dept.	Content demand wish lists		Evaluation past performance		**Inventory**: Programming sends new lists and ideas before they can be actioned
Marketing	Marketing Outlook	2. Make Strategic Content Plan	Updated mid-to-long term asperational Content Plan	Programming, Management, Legal & finance	**Defects**: Marketing providing incorrect outlooks that need correcting to manage expectations correctly
Sourcing & Production	Sourcing & Production Outlook				**Overproduction**: Long-term plans are required by stakeholder before necessary details are available, leading to empty mockups
Acquisitions & Sourcing Dept.	Candidate Content and Suppliers (internal + external)	3. Prepare budget & Source Content	Content planning quantified in hours content and planning intent	Programming, Management, Legal & finance	**Motion**: Getting approvals and sign-off requires constant chasing and re-delivery of information to stakeholders
Finance	Updated historical spend + approved budgets		Budget, cash flow and purchase order forecast		**Overprocessing**: Updating budgets in various formats whilst the information is already available
Sales & Marketing	Market & client forecasts, commitments	4. Confirm Content Destination	Content Release Plan	Programming	**Skills**: Strategic Planners spend too much time on preparing and releasing detailled plans **Overprocessing**: Data needs to be entered in many unconnected systems
Operations	Capacity forecast		Operations forecast	Operations	**Skills**: Strategic Planners spend too much time on forecasting whilst information should already be available
Souring & Production	Communications on progress production	5. Monitor and manage production	Updated Release plan	Programming	**Overprocessing**: Information that is already available in the Strategic Content Plan needs re-entering in other systems (Title-, Rights-, MAM-systems etc.)
Finance	Guidance on budget and cash		Updated Operations forecast	Operations	**Transportation**: Information is already available in certain formats but requires reformatting and re-routing
Acquisitions & Sourcing Dept.	Suppliers lists, contracts, deal memos, payment scheduled	6. Update Operational and Financial details	Approved payments, new vendor setup	Finance, Legal, Vendors	**Skills**: Strategic Planners are working on payment schedules and other details that not really (should) impact the Strategic Planning Process
Programming Dept.	Actuals on content release per service and platform	7. Release Content to Clients	Updated inventory	Programming, Management, Legal and finance	**Defects**: Due to changes in both Strategic Planning and Operational Scheduling Titles are published at the wrong moment and/or inventory is not updated properly **Overprocessing**: Reconciling what has been used v.s. what is still available takes too much time

Table 3: SIPOC diagram with TIM WOODS findings

The first five columns in Table 3 describe how the strategic planning transforms the input from the Suppliers (or internal providers) to output for the customers (or internal users).

The last column shows our findings from analysing each process step using the TIM WOODS technique. Although many more are identified, we have only listed the most relevant 'waste' topics for each process step.

6.3.2. HYPOTHESIS TESTING

Now that we know the most relevant problems per process step, we can use the data collected during the measure phase (processing, waiting, and cycle times) to see how much waste there is in the current Strategic Planning Process and whether it is as significant as we expect it to be.

