



THE EVOLUTION OF THE PRODUCTION OFFICE 2019

- ▶ A research study on the attitudes and opinions of accountants, producers, finance executives, and other key industry professionals



TABLE OF CONTENTS

Digital adoption in the production office has the potential to drive efficiency, simplicity, and accuracy for production teams everywhere.

Outside of the entertainment industry, most industries have already realized these productivity gains and more: they are now exploring new ways to leverage big data and building tools that can help inform better business decisions.

Entertainment payroll and accounting is entering a new era with advanced software, paperless payroll processing, and digital workflow solutions, and is poised to see significant change in the coming years, as software providers build more cloud-based solutions and replace paper-based workflows with streamlined digital solutions. Will the business of production follow a similar path as other sectors?

We set out to better understand the entertainment industry's current state and the attitudes and behaviors that are guiding it by surveying over 500 industry professionals.

▶ OVERVIEW	
Enthusiasm vs. inertia	1
▶ ENTHUSIASM	2
A desire for digital	3
Positive performance	4
Time saving is everything	5
A wish list of new features	6
▶ INERTIA	7
Why few go fully digital	8
No rush to shake things up	9
At a loss for advocacy	10
Divided we stall	11
Barriers to branching out	12
▶ CONCLUSION	
What we've learned	13
Takeaways and recommendations	14
Methodology	15

Enthusiasm vs. inertia

Our research revealed that while production office professionals recognize the opportunities and benefits of going digital with better features and capabilities for optimizing workflows, the industry is driven by opposing forces: enthusiasm and inertia.

ENTHUSIASM

Positive attitudes about digital solutions

INERTIA

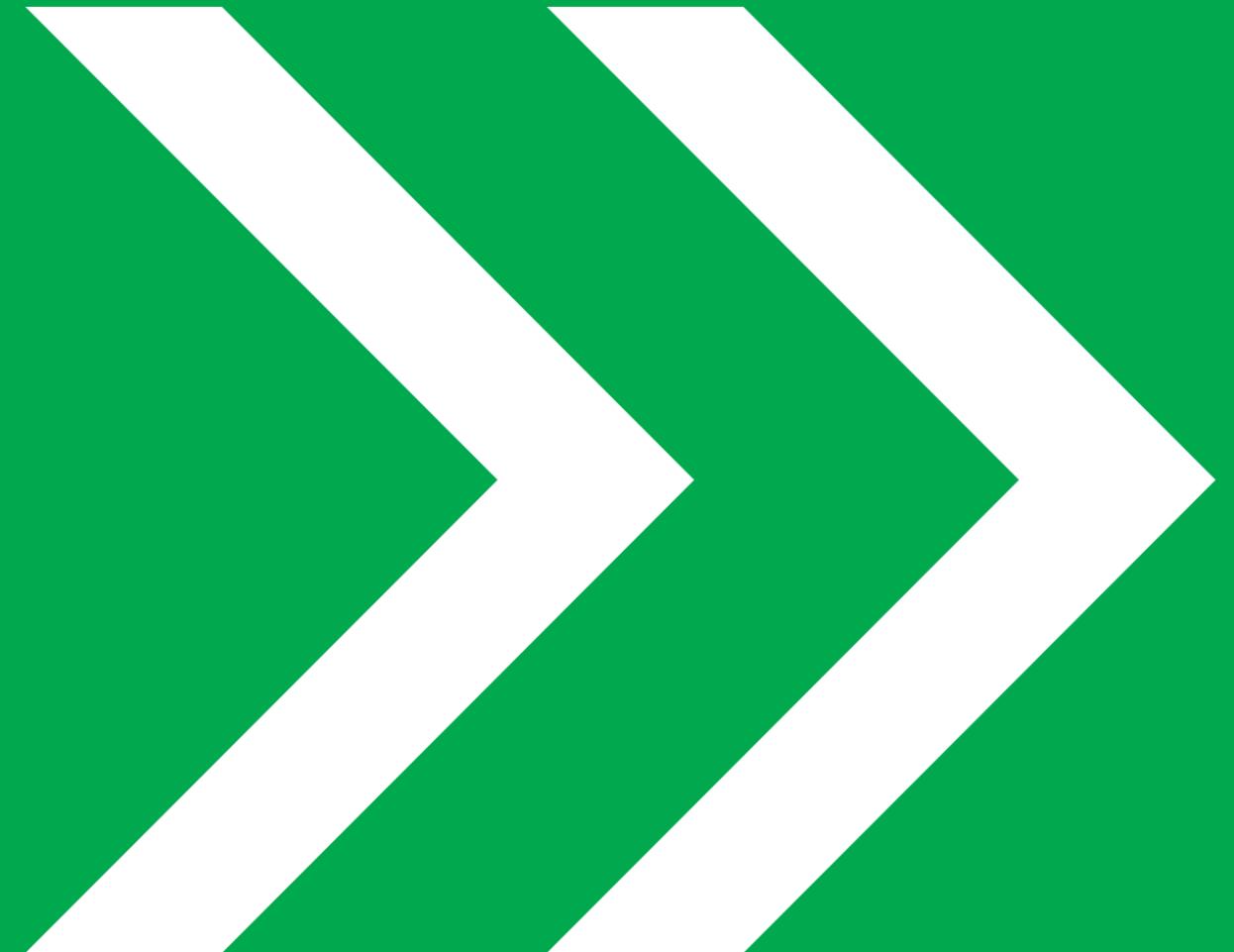
Skepticism and aversion to change

ENTHUSIASM

The industry acknowledges that digital solutions have a lot to offer production offices. Most respondents are already using digital solutions in some capacity and are generally satisfied with what they've seen. This satisfaction, along with the possibility of further improvement from new features, has created a positive sense of enthusiasm around digital.

KEY FINDINGS

- 1. A desire for digital:** The industry overwhelmingly agrees that it could benefit from digital solutions.
- 2. Positive performance:** In general, users are satisfied with the performance of their current production accounting software.
- 3. Time saving is everything:** While digital has many recognized benefits, saving time appears to be the most important.
- 4. A wish list of new features:** Production reports and digital timecards are the top features respondents would add to their current software, and better features are the biggest reason to switch.



