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Paper No. 38
Introduction

I was asked to share my thoughts with you on how future media corporations will work and be organized. I read some books and a lot of articles. I observed some media and entertainment operations. I watched movies about media and entertainment. I talked to media and entertainment people in the Philippines. I talked to IT practitioners. And I observed how some people using available media either as customers or as providers of media products and services. It was clear that the related industries of information, entertainment and communication were evolving very rapidly. Also, quantum improvements in information and communication technologies because of developments in very large integrated circuitry, digitalization and fiber optic technologies were allowing us to do things up until now unthinkable.

I don’t know how many drafts of this talk I started and threw in the wastebasket. I agonized over what I would say. The convergence of these major industries told me one thing. The industry I will comment on does not yet exist. This made my work at once both easier and harder. Easier because I can speculate creatively. Harder because I may not be able to logically lay out my reasons for my speculations. And speculative thinking about an issue subject to intensive questioning is the stock of the academic quest, grilling is not an experience one gets used to. But I had very good help.

Aside from spending time with me to help me focus a few days back in Singapore, Jose Maria Carlos gave me four very good presentations from last year’s (Kuala Lumpur) Conference from which I benefited. The works of Allen Yeung, Andreas Becker, Volker Illert, and Azizi Meor Ngah on the human dimensions in a multi-media environment helped me build this paper. I used some of their thoughts and my own observations on excellent companies in general and the evolving customer, client and consumer profiles culled from the works of writers and organizations like John Naisbitt and his colleagues, Faith Popcorn, and the Philippine Marketing & Opinion Research Society (MORES). For this paper I will use the term customer to include clients and consumers. The orientations I have taken are both global and local.

I will start by making some observations on excellent companies.

Mahatma Gandhi said that customers are not an inconvenience. They are the reason for the existence of our organizations. It is our obligation to serve them. Thus, the excellent companies are those that do the best job of providing for customers’ needs and wants.

According to Treacy and Wiersema (THE DISCIPLINE OR MARKET LEADERS) delighting the customers have come in three major historical stages. Of course in the beginning, it was individually delighting the neighborhood customer with his or her very
distinctive needs. But as far as large, global customers are concerned, in the industrial era excellent companies were those that worked at **process excellence**. They produced the greatest mass of the same reliable products for a market emerging from relative poverty at the lowest cost. Later, with more mature, affluent and sophisticated market segmentation, **market knowledge** allowed excellent companies to offer products and services tailor fit for those segments. Today, we see a full 360-degree turn in an upward spiral. With great customer sophistication, great disparities in incomes but with greater access to mass media and information technology, larger numbers of people are demanding made-to-order, personalized products and services not unlike the specialized made-to-measure shops of old. Excellence means **customer intimacy**, using the latest technologies to mass customize and deliver goods and services at the shortest cycle time possible. **Lesson one is that excellent companies are excellent servants.**

Excellent companies get to the future ahead of the customer. Excellent companies keep the customer topmost in their minds, both at the conscious and unconscious levels and in both the left and right hemispheres. People in excellent companies collaborate with all stakeholders with one aim—be ready to offer what the customer wishes when she or he desires it. **Lesson two is that excellent companies are proactive. They show the way. They lead.**

They can do this because the people in these corporations work collaboratively and creatively for the shared purpose of delighting the customers while enjoying themselves. They work at increasing and sharing their intellectual capital and exploring what they can create with this. They are very good at spotting meaningful trends that lead to great changes in customer needs and wants. **Lesson three is that excellent companies bring together people who are individually and collectively visionary, creative and very purposive.**

Excellent companies have very clear strategic intent. They effectively transform their visions and creative concepts into products and services customers desire. Excellent companies have the discipline of using multiple intelligence and mental processes that allow them to conceive a service or product and offer it to the customer even before the customer is fully conscious of her need or desire for the product or service. Excellent companies have learned to systematically and efficiently put together the ingredients that spell the shortest cycle times—that is, the time customer needs and desires are first articulated to the time the need is filled by the right product or service. By shortening cycle time companies tend to produce at the most economical costs, thus increasing their profitability. **Our lesson four is, excellent companies are effective and efficient servants.**

Excellent companies do a great job of learning faster what needs doing and how best to do these. How do they do these? Excellent companies are able to attract, deploy, and hold people who are multi-talented, multi-skilled, self-driven, creative and entrepreneurial yet disciplined and purposive. They are flexible, able to work alone or in collaboration with others equally well. They are curious and unafraid of taking above
average levels of risk. Their life philosophy includes risking manageable, painful but affordable non-fatal mistakes from which everyone can great learn lessons. **Lesson five is that excellent companies are EFFICIENT LEARNING ORGANIZATIONS WHO BUILD PRODIGIOUS INTELLECTUAL CAPITAL.**

An added lesson from the previous observation is that organizations will want to **hire an increasing numbers of multi-talented, multi-skilled, multiple intelligence professionals who can work in a wide variety of different projects, in different environments, with no fix schedules (but with definite deadlines!).**

These excellent companies are well ahead of every one in organizing for **industries that does not exist yet.** That industry, an evolving mixture of at least four major industries and/or sectors as we currently understand them, exists only in the imagination of its visionaries who can describe the industry only vaguely. Its components can only be incompletely enumerated. The way it will work can be inferred from the workings of related existing industries. The way it will organize can only be guessed at. The visions and guesses are often self-fulfilling. **Lesson six is that excellent companies do not stop experimenting, learning, trying to perfect not only what they do but more especially their abilities to keep on anticipating and getting better at learning new concepts, changing world models and mindsets.**

Here is a second set of observations. What do we know about the customers of today and what are they likely to be in the future?

