Google Cloud

TECHNOLOGY
PREMIER LEAGUE

SMART STRATEGIES
WINNING TEAMS • 2019 | BRAND OF
CIO&LEADER IT NEXT

BNI

A CASE STUDY

Google Cloud

New Delhi-headquartered BNI Limited, better known by its media brands – daily newspaper Business News & Insights, business news channel BNI TV, website bninsights.com and six fortnightly sectoral publications—Telecom News & Insights, Travel & Hospitality News & Insights, Financial News & Insights, Automotive News & Insights, Healthcare News & Insights (includes Pharma) and Start-up News & Insights—is an eight thousand crore media business, known for its in-depth research based content and is well-respected for the quality of its coverage as well as its neutral and objective journalism.

BNI was started in 2001 by two friends—Bhabesh Dutta, a veteran business journalist who had worked in Indian and international business publications and Akhilesh Dash, a successful IT entrepreneur. Bhabesh is the Chief Editor and Chairman. They hired a CEO—a business executive who had worked as a journalist for three years before joining MBA course to change track. Rohit Dhawan had worked for consumer companies as well as some B2B companies before joining BNI.
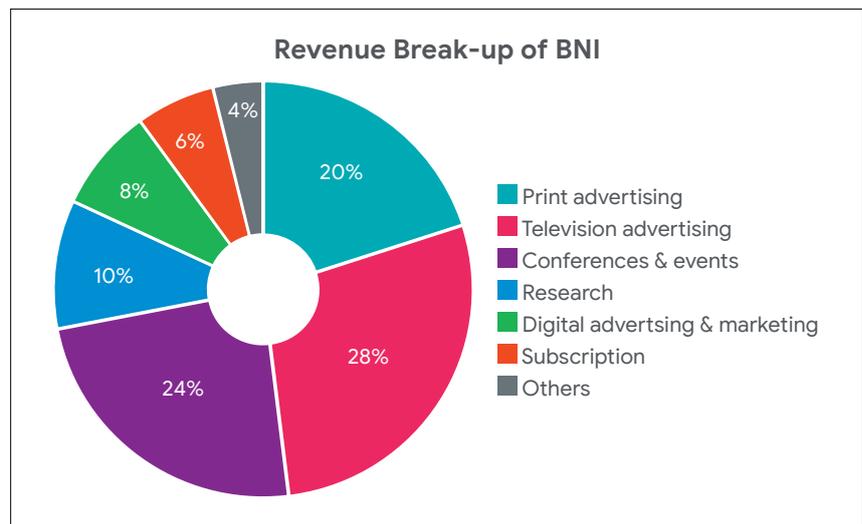
It was funded by ASIC Ventures, an investor in early-stage companies in 2005 and Sacramento Partners in 2009 and 2013. The growth story has been impressive.

The Offerings

BNI started with a weekly publication in broadsheet newspaper format, Business News & Insights in 2001. In 2005, it was converted to a daily, with five editions in a week, on weekdays. Two years later, it started Saturday and Sunday editions as well, with more in-depth content—both on business and other spheres of life, especially art and literature. Between 2009 to 2016, six sectoral publications were added.

BNI TV was started in 2004, as a business channel. While it did cover stock market and equity, it moved away from focusing excessively on such content, like most business news channels do. That was a tough call, as stock markets ensures daily interest by viewers. But BNI managed to hold on, leveraging its interesting and incisive insights on different business sectors and series of interviews with global management gurus, CEOs and Indian CEOs. Its interview series, Insights Direct, is the most respected business show in Indian business television.

Its direct interviews with world business leaders and policy makers during the World Economic Forum's annual meeting in Davos in the last two years were pathbreaking. This year, Bhabesh himself interviewed many global executives sitting in his New Delhi studio.

Its website, bniinghts.com started as a static site for its newspaper in 2001 itself but slowly acquired the character of an independent business news and insights portal. It runs polls, blogs, and lots of shorter news analyses. It serves as the common group portal. The websites of the other publications are still largely reflections of their print content. Most of the breaking sectoral stories as well as research results appear in this website. The site is now responsive and can work across devices. It also has a mobile app, which is an exact replica of the mobile site.

