INNOVATION
DRIVEN PROFIT

SANAT HAZRA
INDIAN MEDIA LANDSCAPE

• More dynamic than ever
• Converging mediums – Print, TV, Radio, Digital
• Consumer is relevant, not media
• 17,000 newspapers, 900 TV channels
• Rising literacy, growing economy, growth of 4G
• Ad spent as % of GDP, one of the lowest in the world (0.33%)
• Mobile will become the only screen one will watch – telcos will wield power
• Digital Media Platforms lacks credibility
• Advertisers are taking notice of the reach of vernacular newspapers
• The Newspaper market is predicted to grow at 8-10%
SO WHAT?
PROFIT = REVENUE - COST

Profit is like oxygen, food, water, and blood for the body; they are not the point of life, but without them, there is no life.

James C. Collins
PROFITS CHOKING

• Despite growing markets, market dynamics have changed
• Soaring newsprint prices
• Adverse exchange rate movements
• Cut throat competition
• Ever increasing customer expectations, requiring fresh capex investments
• Shortage of skilled and experienced manpower
• Inability of industry to attract the best talent
CONVERT CHALLENGES IN TO OPPORTUNITIES

- Innovate
- Think differently
- Cut cost
- Optimize processes
- Recreate work with new skills
- Elevate technology – IOT, Automation, AI etc
WHAT IS INNOVATION?

- Innovation is the specific function of entrepreneurship, whether in existing business, or a new venture. It is the means by which the entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth.

- The term entrepreneurship refers to a certain kind of activity. At the heart of that activity is innovation: the effort to create purposeful, focused change in an enterprise’s economic or social potential.

- Innovation is all about creating this purposeful activity.
GUIDING PRINCIPLE

More  Better  Less
NEW GUIDING PRINCIPLE

More
- Revenue
- Value
- Flexibility

Better
- Processes
- Productivity
- Products

Lot
- Cost
- Resources

Less
INNOVATIONS AT TIMES OF INDIA
INNOVATION AS STRATEGY

- Create business value proposition
- Exciting customers
  - Enhancing interactivity
  - Multi-sensory experience
  - Make customers proud
- Reverse engineering – low cost entry point creating high value
- First time cost function contributing to advertising revenue
- Developing a huge competitive advantage
INNOVATION AS STRATEGY

- Product innovation as a guiding force
- Core competencies of Innovation, Flexibility and Automation
- Premium Value at Premium Price
- Speaking newspaper, Vibrating newspaper, Special coupon, Embedded seeds, Mosquito repellent newspaper, Fragrance
- Folding and Gluing
- Bookmarks
INDIA’S LARGEST MEDIA CONGLOMERATE

THE TIMES OF INDIA
The Economic Times
Mumbai Mirror
महाराष्ट्र ताइम्स
नवभारत टाइम्स
Vijay Karnataka
এই সময়
Femina
Filmfare

Ads2Book.com
SimplyMarry.com
Indiatimes
magicbricks.com
TimesJobs.com
TimesMatri.com

ET Now

360

-times.music
-times.multimedia
-times.internet

Times Foundation
The Times Group

TIMES

Hollywood

Alive

A division of The Times of India Group
SCALE OF OPERATIONS

- 340,000 Tons Newsprint
- 72 Billion Pages
- 39 PRINT SITES
- 3.9 Million Plates
- 7500 Tons Inks
- 4,000 GB Data Transmitted
- 54 Million Units of Power
INNOVATION FUNNEL

Inform & Engage
- Communicate challenges
- Help people submit ideas

Accept & Develop
- Accept and group ideas
- Work to find implementation method

Select & Execute
- Present and Review
- Select and Execute

Innovation champions & mentors support the process

Ideas
- Financial Impact
- Implementation Barrier
- Risk to Business
- Long Term Impact

- Communicate the plan
- What are we trying to accomplish?
- What does a good idea look like?
- Support Innovation process
- Idea box & Idea committee
- Review and group ideas
- Select ideas clearing all filters
- Check technical aspects
- Select best options
- Built an execution plan
- Presentation to COO
- COO makes GO/NO GO decision
- Launches Product if appropriate
Got big dreams? Don't let small budgets stop you.