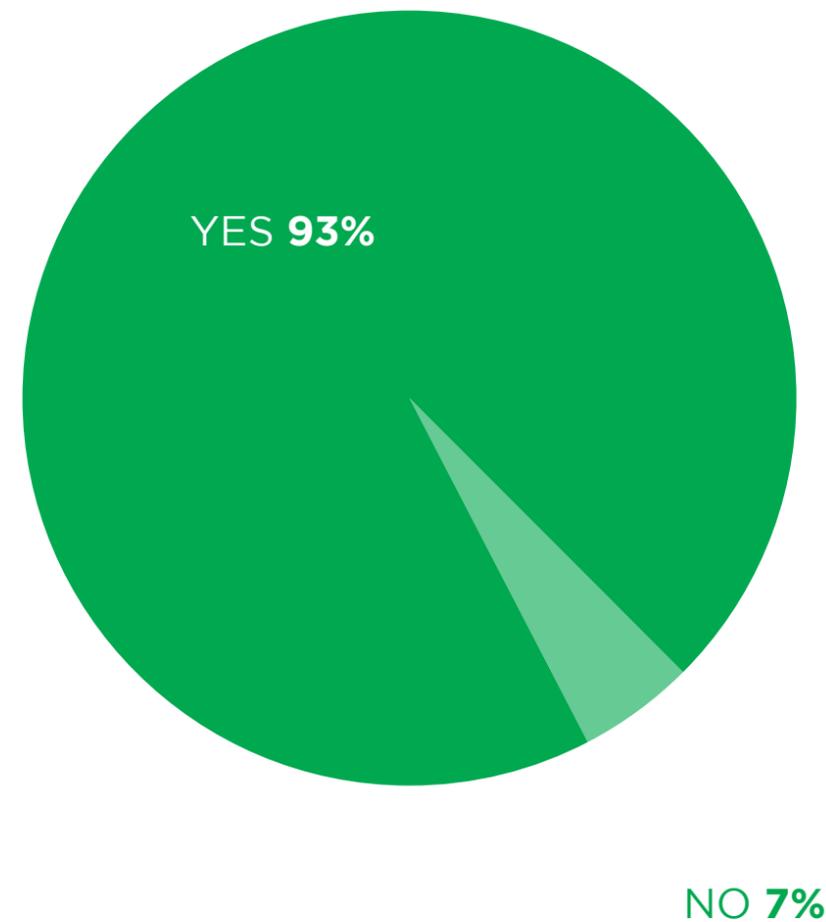


A desire for digital

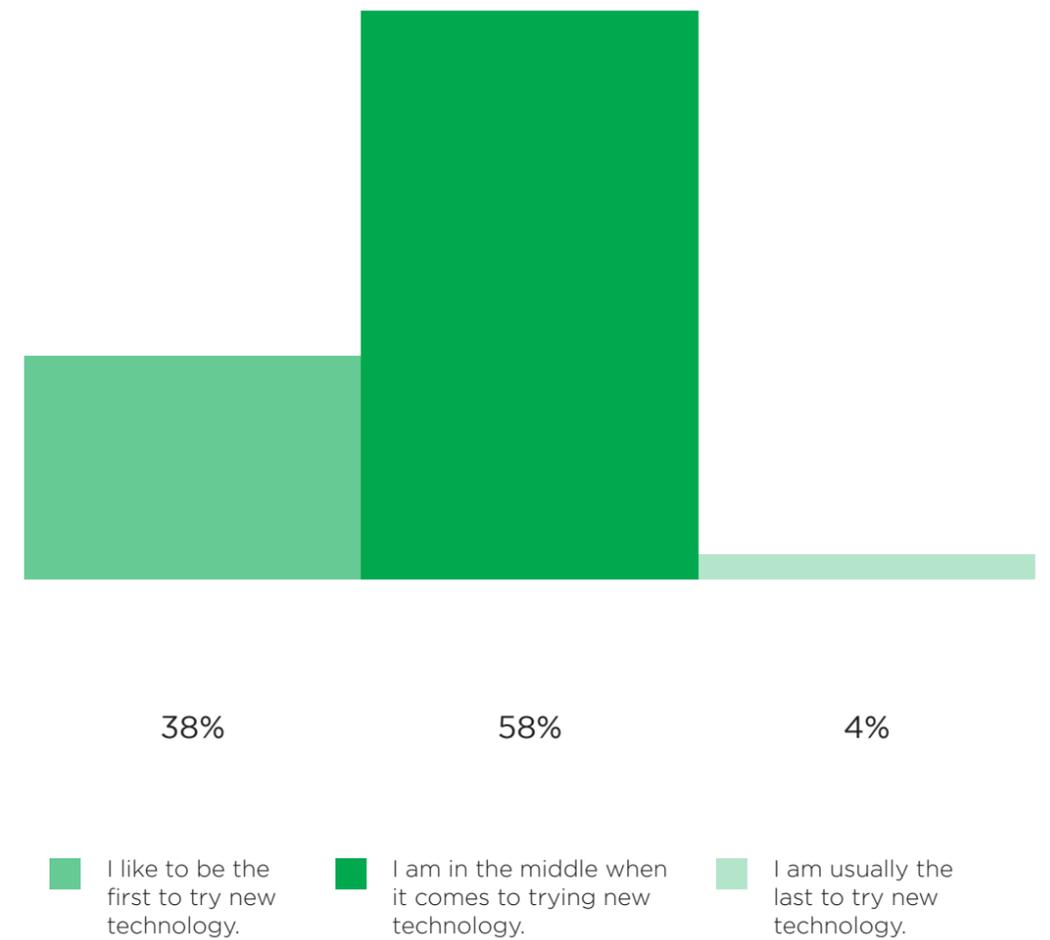
Industry professionals overwhelmingly agree that they could benefit from digital solutions (93 percent).

Respondents were also forward leaning in their attitudes about new technologies. Although most fall somewhere in the middle, only 4 percent say they are usually the last to try a new technology, which is significant and shows an appetite for innovative solutions.

▶ Could your team benefit from using digital solutions?



▶ Attitudes toward adopting new technologies





Positive performance

Currently, software is being used across a variety of production needs. The majority of respondents are using digital solutions for at least one aspect of production.