But the jewel in the crown for BNI Limited is its research unit, BNI Intelligence Bureau (BNI-IB). Just 10% of its revenue, it accounts for 19% of its profits. Started as

an inhouse research unit early in the company's evolution in 2004, it transformed itself into an independent profit center in 2008, under its head Asim Basu, a business journalist who was less of a journalist and more of a researcher. For the next five years, it was focused on only syndicated research, which came naturally to the media brains of Asim, Bhabesh and all other senior journalists. However, during the funding round of 2013, the investors prevailed upon the journalists-dominated management to also go for custom research, with the same high standard. While Asim and Bhabesh were not too enthusiastic about the idea, the results show that the investors were right. The unit's revenue has almost doubled every year from 2015 to 2018. Today, its clientele include large Indian corporations, global consulting firms, VC and investment firms, and even government agencies. Some of the smart cities which had done some work with BNI-IB, have asked if it could analyze their data to get meaningful insights. This is a new opportunity.

It is important to mention here that BNI was the first media house in India to seriously pursue data journalism. Rohini Kela, an engineering graduate from IIT who studied journalism at Columbia School of Journalism, joined BNI. She has been instrumental in driving data journalism in BNI. Today, BNI has serious plans to scale that area.

BNI-IB has started a policy research unit too. Amit Bagla Centre for Economic and Financial Policy Research is named after one of the first journalists of BNI

Revenue Break-up of BNI

- Print advertising — 20%
- Television advertising — 28%
- Conferences & events — 24%
- Research — 10%
- Digital advertsing & marketing — 8%
- Subscription — 6%
- Others — 4%

who died in an accident while on duty. The Centre is a non-profit. BNI organizes the Centre's well-attended policy conclaves attended by policymakers, professionals and thought leaders.

Television advertising gives the highest revenue to BNI, followed by events and expositions and print advertising. The revenue break-up is given in the pie.

Financials

BNI recorded a revenue of INR 7960 crore in 2018-19, with a net profit of INR 335 crore. The growth rate in 2018-19 was 11% and the five year CAGR is 6.2%.
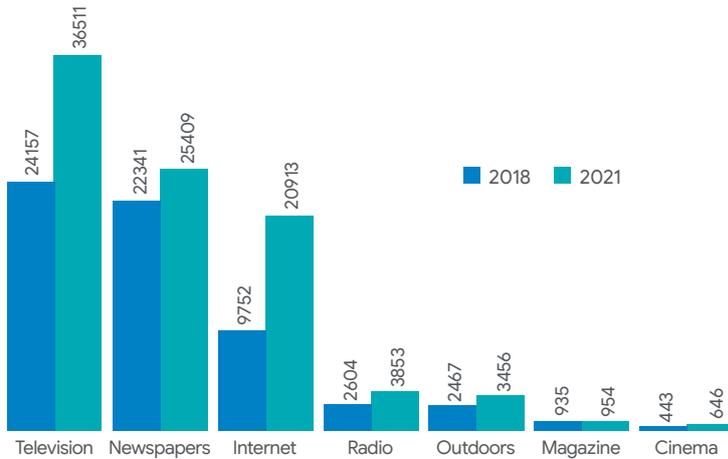
Challenges

Despite its spectacular growth story so far, BNI is facing a lot of challenges.
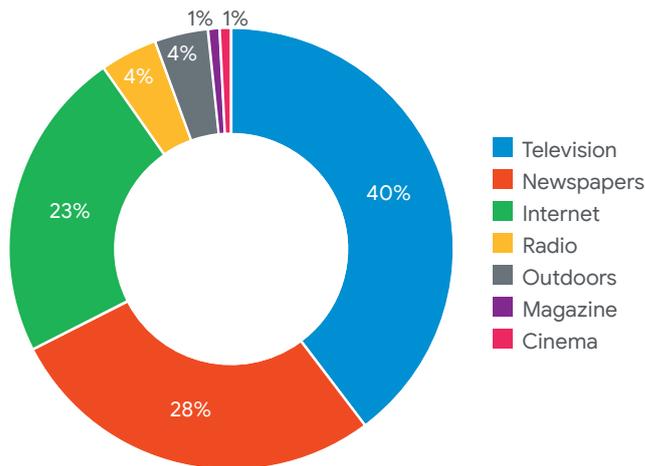
First is the same challenge that all news media companies are facing—margins have come under pressure. This is because of decline in print advertising revenue. While the events business has more than compensated for the declining print revenues, margins are
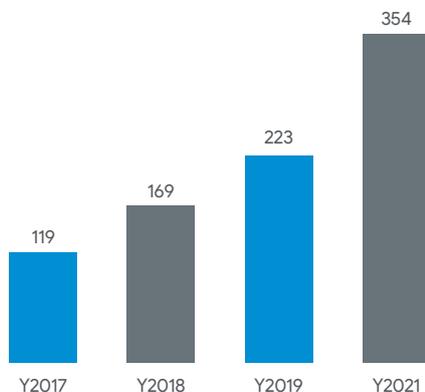
Advertising Scenario in India

