



AVID | EDIT ON DEMAND

THE NEW EVOLUTION OF PRODUCTION

The economic and operational benefits
of moving content creation to the cloud



INTRODUCTION

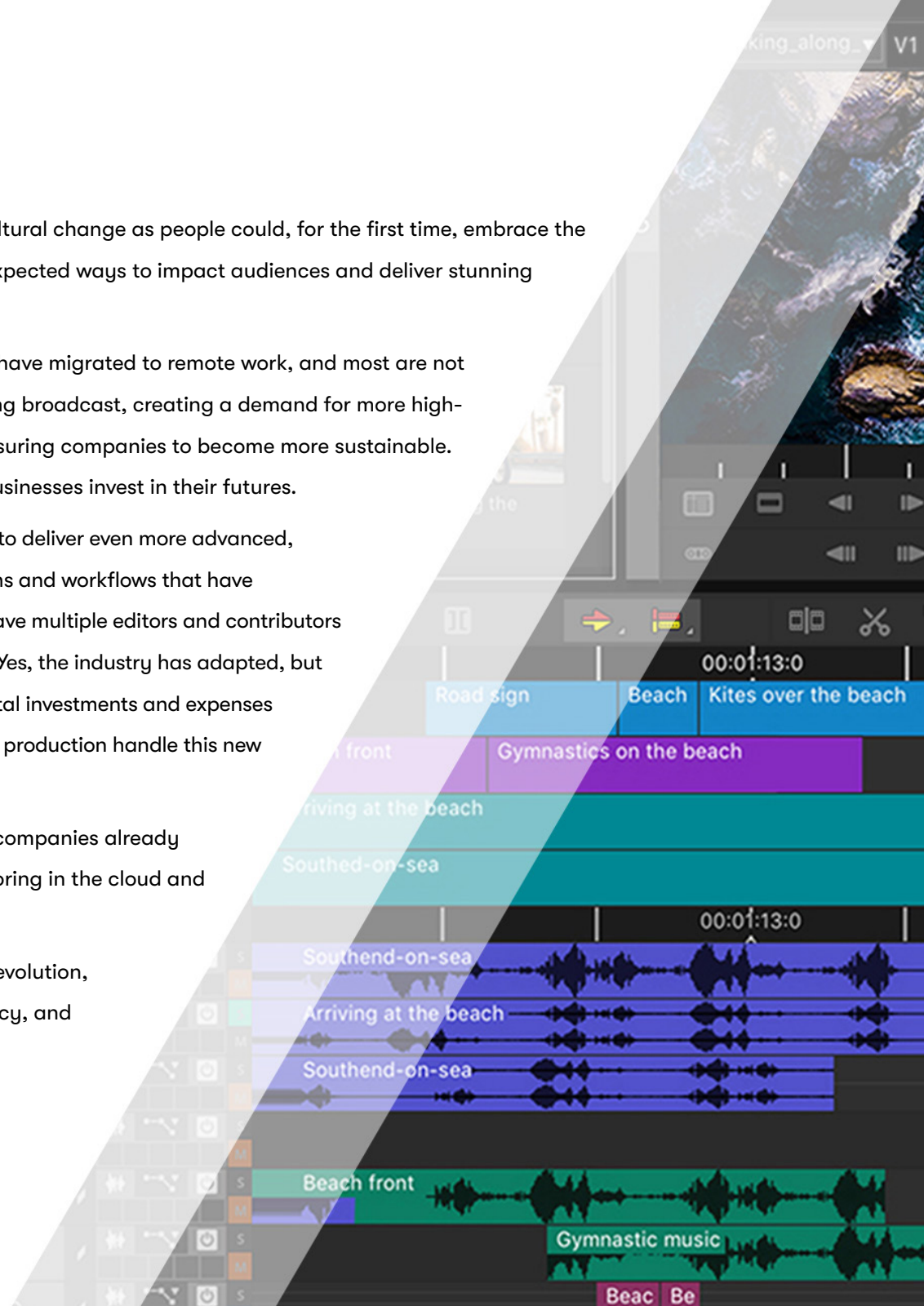
The post-production industry was born at a time of technological and cultural change as people could, for the first time, embrace the visual part of storytelling. Discovering newer, more interesting, more unexpected ways to impact audiences and deliver stunning results is core to post-production DNA.