USE DIGITAL SOLUTIONS?	
YES	89%
DON'T KNOW/NO	11%

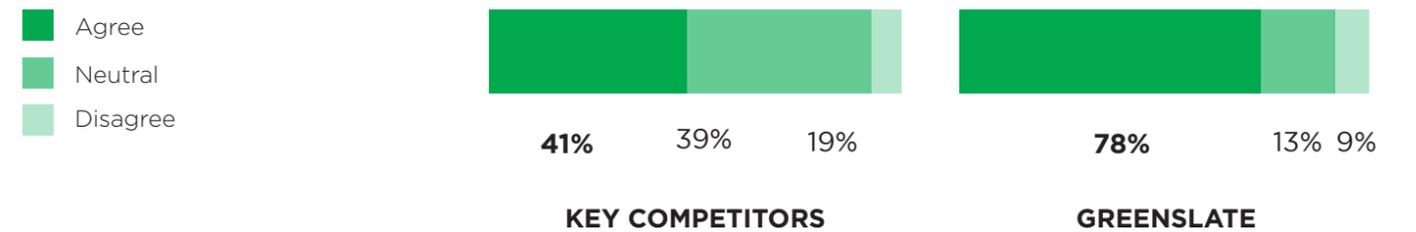
In general, for respondents who currently use production accounting software, feelings are positive, although there is some variation regarding satisfaction levels with the various software providers.

When asked to detail their experiences with the production accounting software they currently use, GreenSlate customers are the most satisfied with their accounting software and most likely to see the company as a technology leader.

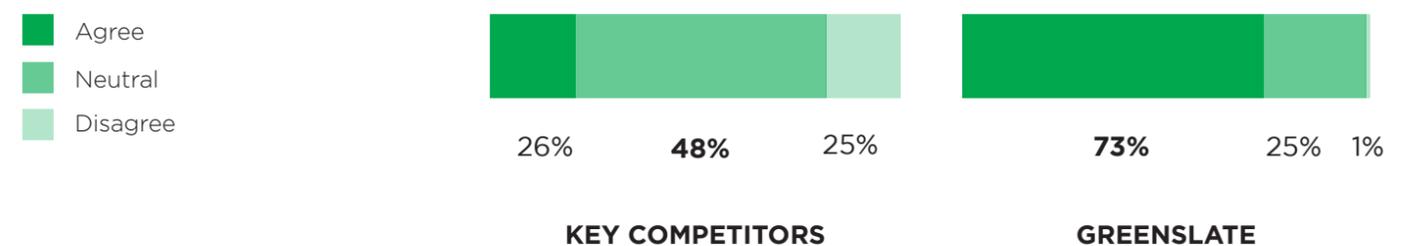
▶ **For which of the following areas of your production does your company use software other than Microsoft Excel?**



▶ **“I am satisfied with the performance of my production accounting software.”**



▶ **“My primary payroll provider is a technology leader.”**





Time saving is everything

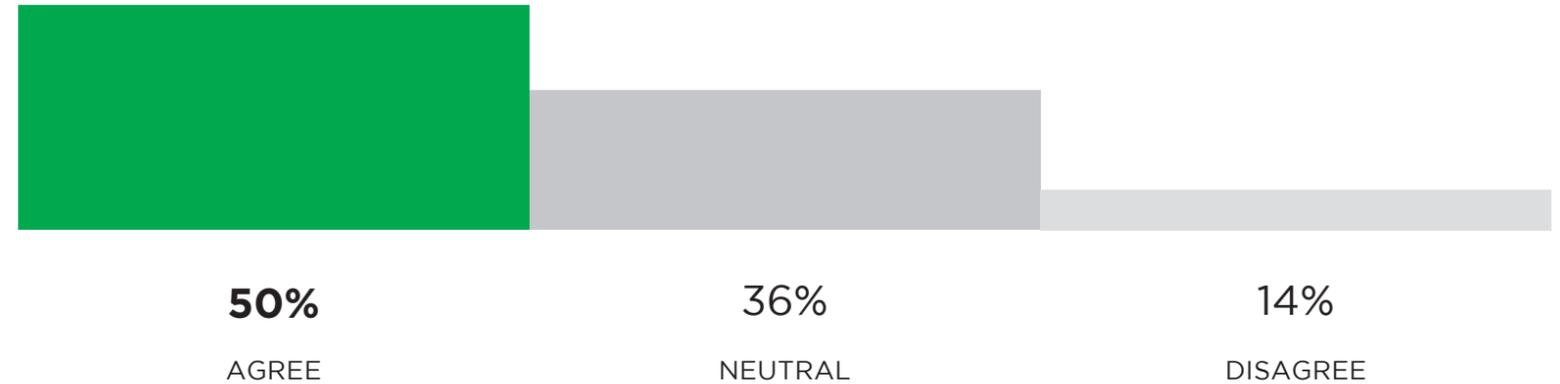
Productivity is essential among production crews, and the speed and efficiency of digital solutions is valuable.

Half of respondents say that their software currently saves them time, with only 14 percent disagreeing.