Growth of Advertising in India 2018-21

Legend: 2018, 2021

Medium	2018	2021
Television	24157	36511
Newspapers	22341	25409
Internet	9752	20913
Radio	2604	3853
Outdoors	2467	3456
Magazine	935	954
Cinema	443	646

Indian Advertising Break-up by 2021

- Television 40%
- Newspapers 28%
- Internet 23%
- Radio 4%
- Outdoors 4%
- Magazine 1%
- Cinema 1%

Growth in Digital Media

Year	Value
Y2017	119
Y2018	169
Y2019	223
Y2021	354

Source: Zenith

under pressure. Events do not give the kind of margins print advertising gave.

Also, BNI has not been able to craft a good digital story, unlike some other media companies. At 8% of its total revenue, digital has been almost a non-starter. Most of the 'digital revenue' comes bundled with events or advertising revenue, apart from some basic display ads and mailers.

One of the handicaps has been lack of flashy stories that work on online and manages to get people, resulting in creating marketing opportunities. On the other hand, despite the fact that BNI's content is so valued, its website archive is so disorganized that it is a struggle to find some of its best content. Search is very ineffective.

As advised by the investors and others, the BNI management has often discussed the possibility of monetizing its content, but it has not gone anywhere beyond discussion levels.

While its data journalism efforts are considered pioneering, BNI has not got any major dividends from it beyond some appreciations.

BNI 2.0

Bhabesh, Rohit and all members of board agreed that it is time for a comprehensive change.

They also agreed that some of the changes are dictated by the changes in the media landscape. So, they are in a way, do or die changes.

On the other hand, the board believes that BNI needs to

proactively introduce some changes, to play on its strengths and leverage its status as a respective in-depth analysis and insights player.

Both the changes should be implemented taking into account the corresponding changes happening in the technology area, which can help drive the big change.

After a lot of deliberations, and taking into account stakeholder opinion, a sub-committee of the board appointed for the purpose, recommended a set of changes, with clear caveat that since most of those changes are tech-led, the final implementation of them depends on technological viability, based on the maturity of technologies concerned.

The Agenda for Change

The subcommittee recommended a 8-point agenda for initiating strategic changes. These changes could be carried over a period of time, after prioritizing, and based on their technological viability. The sub-committee had only considered the business opportunities, challenges and risks with a broad idea about technological changes. Detailed technology viability study would have to be carried out by a team comprising CTO Parikshit Jena, Head of Marketing Neelima Phule, and Head of Operations, George Mathews. The recommendations are as follows:

1. **Creation of niche products for consumers** without digressing from BNI's core content focus, which is business insights. Increasingly, normal consumers are showing interest in business and technology content. It is aimed at addressing that need. All activities in this areas will have to be ad-supported.

2. **Monetizing its highly appreciated content.** BNI has invested a lifetime in building quality content, credibility and respect. There is a strong feeling within the group that it should be monetized. The committee recommended two distinct ideas for this:

   a. *Paid subscription for its archives.* After careful consideration of opinion by a section that it should ask a premium for its content, the committee was of the view that it is not yet time for making everything paid but instead recommended that its archives, which attract almost 40% of the unique users, must be charged for. But it also noted that, to do this, the organization and search of the site needs to be drastically improved and data on search has to be carefully studied for promotion.

   b. *Licensing content.* The committee also suggested licensing of its analytical content, research reports, video clips and photographs to corporates, other media houses and anyone who wishes to license them. This was based on strong interest by corporate websites to use such content, especially articles, interviews and research content.