In rich economies with huge populations and where large incomes are more equitably distributed like the US, the former West Germany and Japan, the competence that will make the difference is customer intimacy. In these economies a majority of people have access to very sophisticated technologies allowing organizations to focus on customer intimate strategies even as they maintain some amount of market knowledge and process excellence strategies. They can go into "mass customization" production systems that allow customers to order made-to-specification bicycles and to some extent cars, produced on an assembly line. In the US we can now have Levi's jeans customized.

However, even some rich economies like Singapore have small populations and may not be able to support such mass customization in a number of product and services categories.

Even where there are sufficiently large potential markets, certain legal restrictions may prevent the kind of free access to all available products as in Malaysia. A fourth category includes Indonesia and the Philippines where you find extremes in incomes. You have fairly small segments of the highly affluent that can afford the latest technologies, services and products. But they coexist with the poor majority and have no access to advanced technologies.
In Asian television, regular network programming has worked on process excellence most of the time, bringing increasing higher quality (as defined by the customers) variety shows of roughly the same format (with a novelty here and there) to a mass market at the lowest possible costs. Market knowledge strategies is evident in the increasing numbers of special format shows aimed at smaller, more psychologically defined audiences. Even newspapers and magazines are now publishing web pages. Cable TV programming reflects the dynamics of market knowledge. Customer Intimacy has not yet been achieved by any major media operation in Asia. Even pay-per-view TV is not yet able to offer the variety associated with customer intimate modes of operations. Radio and TV programs with loyal listeners and audiences, who call in and interact with announcers, anchors, guests and other members of the audience with like interests while the show is in progress may be the closest to that kind of intimacy.

Many of today's media users and consumers are no longer satisfied at being given straight information day in and day out. Neither are they satisfied with only pure, "no thinking" entertainment. They want entertainment that informs and information presented in entertaining ways. They want variety and novelty. They wish to be able to have real time interaction with hosts and guests who can address their concerns and help them form their own opinions. They want to experience in local media what they have experienced elsewhere.

I live with four young men aged 22 to 14 in my home. All four have learned to love reading, music, TV, movies, video and radio as their mother and I have. But they love surfing the net and international inter-net chatting even more. My youngest exchanges notes and programs with a guy he has never seen nor heard. Yet he speaks of him like he was next door.

I composed my formal school reports on manual typewriters. I wrote one master's thesis on an IBM electric typewriter and pasted photographs for my exhibits. I wrote another master's thesis on an IBM electronic typewriter and relied on grainy colored xerography this time to prepare five sets of the same exhibits. In selecting my exhibits I often had to physically scan magazines and books and go through endless movies on celluloid. I had to move around from library to library to do my search.

My sons compose their reports in one room. And their reports, physically at least, have the appearance of a book. They don't cut and paste pictures for exhibits, they scan or import photos into their programs. Then they print it out as an integral part of the page. And to add insult to injury, they can produce reports on what they did during the summer vacation in still and/or moving video. Now they are complaining to me that they find the Pentium I very slow. They are further pestering me for a dedicated line for internet — and can we have two for two PCs, please.

The way they inform and entertain themselves are far more varied than we did during our younger days. They are a far more demanding group of consumers to
please. It is instructive to hear them discuss what they wish they could do with the
technologies they gave at their command.

The current production technologies are so user friendly I have actually seen
these kids produce their own versions of school publications which they conceptualize,
write out, compose, print and distribute overnight, much as any daily would. When I was
managing editor of our high school paper in the sixties we managed to come out once a
month.

The characteristics needed to be able to answer the needs of such a market are
markedly different from those associated with today's media. In news reporting, for
example, old style of straight reportage (what, when, where, who, how and why), while
still needed, has to be spiced up with turns of phrase and extensive quotations from the
major actors in the story. Witness the writing and format styles of the major international
weeklies.

The evolving successful media personalities of the future will, to my mind, display
the following characteristics:

A. They will be comfortable with a variety of disciplines. They will be multi-
talented. Most, if not all, will have had the equivalent of a liberal arts education. They
will have a good liberal arts education. That means one major field of study with one or
two cognate fields. They are numerate and technologically savvy. Because of these
they can analyze, abstract, synthesize and be creative. They can do these because
they can make inter-disciplinary analogies.

