



MORE is better than less.

Dear Friends:

Welcome to 2025 – a year that, although it’s our current date, sounds very futuristic. To that end, we spend this issue diving deep into what the opportunities of artificial intelligence and machine learning portend for media businesses, whether that’s helping salespeople craft pitches or tracking businesses’ credit standings and adjusting them quickly.

Here at Szabo, we’ll be again celebrating our team at the Szabo Employee Appreciation Party on January 25 in Atlanta. In mid-March, we’re headed to the Media Financial Management CFO Summit in Clearwater, Fla.

All of us at Szabo Associates wish you a very happy New Year and a healthy and prosperous 2025!

Best wishes,

Robin Szabo, President
Szabo Associates, Inc.

How AI Creates Efficiencies Across Workflow

The promise of artificial intelligence (AI) and machine learning (ML) for media businesses is the potential to gain efficiencies, giving back more time to employees to pursue revenue-generating tasks.

What AI and ML offers isn’t so much a revolution in the way businesses are run but an evolution in the way employees function. For example, salespeople spend much of their time crafting pitches and proposals instead of being out in the field meeting with prospective customers. AI can help salespeople produce those emails and documents in a fraction of the time, freeing them up for more in-person client meetings. AI and ML also helps them crunch data so they can generate reports and get those back out in the field much more quickly. AI can also help companies run credit checks much more quickly, adjust credit assessments on the fly, track payments and outstanding invoices and improve their rate of collections.

Savvy businesses are integrating AI/ML tools throughout their various business functions and into different workflows to make certain routine tasks easier to manage, opening employees’ time up to do the type of work that requires more of a human touch.

“Local broadcasters now more than ever have to do more with less,” said David Dembowski, senior vice president, global sales, Operative. Operative offers its own chatbot, Adeline, as a component of its AI-driven ad-tech platform AOS. AOS is a converged platform used by many station ownership groups,

including Sinclair Broadcast Group, and other media entities for the planning and selling of both local linear television and digital offerings, including FAST (free advertising supported television) channels and connected TV (CTV) apps.

“One of the things we find with Adeline from a sales and planning perspective is that it can help with a lot of menial tasks. It’s not reinventing the wheel, it’s doing things like developing automated sales plans and creating scale against that,” Dembowski said. “Whether it’s local, national network or even digital, the single best-use case we’ve found so far for AI is in three fields, all of which represent pragmatic utility.” Those fields, according to Dembowski, are training, onboarding and change management.

Part of Adeline’s custom build helps get AOS users up to speed on how to implement its features.

“We use our AI chatbot to interact with the customer and implement training. It’s very helpful when onboarding new people and new technology,” especially when working with large clients that span many markets, Dembowski said. “AI allows us to offer some consistency across the onboarding and training processes.”

Bringing in new technology is always challenging. People tend to resist change and find it difficult to learn how to do new things and alter established routines. AI can help teach the user

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how to use it, Dembowski said, helping them to avoid frustration and moving the learning process along more quickly.

“For example, someone often gets to a point in building or constructing a plan or building an RFP response where they don’t understand how the system works and they become abruptly frustrated. AI affords us the ability to see when someone is stuck and come in and offer suggestions, optimizations or key learnings,” he said.

“The best use cases for AI are quite immediately the simplest,” Dembowski said. “Don’t over-complicate the problem and try to throw AI at it. It’s a new use case. We’re just trying to drive adoption and you drive adoption by repetition. By injecting [AI] into the most basic point, it becomes very organic in the user experience, so much so that it almost becomes invisible.”

Specific Solutions to Solve Specific Problems.

Along the lines of improving efficiency and productivity, services and solutions consultancy Pure Integration offers a tool called ContentCheck.

“The drive behind developing ContentCheck is that we’ve seen a significant increase [in ad creative] due to AI and programmatic,” said Jeff Puzenski, account director, Pure Integration.

“There’s also personalization driving a lot of these campaigns.”

That ends up being a lot of content for local media operators to oversee. “We want to reduce the heavy lifting that is required to watch every ad,” said Puzenski. “Our goal is to streamline that process.”