3. **Going all out for video.** In a recent survey by Wordstream, 59% executives said they would rather watch a video than read text. Since business executives are the prime targets for BNI, the committee felt the thrust on crisp, incisive videos would go a long-way in building its brand as a dynamic media brand. While there is a lot of video content available in BNI TV's site, they are often the copies of their TV programs. To use video for drawing traffic or marketing or licensing them, the videos have to be

customized to the needs of visitors and corporate licensing users.

It was also felt that the company should help clients in creating videos where there is need for lot of insight and thought leadership.

4. **A thrust on digital.** The committee felt that for a brand like BNI, it is important to draw far more revenue than it does from digital. Not only does it help reduce dependence on events and ads, it creates an image of a dynamic brand. The margins are also higher. One specific area that the committee recommended was getting into digital events—like digital conferences and digital expos. Broadcast quality live videoconferencing using low-cost devices or mobile devices of users were also an idea that the committee recommended that BNI should explore. However, they added a clarification that the technical and commercial viability of going all out for this must be studied carefully.

5. **Significantly enhance customer experience.** BNI, like most media companies, talks of advertisers and readers/viewers, rarely of customers. The committee recommended that this needed to change. It suggested a number of ideas to make that possible—from basic ideas like customizing content based on visitors' browsing habits to radical ideas like allowing advertisers to access their annual plans across channels and allocate budget dynamically, thus allowing them complete control over their budgets and significantly enhance transparency. It advised that the technical visibility be studied and a pilot done before going all out for it. It also said as much as possible it should use end user devices like mobile and tab for providing access to these kind of services.

6 **Embrace the app economy.** The committee felt a one-size-fits-all app that does not even provide basic features like customizing the content and registering for specific types of content and registration for events is no app at all in today's context. It mandated that BNI should have contemporary apps with lots of capability that are easy to use. It also suggested to build multiple apps for multiple use cases, but with a single view of the customer at the backend. The data from the app should be analyzed for further insights, it said. This was something that needs immediate action, the committee felt. "App development must be changed from projects to a regular business process," it opined.

7. **Creation of a data lab.** BNI is the leader in data journalism in India. It has recently created a data journalism department headed by Rohini and with specialists from macroeconomic, equity markets and sectoral areas attached to that team. The committee, in the wake of demand for commercial products, suggested that a data analytics unit within BNI-IB must be created with help of data journalism lab. The unit should aim for providing better insights based on data analytics and should also try to build competence in predictive analytics services for their research customers, using Artificial Intelligence. The consumer insights surveys recently started by BNI-IB will be significantly enhanced by these capabilities, the committee said.

8. **An experiment engine.** Since most operations are moving to digital and it is a highly dynamic area, the earlier way of taking months to evaluate an idea and a project would

no longer work. They opined that BNI should find a way to try out new things on digital continuously and discard the things that do not work or that goes out of favor with the market quickly so as to minimize the loss of time, money and energy. But it cannot remain cautious as earlier and must experiment. The cost of failure should be brought down significantly.

The committee clarified that they have recommended only strategic changes required to drive BNI to the next stage. Regular changes like building better websites for each of the products, better management of customer relationships and drive to enhance organizational efficiency would continue as planned.

Your Task

Your brief is to look closely at each of the recommendations of the sub-committee, decide which technology from today's presented technology can help in achieving those changes. Also evaluate, as the committee said, the commercial-technical viability of using that technology based on the financials that you have.

Then design a detailed technology plan.

The technology plan should have:
- Technology for each of the desired changes recommended by the committee separately
- An integrated technology plan which should be based by combining the individual needs
- There should be a roadmap— with timelines and priorities. Please justify your prioritization
- It should only use the technologies presented to you today
- Give budgets, resources, and challenges
- Make suitable assumptions as long as they do not contradict any of the given facts

Current IT Environment @BNI

For its print newspapers operations, BNI uses the best-in-class software. It uses CCI newspaper management software for supporting editorial operations for Business News & Insights, which runs on Oracle. It uses QuarkXPress for layout, with some customized plugin. It also uses Adobe InDesign. It uses open source tools and Tableau for its data journalism team. For overall enterprise management, it runs SAP. The CRM is also from SAP. For website operations, it uses a custom-developed Content Management System which has, over time, added a lot of functionalities, but more as a patchwork. BNI has data centers in three locations – in Noida, Mumbai and Chennai, all hosted. It runs more than 300 virtual servers.