Today, we are at the crossroads of several great revolutions. Workforces have migrated to remote work, and most are not eager to rejoin the pre-COVID commute. Streaming services are displacing broadcast, creating a demand for more high-quality content faster than ever before. Environmental concerns are pressuring companies to become more sustainable. And cloud and subscription-based technologies are changing the way businesses invest in their futures.

Amid this vortex of change, the post-production industry is again evolving to deliver even more advanced, impactful production value. The past two years have introduced innovations and workflows that have fundamentally changed the way post production operates. We can now have multiple editors and contributors working on the same projects simultaneously, regardless of their location. Yes, the industry has adapted, but what is next? How should companies invest moving forward—through capital investments and expenses (CapEx) or through day-to-day operational expenses (OpEx)? Can remote production handle this new wave of projects without project-killing lag and slowdowns?

What about cloud security? Though many (if not most) post-production companies already store significant amounts of data in the cloud, the difference between storing in the cloud and working in the cloud can still feel novel and untested.

Fortunately, Avid is helping organizations navigate this post-production evolution, enabling them to turn it into a springboard to accelerate growth, efficiency, and quality while improving their bottom line.



ENTER AVID | EDIT ON DEMAND

Editing has a natural ebb and flow. Editors understand they can spend intense round-the-clock sessions sequestered in an editing room, working and reworking one project for seven days straight, while the next week is lined up with smaller, low-stress projects with plenty of breathing room. People in post production are used to being flexible, shifting their work to align with their clients' expectations, and they need their tools to be as adaptable as they are. Rented spaces, rooms filled with on-premises servers, and overnighting bulky drives of footage are capital expenses that just do not make sense with the trajectory of today's post-production workflow—especially now that there are even more variables and personalization as editors work from home or in hybrid environments.

CLIENT TESTIMONIAL: BLACK SPOT NYC

John Laskas, creative director/founder at Black Spot, came head-to-head with these concerns as he was tasked with delivering six hours of content to a client in just four weeks—in the middle of remote working. After examining several solutions, he decided to use Avid® | Edit On Demand to tackle the enormous project he and his team faced.

“Running a project of this scope is difficult to staff under normal circumstances, but with Avid | Edit On Demand we were able to have our teams working remotely across multiple countries and continents seamlessly.”

— John Laskas, creative director/founder, Black Spot

With Avid | Edit On Demand, Black Spot was able to immediately upload footage from different continents for their editors to access and utilize—no overnight hard drive shipping required. Once the footage was accessible online, editors were able to collaborate remotely with each other and with others on the production staff. Creative directors could view editing sessions in real time. Black Spot was able to assemble its team, establish a group workflow, and deliver the project on time seamlessly, paying for exactly what they needed—no guesswork required.



TRENDS IN MIGRATING PRODUCTION TO THE CLOUD

Companies that can stay on top of today's rapidly accelerating digital landscape are sprinting ahead of those struggling to understand and adapt to these crucial trends. This is doubly important for those in post production, where technology and media are inextricable from the business as a whole. Obviously, change is important, but purposeful change that meets the needs of your audience is critical to success. That's why it's important to understand the key trends driving the industry.