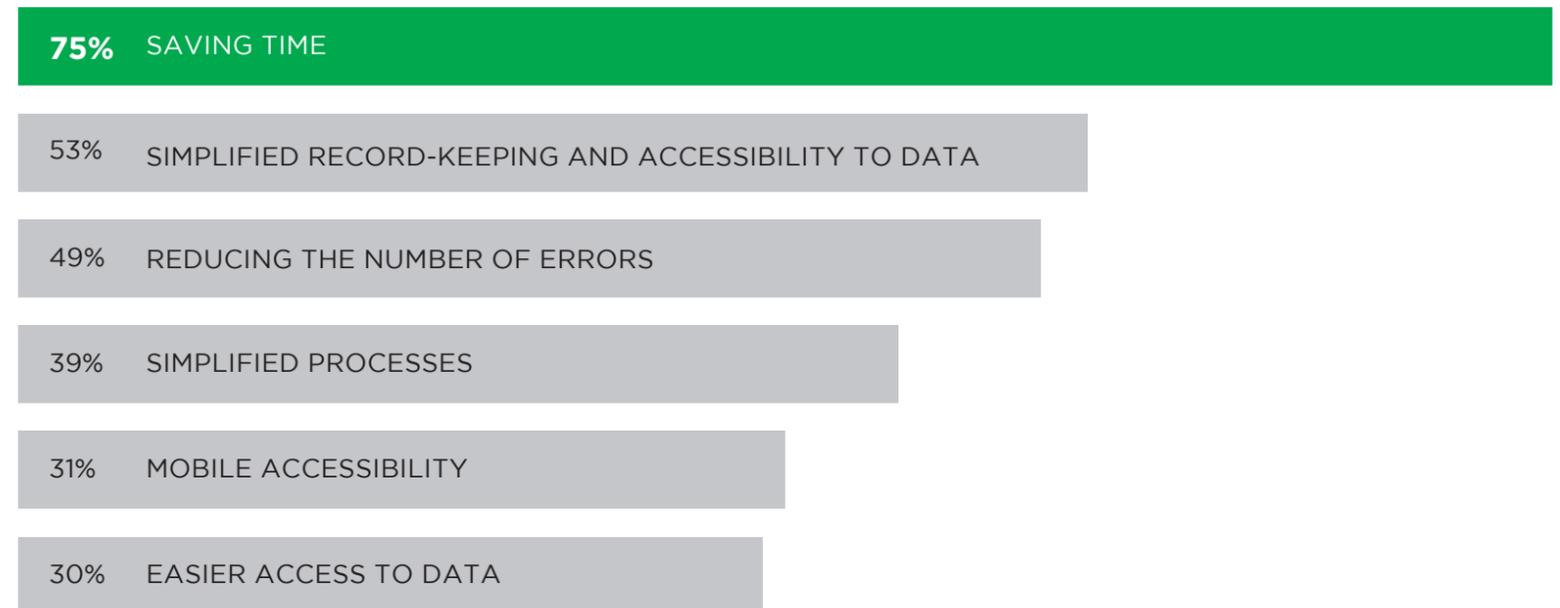
While 50 percent are saving time, an even larger percentage (75 percent) feel that time saving is the most important benefit of using digital solutions.

Other benefits, such as simplified record-keeping and accessibility to data (53 percent) and reducing the number of errors (49 percent), are also seen as popular benefits of digital.

▶ **“My software saves me time.”**



▶ **Most important benefits of using digital solutions for your production’s workflow**

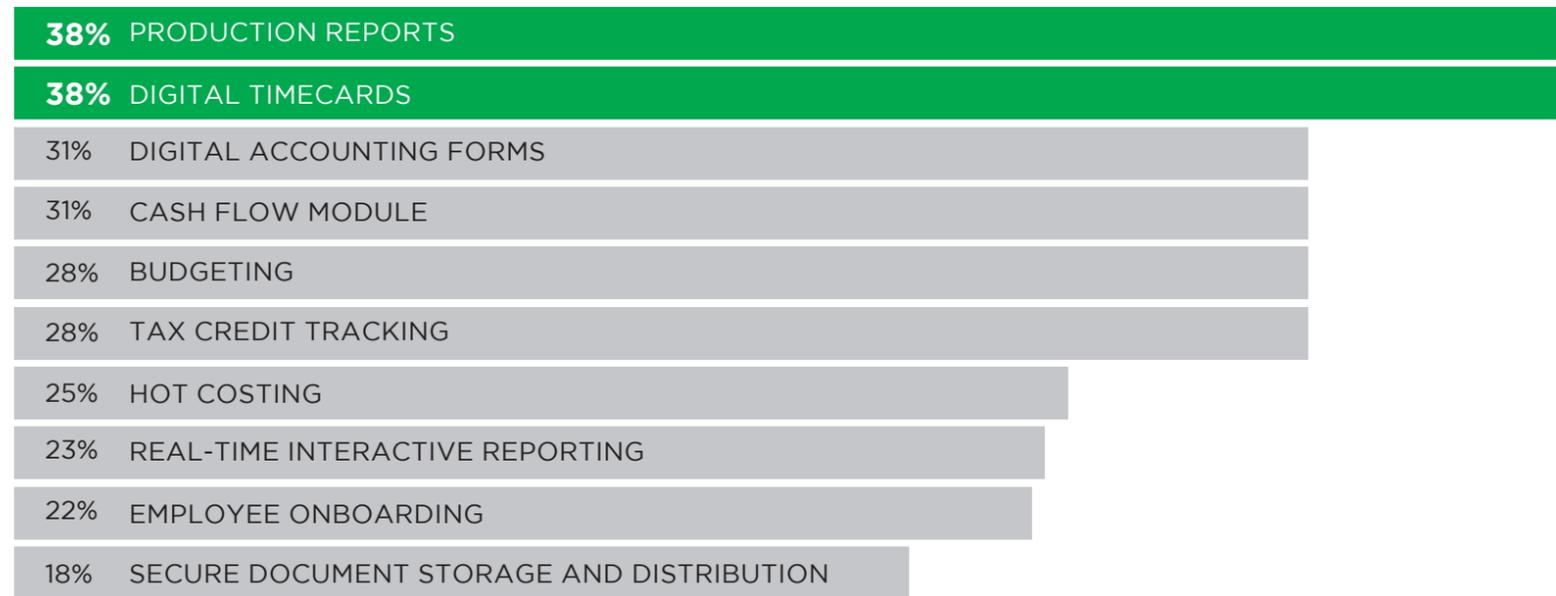




A wish list of new features

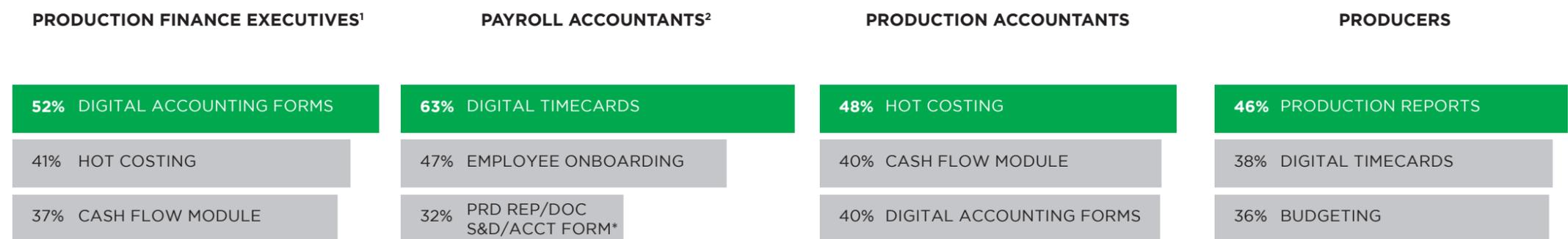
When it comes to new features, production reports and digital timecards (38 percent for both) were popular choices, among many others. Respondents identified a range of additions to their current platforms, indicating that there is a lot to be gained from new and improved solutions. Interestingly, new features are the biggest motivator for switching payroll providers or accounting software (35 percent and more than double the importance of price).