Print First.

THE TIMES OF INDIA

When it comes to advertising in print, one budget is a good budget. That's because Print offers the flexibility of an ad sizes, markets, formats in a highly targeted and cost-effective way. That makes it perfect for any and all of your budget.

The Times Group offers a wide choice – the largest English and Daily News & Independent Language papers, Life-style editions reaching more than 10 million households every morning. A reach and offering that ensures you're seen and heard.

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GREENOVATION
Plantation through newspaper
EXPONENTIAL GROWTH

- Disruption at Speed
- Lean Innovation
- Out Innovate
- Minimum Viable Product
- Crazy Idea People
- Get out and Meet the Customer

WAVE 1
OFFERED 21 INNOVATIONS
Nov 11–Mar 12

WAVE 2
OFFERED 17 INNOVATIONS
Apr 12–Aug 12

WAVE 3
OFFERED 21 INNOVATIONS
Sept 12–Mar 13

WAVE 4
OFFERED 11 INNOVATIONS
Apr 13–Mar 14

WAVE 5
OFFERED 15 INNOVATIONS
Apr 14–Mar 15

WAVE 6
OFFERED 10 INNOVATIONS
Apr 15–Oct 15
MANAGE COST WITHOUT HURTING THE GROWTH
BEST INNOVATION IS TO REDUCE COST TO CUSTOMER

• Extensive trainings on Zero Based Budgeting method.
• Run a tight ship to spend for future growth.
• Eliminate or reduce expenses that are not contributing to the business
• Find less expensive sources of materials and services
CONTINUOUS IMPROVEMENT OPPORTUNITIES

• Lean, Responsive, Consumer led value chain
• Competitively benchmarked business models
• Creating a war chest to manage expansion and volatility
• Big bucket savings like Capex and Newsprint
• Differentiated business models for Tier II & III towns
• Asset Optimisation
• Creating Flexibility
• Innovation in logistics
CIG EFFORTS

**Cost Mgmt.**

- **Newsprint Yield**
  - Improved by 7.3% giving perpetual savings of $18 million every year. Achieved through CIG, Waste reduction, Downtime reduction, Lower grammage.

- **Fixed Cost**
  - Improved by 3% CAGR giving perpetual savings of $15 million every year. Achieved by reduced pages / kwh and conversion from DG to Grid.

- **Utility Cost**
  - Improved by 4% against inflation giving savings of $2 million every year. Achieved through inventory and asset management.

- **D.V.C**
  - Improved by 5% against inflation giving savings of $3 million every year. Achieved through improvement in process efficiency of consumables like Ink, Plates, Blankets, Fount etc.
NOW WHAT?
TECHNICAL AND EXECUTION HURDLES

- Ideas X Execution = Breakthrough Performance
- No dearth of ideas. Execution is the biggest challenge
- Some solutions may not be cost effective. Reverse Engineering reduces cost, creates a new price point to unlock the market
CHALLENGES FOR INNOVATION IN NEWSPAPERS

Four key questions to be asked for strategic innovation:

• What is the future of our industry?
• What would be our customers discontinuities in our industry?
• Who will be the customers of the future?
• How can we make non-consumer readers and advertisers, our consumers and what are their priorities?
DOES YOUR COMPANY HAVE A PRINT STRATEGY

- Does your organization have an assigned Print Innovation leader at a Director level or higher?
- Does your organization have dedicated people who focus only on Print Innovation?
- Do you have a Print Innovation expense budget?
- Do you have a specific Print Innovation revenue target for the year?
- Do you track Print Innovation results?
EMBEDDING INNOVATION IN CULTURE

• Focus on people, not just on business
• Create an environment fostering ideas
• Exploring boundary less new ideas
• Selection of new ideas
• Operationalizing new ideas
• Developing Go To Market strategy
• Exchange ideas with Marketing
THREE IMPORTANT QUESTIONS

Do we need to innovate?

Can we innovate?

Will we innovate?
Survival is optional. No one has to change.

W. Edwards Deming

THANK YOU

Sanat Hazra