WASTE	PROCESS	PT (DAYS)	WASTE (DAYS)	% WASTE	WASTE SUPPLIER (DAYS)	WASTE CUSTOMER (DAYS)
Waiting: Cannot move forward before new company strategy is communicated **Overprocessing**: Ratings need reworking before they can be used **Inventory**: Programming sends new lists and ideas before they can be actioned	1. Evaluate content demand	4	1.0	0.2	0.5	0.5
Defects: Marketing providing incorrect outlooks that need correcting to manage expectations correctly **Overproduction**: Long-term plans are required by stakeholder before necessary details are available, leading to empty mockups	2. Make Strategic Content Plan	4	2.3	0.6	0.7	0.7
Motion: Getting approvals and sign-off requires constant chasing and re-delivery of information to stakeholders **Overprocessing**: Updating budgets in various formats whilst the information is already available	3. Prepare budget & Source Content	3.5	0.6	0.2	0.4	0.4
Skills: Strategic Planners spend too much time on preparing and releasing detailled plans **Overprocessing**: Data needs to be entered in many unconnected systems **Skills**: Strategic Planners spend too much time on forecasting whilst information should already be available	4. Confirm Content Destination	3.5	2.5	0.7	0.8	0.8
Overprocessing: Information that is already available in the Strategic Content Plan needs re-entering in other systems (Title-, Rights-, MAM-systems etc.) **Transportation**: Information is already available in certain formats but requires reformatting and re-routing	5. Monitor and manage production	1.75	0.8	0.4	0.4	0.4
Skills: Strategic Planners are working on payment schedules and other details that not really (should) impact the Strategic Planning Process	6. Update Operational & Financial Details	2	0.9	0.4	0.4	0.4
Defects: Due to changes in both Strategic Planning and Operational Scheduling Titles are published at the wrong moment and/or inventory is not updated properly **Overprocessing**: Reconciling what has been used v.s. what is still available takes too much time	7. Release Content to Clients	3	1.8	0.6	0.9	0.9
	Total	**21.8**	**9.7**	**45%**	**3.9**	**3.9**

Table 4: Waste quantified

A detailed study of the processes, with the help of the SIPOC diagram, has revealed a total potential waste of 9.7 working days for every new title coming out of the Strategic Planning Process—this adds up to a total waste of 45%!

> "Productivity improvements of 3.9 days"

Also, as much of the waste has to do with retyping and sharing data with other departments, a reservoir with potential **productivity improvements of 3.9 days** has been identified for departments and functions (referred to as 'suppliers' and 'customers' in Table 4) that interact with the Strategic Planning Process as a by-effect of identifying waste in the Strategic Planning Process.

6.3.3. INVESTIGATE ROOT CAUSE RELATIONS

Now that we have investigated and quantified the most relevant potential root causes, we can summarize our findings.

ROOT CAUSES	MOTIVATION
1. Data is overprocessed	Six out of seven steps mention data that needs reformatting and/or typing before it can be used by the Strategic Planning Process and/or provided to others.
2. Skills are not properly used	Three out of seven steps mention that people in the Strategic Planning Process need to perform tasks that are outside their skill set.
3. Defects cause rework	Two out of seven steps mention the need to fix problems caused by other teams and/or systems communicating incorrect information.
4. Data needs transportation that adds no value	The strategic planning team needs to reformat and forward information that is already available.
5. Too much Motion needed to collect approvals	Collecting approvals and signatures slows down the process and takes extra effort.
6. Time spent waiting for appropriate inputs	The Strategic Planning Process is now interrupted when waiting for a new direction. This slows down the process and interrupts its natural flow.
7. Inventory needs attention	As new programming and wish lists arrive, the team needs to constantly evaluate/de-duplicate and store those, wasting time and effort.

6.4. IMPROVE

With the root causes known, it is now time to search for potential solutions to tackle these. The table below shows the main Lean concepts that can help find improvements.

LEAN CONCEPT	DESCRIPTION
Focus on customer	Explore and confirm what is critical to quality (CTQ) to your customers. What is it your customer needs in terms of quality, price, volume, frequency, service.
Remove waste	Use TIM WOODS to identify non-value adding activities: Transportation (unnecessary), Inventory (excess), Motion (unnecessary), Waiting. Overproduction, Overprocessing, Defects, and Skills (underutilizing).
Create flow	Create flow by balancing the capacity of stations throughout the end-to-end process thus minimizing inventory and waiting time.
Implement Takt	Takt means aligning your production capacity and delivery cadence with (expected) customer demand allowing you to meet their expectations in the most efficient (lean) manner.
Introduce pull	Introduce tools such as Kanban and other visual tools to allow teams to only pull in work once they are ready to start on a new item. This prevents unnecessary 'work in progress' inventory and prevents faulty products from propagating to the next station.
Use visual management	Use statistical tools and dashboards to allow the teams to inform themselves continuously about the perforamance of the processes. This intimate and up-to-date information on the process wil foster a mindset of continuous improvement.