▶ Top features to add to your current platform



▶ Top three features by occupation

TOP THREE REASONS YOU WOULD CONSIDER SWITCHING PROVIDERS	
BETTER FEATURES	35%
EASIER TO USE	26%
LESS EXPENSIVE	17%



*PRD REP = production reports; DOC S&D = secure document storage and distribution; and ACCT FORM = digital accounting forms (e.g. PO's and check requests)
1 - low base size (n=27); 2 - low base size (n=19)

INERTIA

Although digital solutions have a lot to offer, maintaining the status quo is often easier than trying something new. Whether it is because they lack time to conduct research, are uncertain about change, or don't have consensus on priorities, few are using digital solutions in all areas of production. Industry professionals are well aware of the advantages of digital, and yet there is a palpable sense of inertia.

KEY FINDINGS

- 1. Why few go fully digital:** While many use software for some aspect of the production office, almost none use all digital solutions.
- 2. No rush to shake things up:** Respondents are pretty neutral about researching other options, and most don't look around that often.
- 3. At a loss for advocacy:** Some decision-makers are advocating for digital solutions, but not as many as you might expect.
- 4. Divided we stall:** Decision-makers and non-decision-makers don't share the same priorities when it comes to choosing a software provider.
- 5. Barriers to branching out:** From a lack of time to prices and contracts, there are a variety of reasons a team might not switch providers.





Why few go fully digital

Only 8 percent of respondents are using all digital solutions.

Unsurprisingly, there are obstacles that stand in the way, keeping production teams and companies from adopting digital solutions.

More than 66 percent of respondents indicated at least one obstacle to going fully digital. 40 percent indicated that the top reason for not going fully digital is that the software is not good enough. Respondents also highlighted the crew not being ready as an obstacle (38 percent). This suggests a lack of understanding about the benefits of digital and that a lack of time or interest in learning something new could slow its adoption.

It's safe to assume that over time software will improve enough to entice more companies and production teams, and crews will become more savvy and open to new technologies.

▶ **For your company or production team, the obstacles to going fully digital include:**





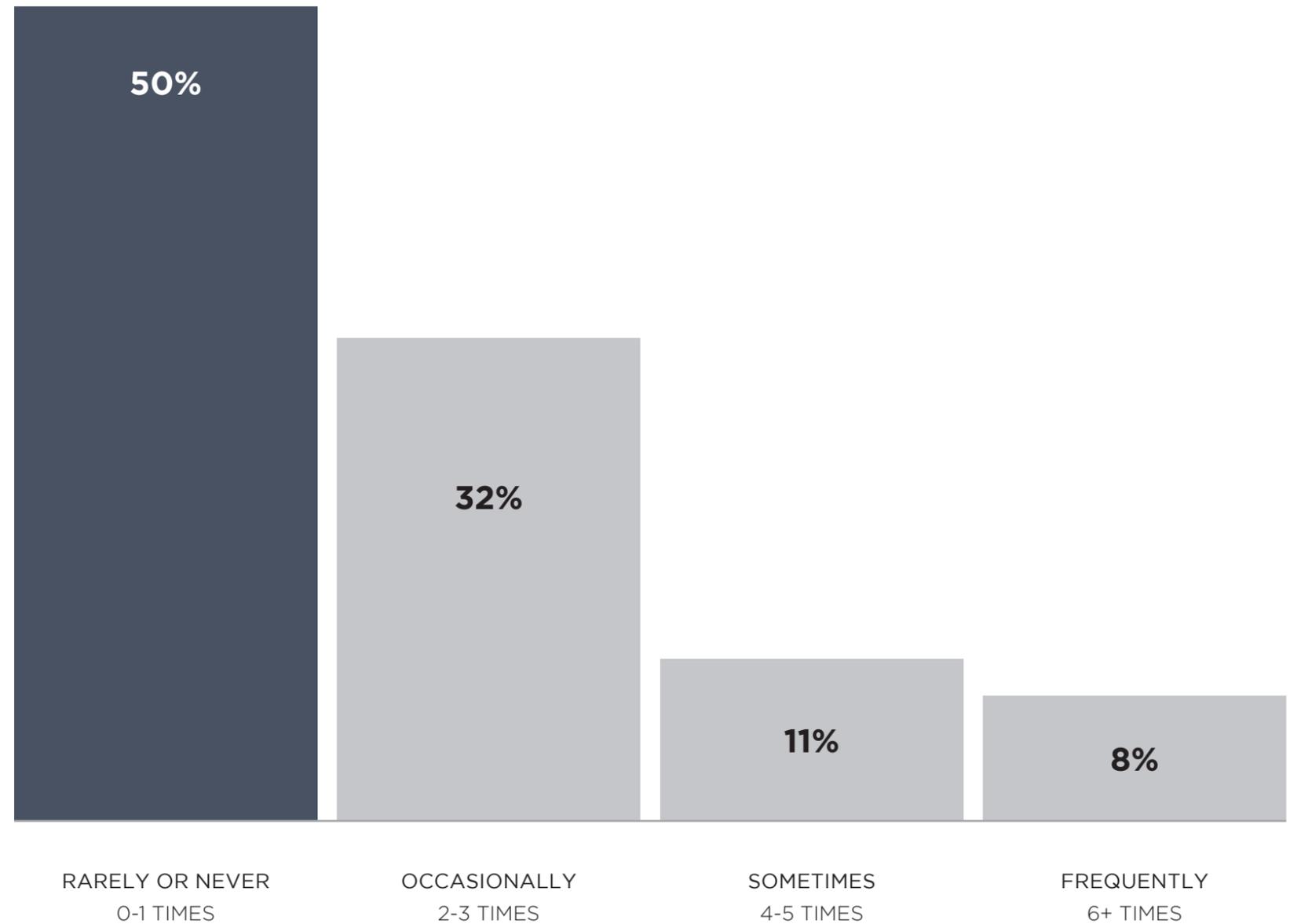
No rush to shake things up

Given all the barriers to going fully digital, it's worth exploring how often companies research their software options. Keep in mind that 40 percent of respondents feel that the software is currently not good enough (see page 8). There is some interest in researching other software options, but it seems tepid considering the industry's overwhelming optimism about digital and its forward-leaning attitudes toward new technologies.