KEY TRENDS

Shifting consumer habits continue to drive operational and economic change

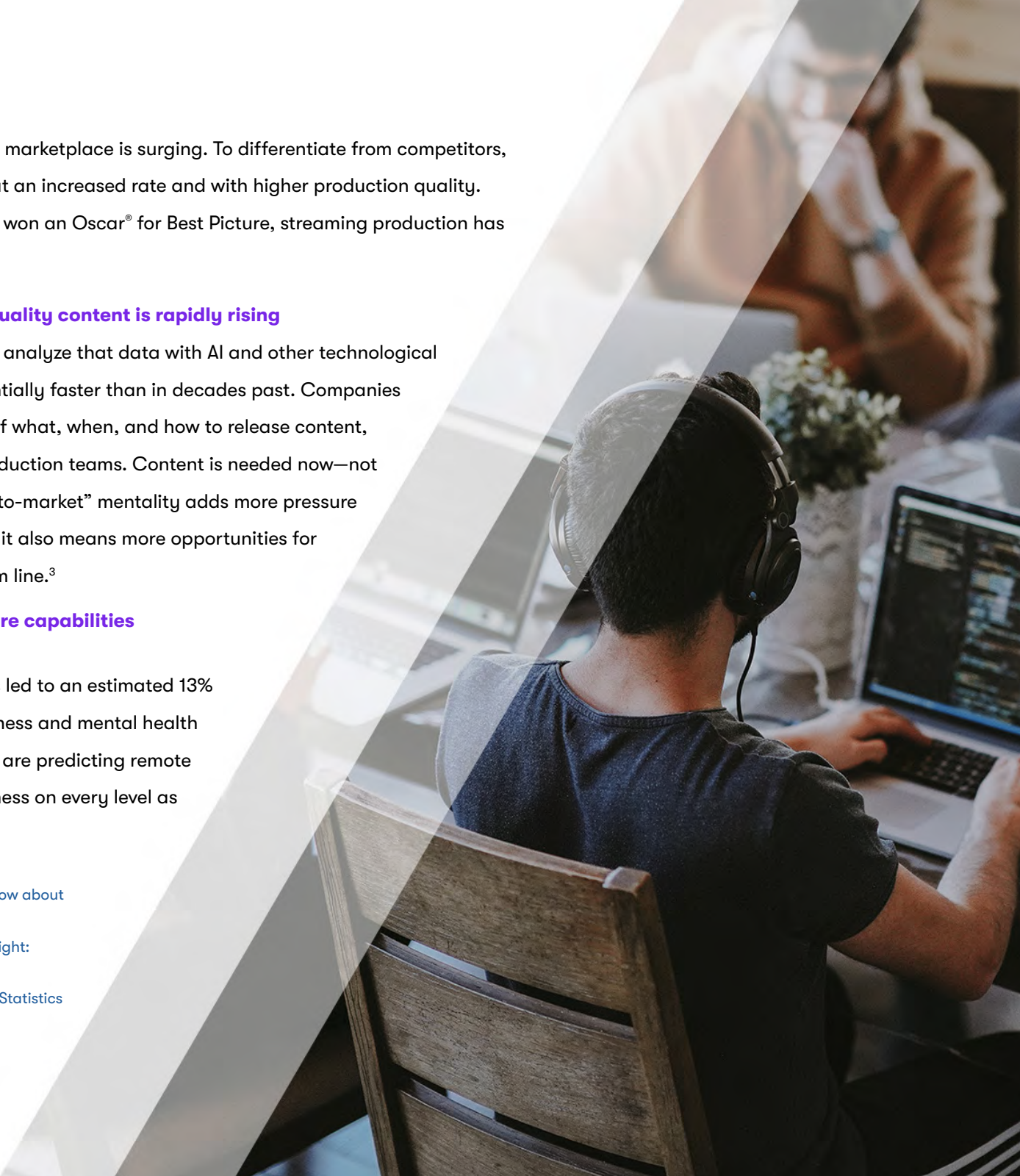
Consumers are spending more, viewing more content, and shopping more online, setting aside brand loyalty in search of what resonates most with them. Companies are being forced to invest in developing a robust online presence and deliver engaging content to stay relevant.¹

Increased competition among growing streaming service offerings is driving more production. Globally, cable and broadcast TV revenue is declining, and in the US the cord-cutting trend is accelerating as streaming content becomes the new norm.