Table 5: LEAN improvement areas

We have decided to focus on efficiency (see comments in the previous 'Define' step), so we select 'Remove waste' as the driving concept when looking for improvements.

ROOT CAUSE	SOLUTION
1. Data is **Overprocessed**	A. Better connectivity between internal systems, such as Title, Rights, Finance, Legal, CRM, Marketing, as well as connections with external (production and distribution) systems
2. **Skills** are not properly used	B. More productive Strategic Planning Tool
	C. More diverse (junior/senior) population in Strategic Planning Process, more learning on the job
3. **Defects** cause rework	
4. Data needs **transportation** that adds no value	D. More self-service allowing other teams to source directly from the strategic planning plan
5. Too much **Motion** needed to collect approvals	E. Improved and better connected CRM legal tools
6. Time spent **waiting** for appropriate inputs	F. Better defined business processes and timelines that take the dominant content cycles into consideration
7. **Inventory** needs attention	G. More clearly defined hand-over moments between Programming and Strategic Planning minimizing overlap between these processes and harmonizing calendar & timings

PROBLEM

Inefficient process

Figure 9: Solutions Matrix

6.4.1. CREATE SOLUTIONS

Through a series of brainstorming sessions, MCORP mobilized its most knowledgeable staff and asked them to come up with potential solutions for the listed root causes. Figure 9 (next page) shows the outcome of this (iterative) brainstorming.

The team doing the brainstorming has been instructed to come up with potential solutions and not to think too much about the feasibility of implementing these solutions. We recognize that we cannot solve all problems in one go but should be able to select the most promising solutions and leave the less attractive/feasible solutions for another occasion.

The team's next step is to score the various solutions in a decision matrix to determine which solutions are the best candidates for implementation.

SOLUTION	IMPROVE-MENT IMPACT	TIME TO IMPLEMENT	COST VS. BENEFIT	ACCEPTABLE FOR STAKEHOLDERS
A. Better connectivity	Large	Long	Positive	yes
B. More productive planning tool	Large	Short	Positive	yes
C. More diverse staff	Medium	Medium	Neutral	Unknown
D. More self-service	Medium	Medium	Positive	Yes
E. Better CRM and legal tools	Small	Long	Positive	No
F. Better timelines definition	Medium	Medium	Neutral	Yes
G. Better handover moments	Medium	Short	Positive	Yes

Table 6: Decision matrix

Based on the decision matrix, MCORP decides to start working on solutions A and B, as these solutions contribute the most to addressing and solving the most important root causes. This does not mean the other solutions will never get implemented, but they are not selected for this initial round of implementations.