This raises a question: if the software isn't good enough, why not research newer and better options? Or perhaps it suggests that the perception of the software is dated, limiting interest or belief that there's a better set of solutions out there.

These forces for change might be enough to change the industry over time, but for now, there doesn't seem to be a sense of urgency.

▶ In the last three years, how frequently have you researched different production accounting software options?





At a loss for advocacy

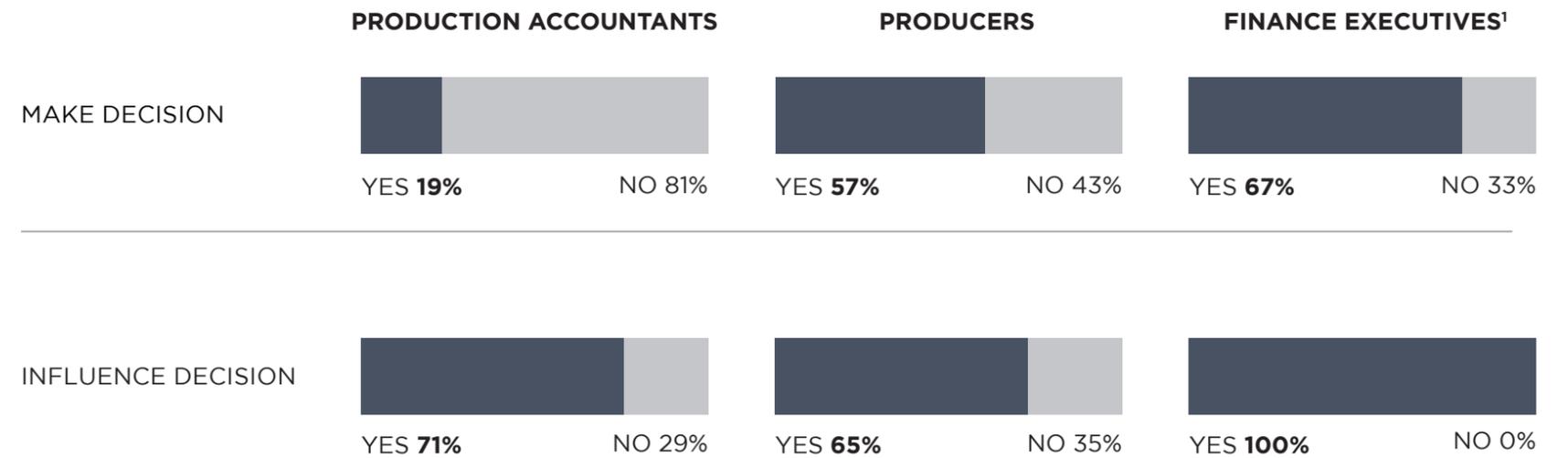
Another key obstacle cited for not going fully digital was a lack of advocacy. 43% of respondents indicated that their team does not have a decision-maker who advocates for digital solutions. This means that in many cases leadership is less eager to embrace digital. Interestingly, overall, decision-makers perceive that their organizations have higher levels of advocacy for digital solutions than non-decision-makers.

To find out where decision-making power typically resides within production offices, we asked respondents if they make or influence the decision about which software they use. Financial executives appeared to have the most power, with 67 percent identifying themselves as decision-makers and all of them saying that they influence the decision.

▶ Does your team have a decision-maker who advocates for digital solutions?



▶ Do you make or influence the final decision about which software your production office uses?



¹ - low base size (n=24)