¹. McKinsey & Company, "Emerging Consumer Trends in a Post COVID-19 World"

- An estimated 4.9 million people will cut the cord in 2022, bringing the total number of cord-cutters up to 55 million or 20% of the US adult population
- Nearly all Americans aged 25–34 access TV content through the internet
- The global streaming services industry is expected to have a CAGR of 21% from 2021 to 2028
- It's predicted that the number of cable TV subscribers is expected to fall from 71 million people in 2020 to 56 million in 2025
- In Q1 2021, Netflix had ~210 million subscribers, nearly 10 times that of Comcast, the largest US cable TV provider who counted ~22 million

(Source: Nick G., "19 Cord Cutting Statistics and Trends in 2022," TechJury, June 20, 2022)



In this fluctuating landscape, the streaming service marketplace is surging. To differentiate from competitors, streaming services are producing original content at an increased rate and with higher production quality. And now that a streaming-original film, CODA, has won an Oscar® for Best Picture, streaming production has gained even more momentum.²

Demand for faster times to market and higher quality content is rapidly rising

With more data available and greater capability to analyze that data with AI and other technological innovations, market research is happening exponentially faster than in decades past. Companies can now make quicker adjustments and decisions of what, when, and how to release content, which in turn creates tighter deadlines for post-production teams. Content is needed now—not in six months when it's out of date. This mad “rush-to-market” mentality adds more pressure to deliver work faster without a drop in quality, but it also means more opportunities for post-production companies to increase their bottom line.³

A distributed workforce and work-from-anywhere capabilities are now requirements

On average, the work-from-home phenomenon has led to an estimated 13% increase in productivity and promoted greater wellness and mental health benefits for employees. It's no surprise that experts are predicting remote work will stick around and continue to impact business on every level as we come out of the pandemic.⁴

² McDonough Telephone Cooperative, “5 Things You Need to Know about Over the Top Services”

³ Communications for Research, “Market Research Trends Spotlight: Accelerated Time-to-Market”

⁴ Apollo Technical, “Surprising Working from Home Productivity Statistics (2022),” April 12, 2022

Industries are accelerating adoption of the “as a service” model

Software as a Service. Data as a Service. It seems that every industry is embracing the new “as a service” landscape. With flexible pricing, scalability, and continuous updates, SaaS and DaaS models have become the new business norm and continue to find a foothold in every aspect of today’s ever-evolving market.

Adoption of the cloud as part of a broader deployment strategy is accelerating

Cloud adoption is proving to boost profits, increase efficiency, and optimize enterprise business—if it’s done right. How? Industry experts all say that the right way to reap the greatest benefit from the cloud is to integrate it into the core of your operations. It’s not enough for a business to dip its toes into cloud integration. It’s no longer about just simply taking what you do today and moving it to the cloud. For example, now all workflows can be enhanced with the technology and AI available through SaaS. Workflows can be monitored, reviewed, and optimized automatically, which means that going all-in can dramatically increase return on investment (ROI).⁵

Companies are rethinking strategy with an eye towards sustainability

Society cares more about the environment than ever before. In one recent poll, 85% of people indicated that they had shifted their purchase behavior to be more sustainable in the past five years. The business world is following suit by consuming less energy, striving for a smaller carbon footprint, and finding smarter, more sustainable ways to deliver products and services to customers.⁶

⁵ McKinsey Digital, “How CIOs and CTOs can accelerate digital transformations through cloud platforms,” September 15, 2020

⁶ Business Wire, “Recent Study Reveals More Than a Third of Global Consumers Are Willing to Pay More for Sustainability,” October 19, 2021

“Avid | Edit On Demand is a solution that worked and allowed us to save costs and leap into something that we had planned would take maybe a year and a half or two years—and we did it in five weeks.”