6.4.2. CREATE IMPROVEMENT PLAN, CONFIRM IMPROVEMENTS

The improvements sought by the MCORP team tasked with improving the efficiency of the Strategic Planning Process needed to deliver better connectivity (solution A) and a more productive planning tool (solution B). The team evaluated various tools and options to establish this. Eventually, they implemented a SaaS-based strategic planning tool that provided more effective strategic planning by creating a 'home' for the strategic content plan, which previously did not exist. (The strategic content plan only existed as a concept but was spread out over Excel sheets and a Miro board).
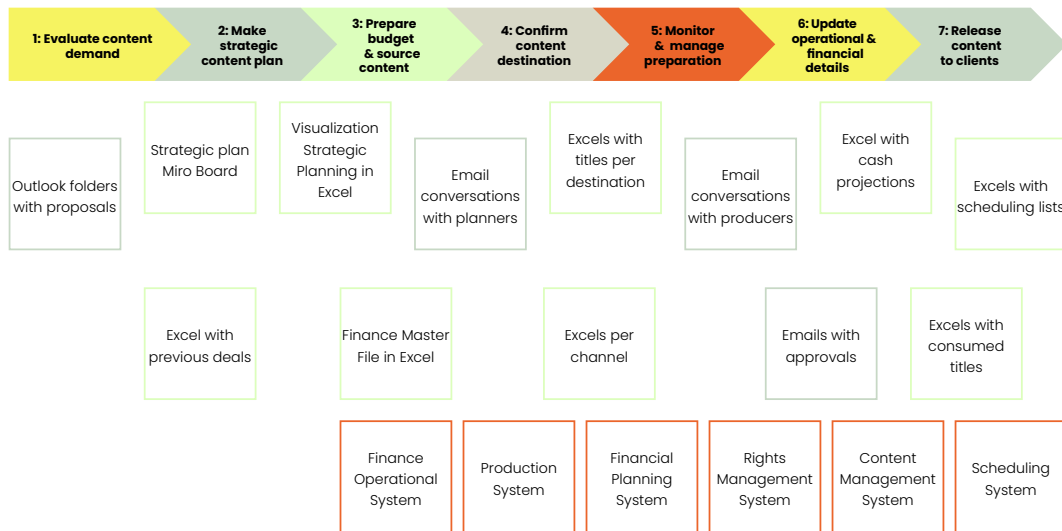

Figure 10: Situation before improvement

The other solution was to connect the most used sources to the new SaaS-based strategic planning tool. As it was not possible to connect to all systems simultaneously, the team decided to prioritize connecting to the finance planning system (to prepare and update budgets), the rights systems (to update inventory), and the scheduling system (for actual publishing and release dates).
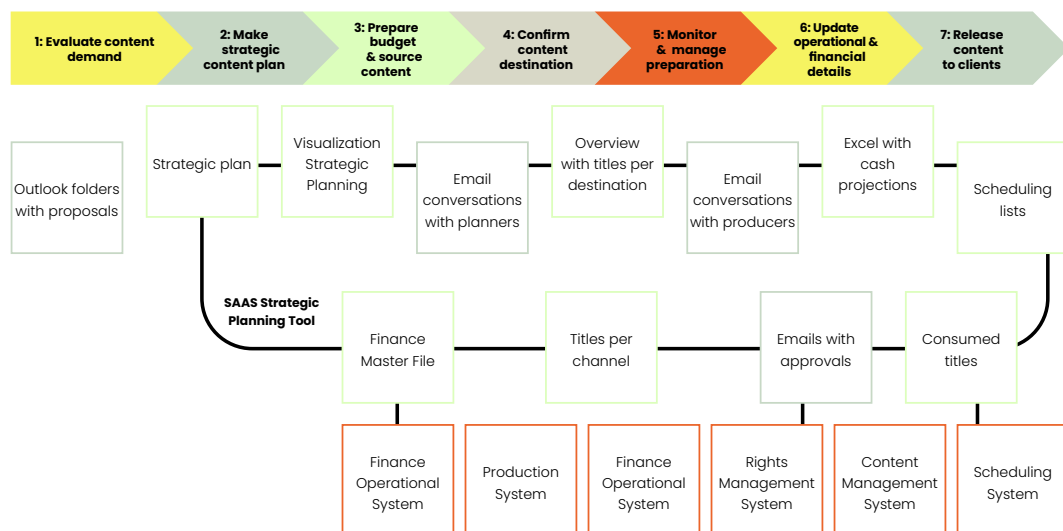

Figure 11: Situation after implementation of solutions A and B

This resulted in the situation shown in Figure 11, where various Excel files are now replaced by the SaaS strategic planning tool. This tool is also connected to the financial, rights and scheduling systems. The new SaaS tool has its own repository that maintains a consistent data set that is safe and secure to work with and that communicates easily with both humans (UX) and machines (API).