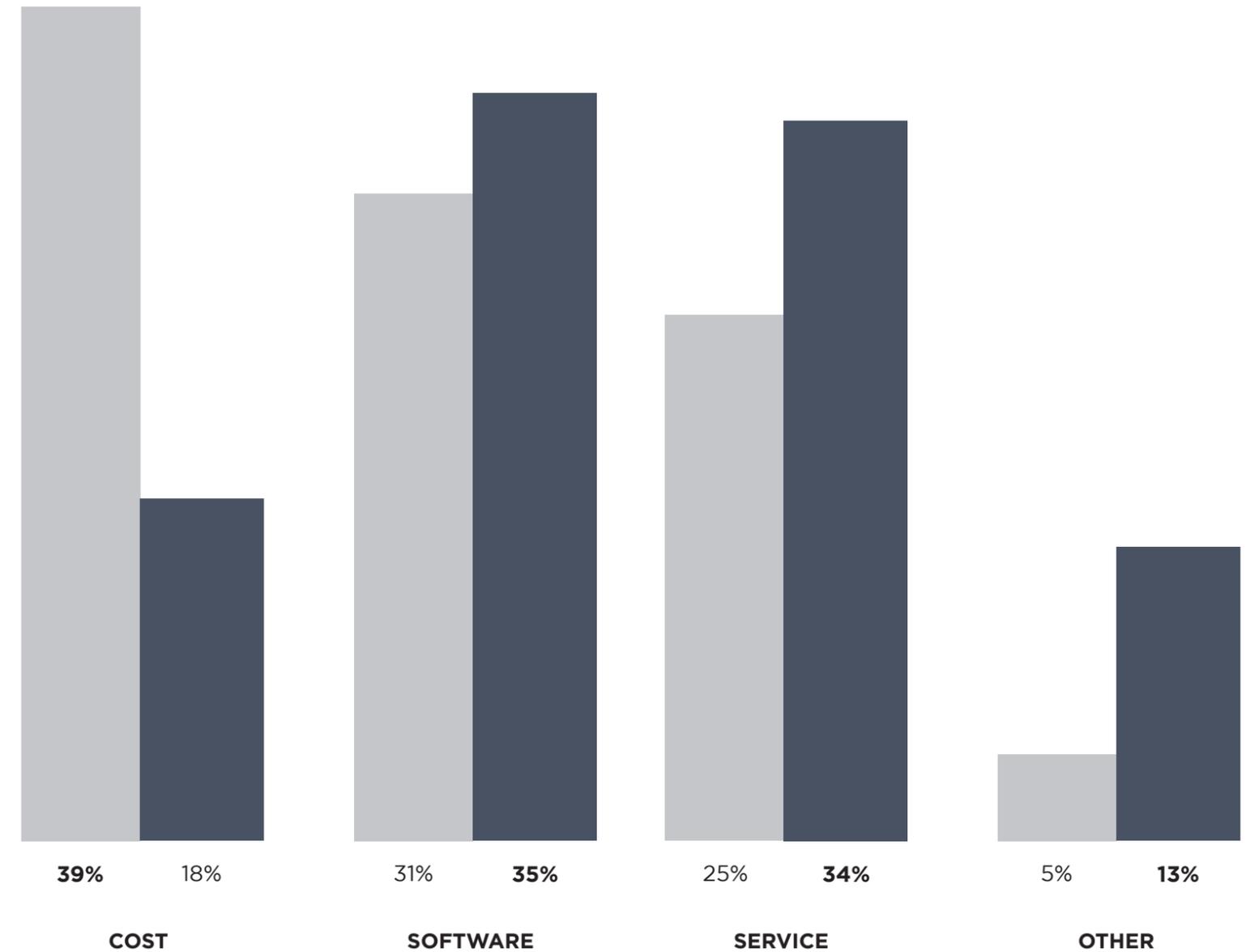
Divided we stall

Even when decision-makers advocate for digital solutions, they don't always have the same priorities as non-decision-makers when it comes to choosing software. This internal disconnect within the production office may be a barrier to digital adoption in and of itself.

Cost is twice as important for one group as it is for another, and these conflicting priorities make the pursuit of new softwares, technologies, and providers more complicated, thus adding to the industry's inertia.

▶ The most important factor in choosing a software provider

- Decision-makers
- Non-decision-makers





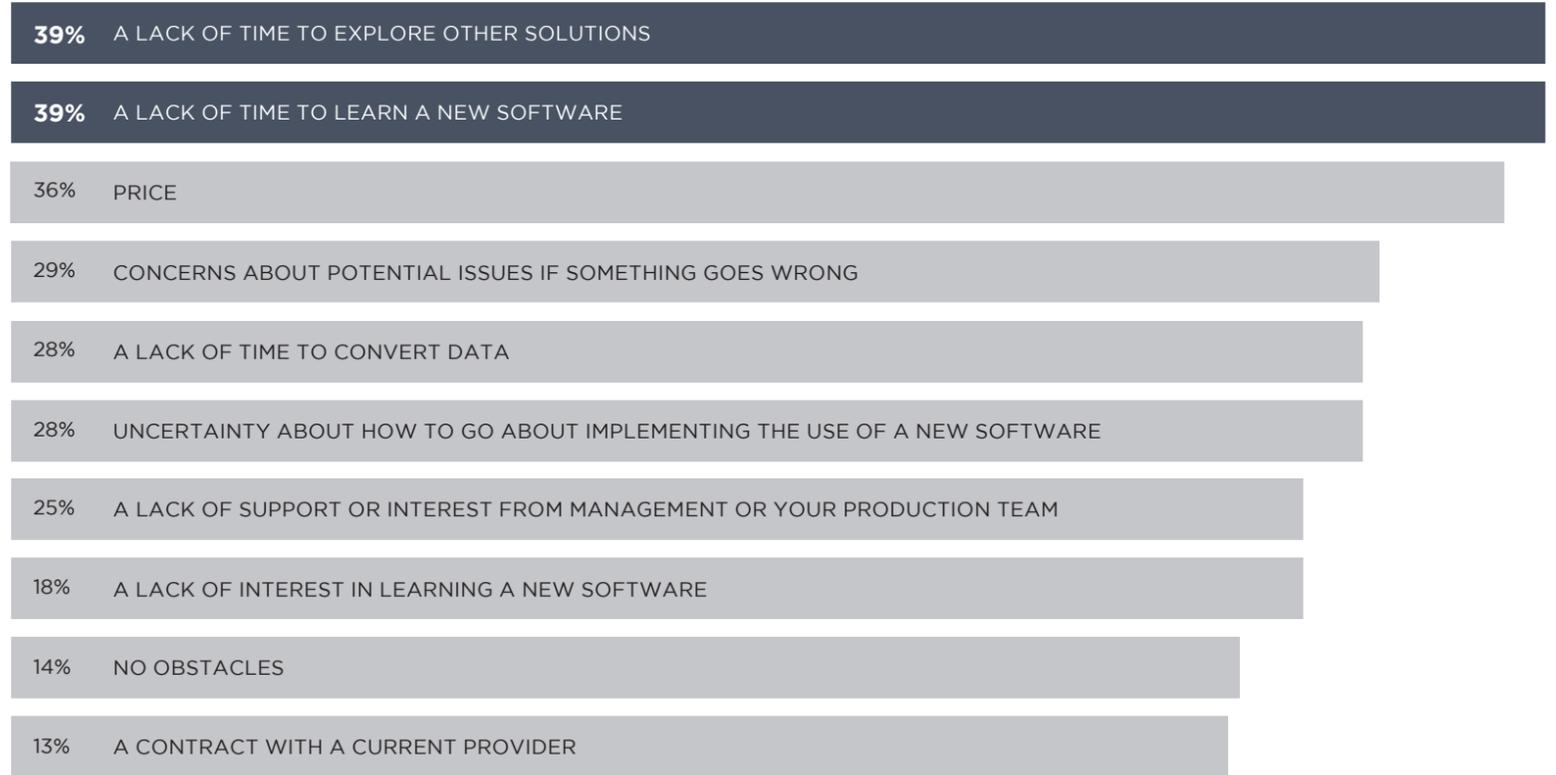
Barriers to branching out

In addition to the obstacles of full digital adoption, just switching software providers has its own set of barriers. A lack of time seems to be the key obstacle to switching software. Whether it's for exploring other solutions or learning new software, time is the most important factor. This is especially interesting given that the key benefit for digital solutions is saving time.