— Sébastien Grandsire, managing director La Fabrique, France TV’s internal productions

“The cost, quality, and performance standards of today will be obsolete in 18 months.”

— Peter Broer, president and CEO of Lumitex
(as quoted by Rebecca O. Bagley, Forbes, “Speed to Market: An Entrepreneur’s View,” May 1, 2013)

“It is forecasted that 25-30% of the U.S. workforce will be working from home one or more days a week after the pandemic.”

— Kate Lister, president, Global Workplace Analytics

WHY MOVING TO THE CLOUD MAKES OPERATIONAL AND ECONOMIC SENSE

The shift away from CapEx towards OpEx-focused business strategies has accelerated rapidly—and with good reason. The “on demand” economy streamlines the supply-demand process, providing consumers what they need exactly when they need it. People expect immediacy, and the media world has not escaped these expectations. Clients are pushing for faster turnaround times, and technology is improving to make that more doable. Software as a Service (SaaS) enables you to fluidly adapt to your clients’ needs, so you can scale your services up or down as needed. It also means that companies can leave issues like capacity optimization and technology troubleshooting to providers, cutting IT and data storage costs significantly.

BENEFITS OF AN “ON DEMAND” APPROACH

Quickly take on new projects
(add capacity easily)

Cloud expertise is not required
(Edit On Demand is auto-provisioned in a matter of hours)

Collaborate remotely with distributed teams

Share and store media securely

Embrace greener and more sustainable operations

Source talent from a broader pool of talent

“Companies that adopt the cloud will bring new capabilities to market more quickly, innovate more easily, and scale more efficiently—while also reducing technology risk.”

— McKinsey Digital, “How CIOs and CTOs can accelerate digital transformations through cloud platforms,” September 15, 2020

“Avid | Edit On Demand has given us access to a much greater workforce than we ever had before. We now are able to recruit globally.”

— John Laskas, creative director/founder,
Black Spot

TRADITIONAL ON-PREMISES vs. SAAS

There are several drawbacks to traditional remote working options.

On-premises operations

- › Taking on new work in an on-premises environment requires upfront costs
- › Maintenance challenges during set-up, configuration, and production
- › Limitations with location and physical data centers
- › Potential complications managing multiple software licenses
- › Security cracks and issues with security compliance when separating application and production data
- › Long-term management of often overprovisioned hardware, as software innovation outpaces hardware manufacturing
- › Supply chain issues adding significant delays

Renting editing suites

- › Workflow dependent
- › Potentially resource-intensive, especially if multi-location support is required
- › Added costs beyond use of a rented system
- › Possible inflexibility if a project goes longer than expected, wraps up more quickly, or is accelerated, requiring additional resources fast

Building a private data center

- › Costly buildout that is not feasible for most small-to-medium-sized companies
- › Overprovisioning hardware to account for long-term management is unpredictable in today's fast-moving technology landscape
- › Slow and clunky to scale up or down
- › Requires additional security considerations regarding the physical premises
- › Delays due to current supply chain issues

Security

- › Complexity of building zero trust architecture
- › Security by design expertise is required
- › Mistakes in design and implementation can be costly operationally and economically

SaaS avoids the issues of other remote working options, optimizing for added capacity, scalability, collaboration, and security.

Take on new work

- › Auto-provision resources in far less time than setting up physical systems
- › Set up and use resources quickly and easily with little to no learning curve and no cloud expertise needed
- › Reduce distance between workers to zero
- › Enable hybrid workflow for projects that require working on and off-premises

Scalability

- › Cloud expertise is not required
- › Avid | Edit On Demand is auto-provisioned and available in a matter of hours
- › Easily scale to fit your needs
- › Expand available services by adding storage, editing seats, adjusting bandwidth, and more
- › Scale back services as projects wind down to keep costs low