B. They will be multi-skilled. For one, they will use the most current technologies
associated with "megamedia" - PCs, notebooks, palm tops and their more
sophisticated peripherals, cell phones, faxes, etc. - to search for and manipulate data
into information into decisions. Many of these technologies they will carry with them and
use wherever they go. They need not, and some will refuse to, work in an office.

C. Many of them will be able to interact effectively and productively with a great
variety of people. They will be able to empathize with colleagues, customers and the
community at large. They will use be able to work in very culturally diverse
environments. They will be well integrated, multi-faceted, multi-personality
individuals.

D. Many of them can conceive ideas and carry these through to final execution
and profitable distribution using the latest technologies making them independent
pursuers. They will be one-person companies.

E. Many of them will have a good grasp of the basics of running a profitable business.
The best will be entrepreneurial.
While most of them will function in more traditional bureaucratic forms of organizations, they will work better in the looser **self directed work team organizations**, characterized by leadership that moves from person to person, depending on the needed expertise for the work at hand. They will use both spheres of their brain in using the many modes of intelligence. They can be systematic, analytical and logical. But they can fantasize, intuit and dream just as well. And they will productively synthesize the results of these various modes.

They will be quite **flexible** and **agile mentally and emotionally**. Many will be very **physically mobile**.

At the same time, cost structures are changing. In many cases technological hardware are cheaper feature for feature. However, increasing feature sophistication and the loading of options into a specific hardware item have made equipment expensive. The rapid rates of improvements in hardware and software have made capital investments more costly. The quest for very short payback periods associated with rapid changes is a cause of hesitating to upgrade frequently.

Lifestyles are also affecting the ability of people to attract multi-talented people. Greater numbers of life and lifestyle options have allowed an increasing number of people to be less loyal to a company and more loyal to specific professions or disciplines. This has affected the corporations' willingness to invest in training people.

How the industry will emerge will be the result of a confluence of many forces.

Organizational successes past, present and future have been, are and will be the organizations that have **successfully anticipated and organized themselves to fill customer needs and wants**. In the words of the theoreticians of change during the 1980s, they learn faster than the rate of change. In the words of Faith Popcorn (1991), they are the companies who reach the future ahead of the customers. **The organizations of the future will reflect the character of the customers it will serve.**

So what is the “megamedia”, “compuphonavision” (Kevin Maney’s term for the emerging industry) organization of the future going to look like?

I think that the organization we are talking about will be in the nature of a conglomerate which will function like a confederation of largely autonomous states that none the less know there is strength in union. We will see a holding company composed of the acknowledged leaders of the confederation serving as the hub of a very varied group of companies. These will range from media organizations not unlike many we see today in the same group as small, high-tech, web connected, essentially out-of-the-home operations involving no more than two people.
F. While most of them will function in more traditional bureaucratic forms of organizations, they will work better in the looser self directed work team organizations, characterized by leadership that moves from person to person, depending on the needed expertise for the work at hand. They will use both spheres of their brain in using the many modes of intelligence. They can be systematic, analytical and logical. But they can fantasize, intuit and dream just as well. And they will productively synthesize the results of these various modes.

G. They will be quite flexible and agile mentally and emotionally. Many will be very physically mobile.

H. They will be very daring and eager to learn new things. Because of these traits they will be constantly upgrading their skills and knowledge which they will try to constantly apply to Life’s problems and possibilities. They are not risk averse and relish the chance to learn from small mistakes.

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bureaucracies not unlike many we see today. They will also include mid-sized operations addressing smaller market segments than national operations (they will likely be regional, provincial or even municipal). These groups will have more traditional structures but will have elements of fluidity to respond to a faster changing customer base. But they will be larger than the many small ones addressing niche markets. The numerical majority of member organizations of the conglomerate will be small, high-tech, web connected, essentially out-of-the-home or virtual office operations involving no more than two people. These are extremely fluid, agile and fuzzy organizations that will have nominal leader-managers for the sake of public consumption but will be run essentially like teams.

The critical value for the group will be creative significance for the cause or concern they espouse. That they can be profitable is good but that simply makes their job nicer. They will not hesitate to get out of the conglomerate if they feel stifled.

These small operations will address the needs of small but significant (in financial and social influence terms, hence their ability to provide good incomes for the operations) interest groups not unlike the small groups whose web pages have proliferated because of IT and connectivity.

These features will require industry leaders and managers to stretch their leadership and managerial models way beyond current participating and delegating styles. While traditional forms of leadership and managing will still be required especially where markets are stable and customer characteristics well known and slow changing, empowerment, self direction, teams and migrating leadership will increasingly feature in the running of organizations.

As organizations become servants to their customers, managers and leaders will also become servants to the products and services producers and deliverers. They will be more facilitators, nurturers, mentors, coaches, counselors and teachers who know when to step out of the way.

There! I've said it. Please pummel me with questions.
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Wisaksono Noeradi
Kathy O'Brien