For this improvement initiative (solutions A and B), the team has chosen only to connect the finance, rights and scheduling systems, as these connections contribute most to reducing the identified waste. Connecting to other systems would be nice to have, but for now, these connections would not drive enough value (waste reduction) to warrant inclusion.

6.5. CONTROL

With the solutions implemented, MCORP can now measure whether the anticipated efficiency gains are realized.

6.5.1. VERIFY RESULTS AND DETERMINE NEW PROCESS CAPABILITY

PROCESS	PT (days / title)	WASTE IDENTIFIED (days / title)	WASTE (%)	EFFICIENCY REALIZED (days / title)	EFFICIENCY REALIZED (%)
1. Evaluate content demand	4.00	1.00	24%	0	0%
2. Make Strategic Content Plan	4.00	2.3	56%	2	50%
3. Prepare budget & source content	3.50	0.6	17%	0.3	9%
4. Confim content destination	3.50	2.5	71%	2	57%
5. Monitor & manage production	1.75	0.8	44%	0.5	29%
6. Update operational & financial details	2.00	0.9	44%	0.5	25%
7. Release Content to clients	3.00	1.8	58%	1.5	50%
TOTAL	**21.75**	**9.7**	**45%**	**6.8**	**31%**

Table 7: Efficiency improvements

Implementing the SaaS tool and connecting it to three main systems allowed us to remove a substantial portion of the identified waste. This resulted in an overall efficiency gain of 6.8 days per title processed (see Table 7, column 'Efficiency realized').

> "Overall efficiency gain of 6.8 days"

This is less than the theoretical potential of 9.7 days. This shows that solutions A and B combined could not remove all waste. This is not problematic as in Lean, you are always mindful of effort versus gain. Therefore, a new improvement initiative could be set up to see if these remaining efficiencies could be realized. However, such an initiative would need to compete with other initiatives that could deliver potential value to MCORP, as all Lean projects initiated through a DMAIC approach are only approved if there is sufficient upside for the business anticipated.

6.5.2. IMPLEMENT PROCESS CONTROL AND HAND OVER TO PROCESS OWNER

The team that worked on the improvements documented the new processes in 'Standard Operating Procedures' that describe how the Strategic Planning Process is done from a day-to-day user perspective. Also, measurements were implemented in the process (supported by the strategic planning tool) to allow the strategic planning team to continuously measure and evaluate the performance of their process and spot bottlenecks early and easily through operational dashboards integrated into their day-to-day working process.

Chapter 7. Conclusion

In Chapter 6, we have taken you through the journey that MCORP took to improve their Strategic Planning Process. MCORP decided to focus on improving its **efficiency.**

By using the structured problem-solving approach of Define, Measure, Analyze, Improve, and Control (DMAIC), they have significantly **improved efficiency by 31%.**

"Improved efficiency by 31%"

This means spending less time on unattractive and unproductive activities and more time on better strategic planning and decisions.

You might have also noticed that more improvement options have been mentioned, for example, when considering the various improvement options presented in 'Table 2: Voice of the Customer and Voice of the Business'. MCORP decided to focus on improving efficiency, but we could also have decided to go for, - for example, 'qualitative output' (focus on effectiveness of the process) or 'a faster process' (getting titles quicker to the consumer).

The focus on narrowly defined goals is due to the agile nature of Lean and DMAIC. This allows for focusing on areas where management and the team involved believe the most value can be created for the company.

Once one DMAIC project is completed, the team will evaluate what the next (project) goal should be. For MCORP, this could mean that after improving efficiency, they might start a new DMAIC project to achieve a more qualitative output.

One key goal of Lean is that an organization becomes good at driving continual improvement. This results in a continuous improvement cycle that is fuelled by enthusiastic teams that see how their improvements make a lasting impact on the organization's performance.

Chapter 8. Next Steps

Now that you have seen how Lean and DMAIC can be used to drive improvements, you are primed to define your own improvement project. But how do you do that?