Collaboration

- › Unlock access to a larger pool of talent resources
- › Reduce or eliminate the costs of maintaining a physical space for collaboration
- › Edit in the same virtual environment from anywhere in the world
- › Up to 30 people can work in the same project at the same time
- › Ability to review and approve content from any device, anywhere

Share and store media securely

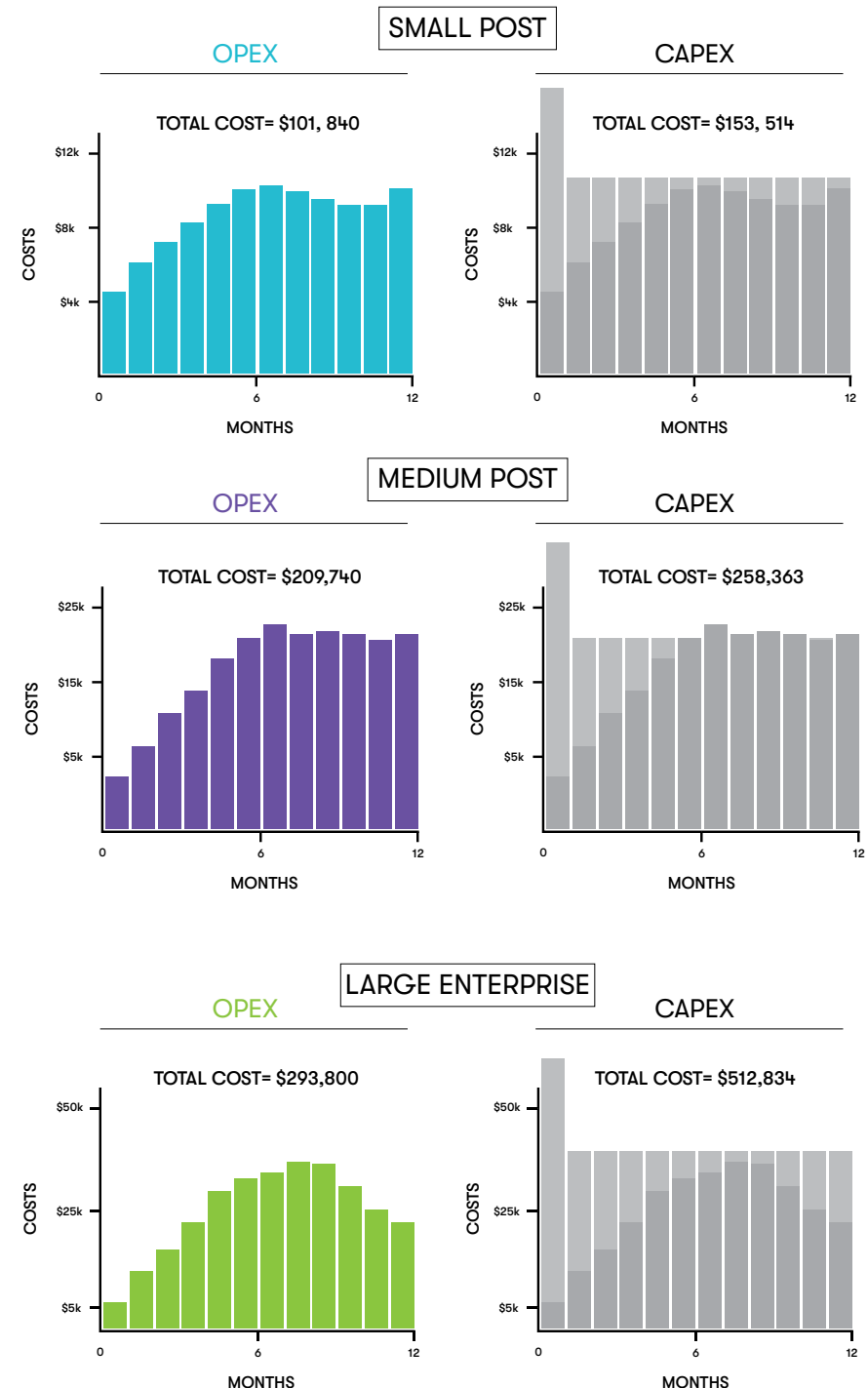
- › Leverage the best cloud service platform security infrastructure
- › Utilize secure applications and access within zero trust architecture
- › Empower your business with security by design, audited and tested by third-party industry leaders in cloud security services
- › 24x7 security monitoring with device and edge security protection

