



Q&A with **Michael Mendoza, CEO, Lineup Systems,** on the issues facing media companies today.

1. What are the big issues facing media companies and their suppliers today?

I like how this question is asked. It emphasises the importance that our customers are dynamic media companies. They are growing digital businesses while slowing the decline, or in some cases, growing their legacy print revenue. They sell multi-channel packages with a mobile sales force that require lead generation and sales automation tools that support their sales effort. Direct sales is now combined with programmatic buying while new media channels and devices are being invented constantly. The biggest issue these media companies are facing is the rate of change of our industry, products, and audience. And the legacy suppliers have not innovated at the same rate of these media companies. In many cases, the vendors are the main hindrance of a Media Company's innovation, and without this innovation, they are suffering. This comes in the form of excess cost and revenue decline.

2. Lineup is continually expanding into new geographic markets. How does Lineup differ from other more long term suppliers?

Is there an advantage in being relatively young?

In 2005, while I was the Global IT Director for the world's largest international newspaper, Metro International, I was given the go-ahead to create a system to automate Metro's massive global advertising business. The system we created was called AdPoint and it was designed from scratch to be everything I envisioned in a world-class advertising management solution.

It was so successful I wanted to make it available to the general market to help other companies after the market started to decline in 2009. In 2012, we accepted substantial private equity funding to support the growth of the business.

It is hard to compare Lineup to the legacy suppliers. At first, when AdPoint was launched, it was clear that our team and product were much better than any other vendor in the market. AdPoint immediately delivered real measurable value while taking on the challenge to re-gain revenue growth with our customers, and succeeded! But we were unproven as a company, product, and team.

So in the last three years, we have proved our solution and capabilities by delivering to many major European and global media companies such as NDC mediagroep and Telegraaf Media Groep in the Netherlands, Grupo Expansión in Mexico, and Expressen in Sweden. We now serve over 6,000 users in 33 countries globally and are the fastest growing vendor in our sector.

3. What do you see as the key challenges for a modern advertising solution that will deliver for media companies in the future?

A modern advertising system must be 100% web based with a modern architecture, adapt quickly to change, and be fully conversant with multi-channel media and cloud deployment. We have completely different challenges than the older legacy vendors in the market. Technology does not hold us back as it does for our competitors. They are struggling to deliver 1 or 2 releases per year with limited new capabilities on old architectures on a legacy code base. They tend to deliver "fixes" and peripheral features rather than real innovation.

In comparison, Lineup delivers weekly drops

for customers in active deployments, monthly release for those customers moving quickly in their markets and need AdPoint to support their aggressive strategies. And we have quarterly releases for those customers that want the balance of stability and speed. Our challenge is to communicate the benefits of these new features quickly to your customers and to help them capitalise on the benefit.

4. Which media companies have adopted your solution and how have they benefited?

We work with so many media companies worldwide to support and improve their commercial processes from CRM, sales, ad booking, though to finance and analytics. I can give you a few examples:

Lineup implemented AdPoint in Abu Dhabi Media and within 3 months we achieved a return on investment of £5.4M. We did this through discount approval workflows and giving the management team real-time analytics to make critical business decisions – in the same day! We helped them lower their gross revenue by 23% and increase their net revenue by 19%.

At News UK we helped to integrate various internal departments into one environment which allows their sales teams to sell ads and packages across digital, print and tablet formats with a single booking – it's a true

multi-media solution with huge efficiency and greater cross-selling opportunities.

At Telegraaf Media Groep we implemented a software-as-a-service based ad sales solution that included ad operation management, ad booking, CRM, invoicing and analytics and was delivered across 100 newspaper titles in less than 100 days. This speed of deployment distinguishes the modern, agile systems from the dinosaurs.

Let's not forget Metro International, who are still benefiting from AdPoint every day! When AdPoint was first created, we achieved a cost savings of ~€100k annually per site (23 sites), reduced credit notes by over €5M per year, and helped the group achieve profitability for the first time in the company's history.

We have headquarters in Colorado, USA, and a major European office in London. Between our development centre in Czech Republic and our partner ppi Media who are publishing experts and know the German market well - we cover a lot of ground in Europe and maintain close relationships with our clients and keep projects moving.

5. What are the big challenges in delivering advertising solution projects in today's market?

Every project brings different challenges and opportunities but there are key themes

that we see time and again.

We pay attention to customer staffing and our customer's ability to dedicate resources to our project. AdPoint will bring on change in the business so our deployments tend to be balanced between the technical and business process transformation components. We know that our team must support the installation of software while helping our customers to transform and improve their business.

A successful project always requires sound project management and change management to ensure productivity is maintained during deployment. There are many moving parts when deploying an advertising solution. We have a full-featured product with deep capabilities in digital, print, sales management, finance, and more. When you touch so many departments in such a significant way, we need to be very careful to coordinate and manage every aspect of the project.

We have to take a holistic approach to make sustainable commercial success. AdPoint's modern and open architecture make it extremely flexible and responsive so we can deliver major projects across complex media businesses very swiftly – we're talking a matter of weeks where previously legacy vendors took months or often years.

Lineup Systems is a global provider of advertising sales solutions in CRM, ad booking, finance and analytics.

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