A way to get started could be to revisit the **Voice of the Customer** and **Voice of the Business** as described earlier in this white paper:

VOICE OF THE CUSTOMER

1. **Timely availability:** Is content published around relevant (live or life) customer events?

2. **Attractive content:** Is content scored better than competitor content. What are customers posting about our content?

3. **Easy to use/access platforms:** Is the consumer expressing that they find the content easy to consume. Is it available on the platform or device of their choice?

4. **Correct quality and quantity:** Is the consumer happy with the release of our series/seasons/batches?

5. **At the right price:** Is the consumer finding our content attractively priced? Are they considering alternatives from us or competitors?

VOICE OF THE BUSINESS

1. **Effective processes:** Is the process successful in selecting, evaluating and providing appropriate content? What is the yield of the process?. What is the yield of the process?

2. **Efficient processes:** Is the process run efficiently and effectively using people, systems, and other resources?

3. **Agile (+ fast) processes:** Is the process outputting the titles we need fast enough; can we easily adopt and change during the process?

4. **Predictable processes:** Is the process stable over time and under control? How many exceptions are there?

5. **Qualitative output:** Are the results coming out of the process of the expected quality level?

In preparing your next improvement project, you can use the 'Voice of the Business' and 'Voice of the Customer' for inspiration. You use any of these items to define your next DMAIC project, and once you have completed that project, you can start the next one and, after that, the next one, and so on. This is how you transform your organization into a continuously improving organization. Over time, you adjust your 'Voice of the Business' and 'Voice of the Customer' as new insights emerge!

For example, you could define a project to improve how agile and fast your processes operate[10]. Although we have not done a DMAIC project for this, such a project could leverage the data we have already collected on waiting times (see Figure 5: MCORP value stream map).

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10   Third item under 'Voice of the Business'.

Now, suppose that through the project, we can reduce the total waiting time from 120 to 60 days[11]. This would **accelerate the end-to-end process by 44%.** In 'real time', this means going from approximately 3.5 months to 2.5 months to get titles on the platform from the start of the process—a significant improvement!

If we combine the two improvement iterations (or DMAIC projects), a pattern of continuous improvement emerges, as shown in Table 8: Continuous improvement results.

"Accelerate the end-to-end process by 44%"

Situation	Processing time (days per title)	Waiting time (days per title)	Total time (days per title)	Process cycle efficiency
Baseline (before improvements)	21.75	120	141.75	15%
1. Iteration on efficiency improvement	14.95	120	134.95	11%
2. Iteration on process acceleration	14.95	60	74.95	20

Table 8: Continuous improvement results

11   We see much potential here as finance, legal, programming and operations all have very different timing requirements that often do not align. Hence, acceleration is possible if we can use one single source of truth that is constantly up-to-date and can feed these different processes constantly based on their needs without the need to wait for the next version or release of different files and then synchronize these files repeatedly.

You can now see how incremental improvement works: each iteration will further improve the organization. Iteration 1 improved processing time (efficiency), and iteration 2 will improve waiting time.

A third project will deliver improvements in another area, and this is how this table will continue to grow[12].

As this is an agile approach, every iteration must be greenlit based on anticipated benefits for the organization. This practice guarantees that improvement projects consistently add value and are recognized as a good use of the company's scarce resources.

This white paper has demonstrated the power of Lean Six Sigma in optimizing the Strategic Planning Process within media organizations. By applying LSS principles to a sample media company, we achieved a significant efficiency improvement. We saw how each completed project led to the next, creating a cycle of continuous improvement.

We trust this white paper inspires you to embark on your own Strategic Planning Process improvement journey.

12 Also, the shape of this table will change as other aspects than 'Processing time' and 'Waiting time' will be targeted (for example 'Yield' or 'Error-rate'). These additional metrics will then be defined as part of the specific DMAIC project and added to this table (together with its baseline value).

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