CAPEX vs. OPEX

As companies look toward the future, one of the first questions asked is about investing in CapEx vs. OpEx. In the past, post-production companies relied on and invested heavily in CapEx, like on-premises servers, workstations, studios, and more. OpEx was usually thought of as day-to-day-only expenses, like salaries and electricity. But this new era of remote work, cloud reliance, and the SaaS tech boom have completely changed the playing field and has led to OpEx driving business, while CapEx takes a back seat.

Why? Because investing in OpEx gives companies more flexibility, scalability, and often more savings. Even though this trend toward more OpEx was already starting pre-pandemic, the forced global experimentation of cloud-based SaaS and DaaS technology during the pandemic has led to widescale adoption of OpEx as a sustainable investment model. Many are finding that it's just not worth it to invest in new buildings or other physical assets when so much of the workforce is remote. Even with pandemic restrictions lifting, a sizable percentage of the workforce is opting to stay home. And with studies showing that companies that offer remote work options produce happier, more productive employees, the long-distance work-life balance model is likely here to stay.⁷

⁷ Apollo Technical, "Surprising Working from Home Productivity Statistics (2022)," April 12, 2022



CAPEX ANALYSIS

Businesses that rely on a CapEx-forward model face more challenges as technological advancements accelerate. Post-production houses invest in data centers and often overprovisioned hardware that depreciates over time as new technology renders it obsolete. Even in a virtual space, regularly unused capacity can drain profits. Studios must bring on dedicated information technology (IT) employees, which in a tight labor market is a challenge to hire and keep talent. Resources that may not be fully educated in niche industry needs can be expensive as they oversee short- and long-term maintenance of the production infrastructure. Additionally, streaming and cloud connectivity is becoming increasingly important, and securely connecting an on-premises data center to the cloud requires significant expertise and manpower.

CONSIDERATIONS OF A TYPICAL ON-PREMISES EDITING ENVIRONMENT

- › Editing software and hardware
- › On-premises storage of hardware, office space, and other physical items
- › Asset management to ensure CapEx investments turn a profit
- › Successful and seamless virtualization of assets
- › Integration of third-party software applications
- › Maintaining up-to-date, 24/7 digital and physical security
- › High-resolution monitoring
- › Technical and engineering staff
- › Building costs (such as power, cooling, and rack-space costs)

OPEX ANALYSIS AND CLOUD COMPARISON

Alternatively, OpEx enables companies to access greater scalability, efficiency, and adaptability—traits that proved crucial during the pandemic and will only become more important and relevant with digital acceleration. Adopting a good OpEx and cloud-based business model means not having to scramble to retain IT staff to update physical server rooms and technology. Cut out the go-between entirely and get tech support directly from the people who know best—the team that made the product. Focus on being a production studio and not a technology company, allowing for greater flexibility and a better work-life balance, which means happier, more productive staff.

CONSIDERATIONS OF A TYPICAL CLOUD EDITING ENVIRONMENT

- › Editing software
- › Storage file systems and cloud storage tiers
- › Ingest and export/download
- › Employees can access projects from anywhere
- › Keeping employees informed of personal security responsibilities
- › Customer experience including billing and scalability options
- › Collaboration tools

CLIENT TESTIMONIAL: SAWHORSE PRODUCTIONS AND LUMINOSITY ENTERTAINMENT

Chris Rash at Sawhorse Productions and Luminosity Entertainment was supervising a tier one low-budget collaborative feature across both companies and looking for a remote solution that would fit within the budget, with all the editors located in the Los Angeles area. He considered renting an edit studio, but with a limited budget, he decided to reach out to local Avid representatives, who suggested the team consider Avid | Edit On Demand, which was just over half the price of a physical edit location.