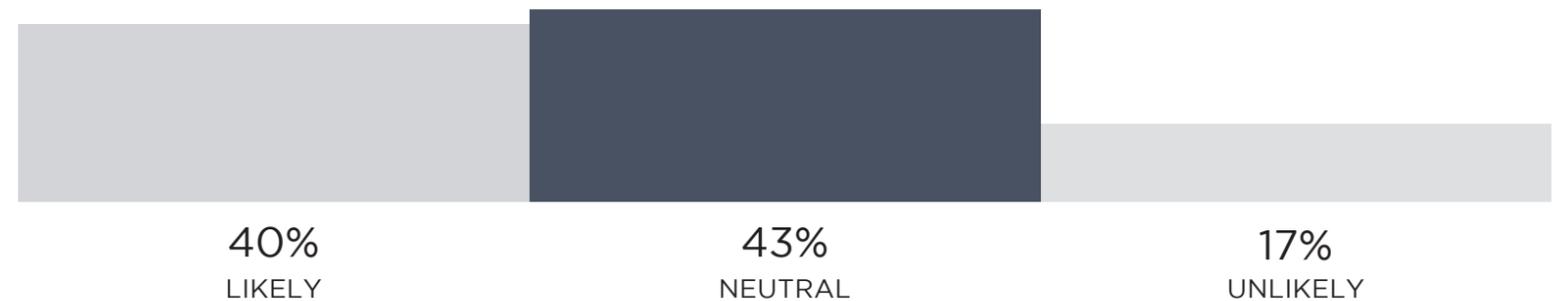
A less common but also real barrier that keeps companies and teams from switching providers is exclusivity contracts. While most respondents do not have one of these contracts (only 9 percent of respondents indicated that they have a contract), those that do are more likely than not to research other options when it ends.

The fact that there are multiple perceived barriers to simply switching software providers further adds to the industry's inertia in adopting digital solutions.

Obstacles to switching accounting software



How likely are you to research other software options when your contract ends?¹



¹ - low base size (n=35)

WHAT WE'VE LEARNED

The findings of this research characterize the industry's digital adoption as a conflict of enthusiasm and inertia—a disconnect between what people are saying and what they are doing. Production accountants and payroll professionals have expressed optimism about the benefits of digital and excitement about new features and benefits. At the same time, many show inaction when it comes to embracing change and adopting digital solutions.

While the industry seems to be stuck in a slow crawl, this will likely change in the coming years. As enthusiasm for digital increases with the growing expectations of the industry and the barriers fade or are increasingly overshadowed by the benefits, production accounting and payroll professionals are sure to embrace digital solutions more fully in the near future.

WHAT THEY'RE SAYING:	THE REALITY:
 <p>WE COULD BENEFIT FROM DIGITAL. Most say they could benefit from digital (93%).</p>	 <p>THEY'RE WAITING FOR NEW IMPROVEMENTS. Many say software's not good enough yet (40%).</p>
 <p>WE HAVE ADVOCACY FOR DIGITAL. 57% of respondents indicated that their team has a decision-maker who advocates for digital solutions.</p>	 <p>THERE IS ROOM FOR MORE DIGITAL ADVOCACY. 43% of respondents indicated that their team does not have a decision-maker who advocates for digital solutions.</p>
 <p>WE VALUE EFFICIENCY AND SAVING TIME. Saving time is the top benefit (75%).</p>	 <p>THEY DON'T HAVE TIME TO PURSUE DIGITAL. Teams do not have enough time to research/learn digital solutions (54%).</p>

TAKEAWAYS AND RECOMMENDATIONS

Don't let short-term obstacles get in the way of long-term benefits.

Entertainment industry professionals recognize that digital solutions provide benefits and they are comfortable with new technologies.

Yet 38 percent of respondents indicated that the crew not being ready is a reason not to fully adopt digital solutions.

HOW CAN THIS ENTHUSIASM FOR DIGITAL SOLUTIONS TRANSLATE INTO ACTION?	WHAT ARE THE KEYS TO SUCCESS TO ENSURE YOUR CREW GETS ON BOARD?
 <p>DO YOUR RESEARCH. Software changes quickly, and not all solutions are built the same. Look at options more frequently.</p>	 <p>SIGN UP AND COMMUNICATE EARLY. Let the crew know in advance that you're going digital. Getting them set up early allows for questions and concerns to be addressed ahead of time. Don't wait until you're on set!</p>
 <p>UNDERSTAND YOUR OPTIONS. While price is important when deciding on a provider and solutions, it's not the only factor to consider. Schedule a demo, ask questions, and consult with your team to make sure your priorities are aligned.</p>	 <p>COMMUNICATE WHY GOING DIGITAL IS IMPORTANT. Don't just let the crew know that you're going digital, let them know WHY you're going digital. To simplify processes? To make data more secure? Why does going digital matter?</p>
 <p>INVEST A LITTLE TIME NOW TO SAVE A LOT OF TIME LATER. Digital solutions and better, easier-to-use features can save you time. Time invested now will pay off with greater time savings later.</p>	 <p>MAKE IT MANDATORY. Once teams are over the learning curve, don't go back to paper. Some companies like GreenSlate give you flexibility so that if you ever need to submit a paper form, that's OK. But try to make paper your backup plan.</p>
 <p>AVOID CONTRACTS. Very few respondents indicated that they had a contract, but those who did indicated a desire to research other options when their contract ended.</p>	<p>WWW</p> <p>CHECK YOUR INTERNET. If you are in a remote location, test your internet and, if needed, set up wireless internet hotspots.</p>
 <p>LET YOUR PROVIDERS DO THE HEAVY LIFTING WORK. Your provider is motivated to help you succeed. Let the experts help with converting your data, setup, training, etc.</p>	 <p>SET UP ON-SITE SUPPORT. Some providers, like GreenSlate, can provide on-site staff and tablets to help facilitate setup and answer questions. If you need someone on-site, let your provider know.</p>



METHODOLOGY

In summer 2018, a quantitative online survey was conducted by the National Association of Production Accountants and sponsored by GreenSlate. It was completed by 536 production office professionals in the entertainment industry across the United States, including production accountants, payroll accountants, assistant accountants, producers, line producers, CFOs, controllers, and heads of production finance. The participants worked across all media with all levels of experience and included both independent professionals and members of production companies. Data in this report has been rounded to the nearest whole percentage. As a result, some charts may appear to add up to slightly more or less than 100 percent. Key comparisons in this study are statistically significant at the 95% confidence level. All results have been verified by a third-party research consultant.

The survey covered the following topics:

- Experience working in the entertainment industry
- Production accounting and payroll software (usage, preferences, priorities, and satisfaction with current provider)
- Attitudes toward digital solutions and technology in general
- Perceptions about decision-makers at the respondent's company or production team
- Behaviors and practices for researching software providers



gslate.com
marcom@gslate.com
© GreenSlate 2019