The team was able to avoid the LA commute while still utilizing the full collaborative capabilities of Avid editing solutions. DITs encoded and uploaded footage directly to the Avid | Edit On Demand cloud service, and the editors were able to work from there and share with the director live.

“Our editors worked seamlessly; they really didn’t need any set-up at all. It was such a smooth transition for them... It’s a little more than half of what it would’ve cost us to rent a physical space for the same amount of time.”

– Chris Rash, post supervisor,
Sawhorse Productions and Luminosity Entertainment

SUMMARY

The current post-production evolution can feel a bit overwhelming, but it is also full of opportunity—if the right tools and partners are available to help navigate the ever-shifting landscape.

Avid continues to innovate to meet the changing demands of post production. Today is no different. Avid | Edit On Demand was designed to turn today's obstacles into tomorrow's opportunities. It enables you to use familiar, known systems—without the operation, maintenance, and support costs—enabling instant collaboration across the globe. Additionally, as a subscription service, you pay per month rather than make a large capital outlay all at once, reducing any project start-up costs. And you can even stay on top of costs on a day-by-day basis with an available dashboard within your familiar Avid account.

If a project grows outside of the scope expected, there's no need to rent extra rooms or buy additional data storage facilities that are superfluous at the end of the project. Simply adjust your Edit On Demand subscription to match project, needs, making any necessary changes on the fly. Easily add and subtract data storage, edit seats, and bandwidth. And since Avid | Edit On Demand is a complete SaaS solution hosted by Avid, cloud technical expertise is not required, as the solution auto-provisions everything needed for production in the cloud.

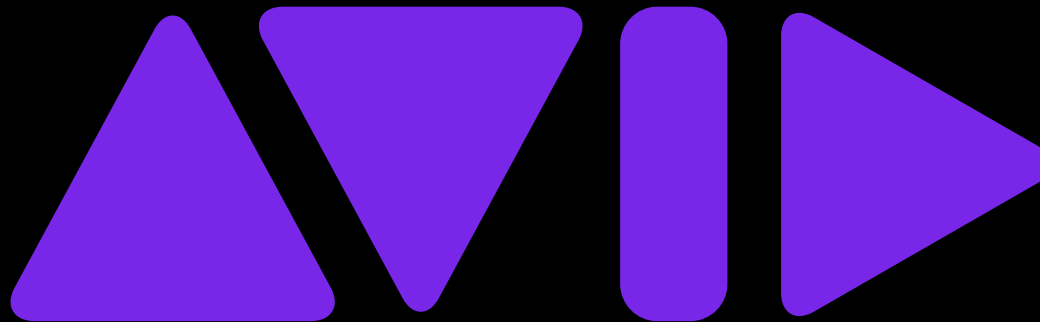
Avid | Edit On Demand takes care of all the deployment and configuration via automation with a few clicks—far faster and easier than any human can set up a collaborative editing environment. And because Avid | Edit On Demand is backed by Microsoft Azure, you have the industry leaders in cloud security protecting your assets.

It's time to embrace the next evolution of post production with Avid.

“I think there's almost no reason not to go with a system like this. When you factor in cost, the overall quality of life for the people doing the editing not having to leave their house and sit in traffic—it's such a great way to do it, especially not having to make the kind of investments you'd have to do with building out a physical facility. I'm sure there will be instances where your director wants to be in the same room as the editors—but they can do that from their house, or they can do it from a facility and connect in via hardline. This is a solution that I will champion going forward.”

– Chris Rash, post supervisor,
Sawhorse Productions and Luminosity Entertainment





Learn more at avid.com/edit-on-demand