What ContentCheck does is two-fold. First, it checks the technical aspects of an ad, making sure that it meets industry advertising standards. Second, it checks the content, which happens on several layers. It uses AI to watch the ad and decide what language it is offered in, whether that’s English, Spanish, French, etc.

It then determines the topics that the ad is discussing and what brands and brand categories are involved. It can even drill down into sensitive topics, which was particularly relevant in the 2024 election.

“There are topics like abortion or gun control, things that people consider to be sensitive, that the client may want to consider whether it’s a fit for air given its constituents or customers,” said Puzenski.

Once ContentCheck is in place, it can be leveraged to understand all of the creative that’s running across an entire portfolio, determining where opportunities might lie. For example, say a local furniture retailer is advertising quite a bit across a local broadcaster’s digital channels but not on its main linear channels – ContentCheck can reveal that. The sales team can then decide if they would like to approach that retailer about moving some of their spend to linear.

Pure Integration also is working to add the ability to detect AI-generated content, Puzenski said. For example, an AI-generated version of a local anchor could show up in an ad without the permission of either the anchor or the station. As a result, the TV station may not want to run such an ad, but it needs to be flagged before it goes on the air or into the stream. As programmatic advertising proliferates, it’s becoming increasingly expensive to have human beings monitor all of the content passing through the pipes. That’s where AI monitoring comes in.

That’s true on the content side as well. “TV stations have asked us if we can tell them if content has been generated by AI because their journalists in the field use all kinds of clips. How do they know if that’s real and from someone’s phone or faked or AI-enhanced in some way?” Puzenski said. “The short answer is yes but the more difficult answer is for how long? AI will evolve and figure out ways to beat that. Technology is tricky in this space and you have to constantly evolve. I don’t know if there will ever be a super easy answer to that question.”

One way a local sales person could capitalize on the information

provided by ContentCheck is by using another tool called Advantage that employs AI and was developed by local media consultancy Magid. Magid spends a lot of time in local markets, giving the firm insight into the specific types of tools that local media teams need.

Advantage taps into a cloud-based database that contains up-to-date insights on the various industries that tend to advertise with local media companies, such as automotive, legal, retail, quick-service restaurants and so forth. Advantage grabs these insights and wraps them into a prospect email that salespeople can send to potential clients. It can also create social media content and industry reports that salespeople can use to prospect or market to clients.

“We find that those who implement this can increase meetings set with prospects by 40%,” said Jaime Spencer, Magid’s COO.

Magid builds Advantage on top of its own AI model that uses multiple large language model (LLMs) overbuilds to customize the engine specifically for local media businesses. Without that level of customization, Spencer said, it’s hard to “get down to what you want. When you are only using simple outputs, things that initially look pretty good upon further inspection are not. They don’t tend to deliver great results for specific businesses.”

At the same time, it’s inefficient to force salespeople to have to become prompt engineers on top of everything else. Advantage works off of the LLM Magid has built specifically for this purpose, but is not customizable for each client.

Businesses that seek greater customization can tap into Magid’s Collaborator Pro, which is “massively customizable,” Spencer said. Magid works closely with those customers to optimize those outputs to do exactly what businesses want them to do, such as create custom reports and outreach emails. For specific businesses like local broadcasting, customization is far more useful than just using a generalized LLM, such as

ChatGPT or tools offered by Google or Meta.

Letting AI Sort the Data.

Similarly, AI and ML can be used to improve more-revenue impacting functions, such as yield management and optimization of advertising inventory, said Mark Gorman, CEO of Matrix Solutions.

“You can use AI to tackle yield management to understand how you can maximize your pricing. Your system should be feeding you that information. The beauty of AI is that it can surface the information you need in real time, making the processes more profitable and more efficient,” said Gorman.

The holy grail for broadcasters right now is the ability to execute cross-platform sales – letting them sell advertisements across their linear and digital channels in one targeted buy using one currency and then receiving the results of that buy in one unified measurement. Currency and measurement continue to hinder convergence, with linear broadcasting still largely being measured by Nielsen – and Comscore in some cases – and digital broad-

casting measured in impressions.

Diving into order-to-cash systems, Sidetrade is an AI-powered O2C platform that uses customized AI to tap into the company’s extensive data lake, which is built on more than 16 trillion anonymized customer interactions, said Nat McCall, senior customer success manager, Sidetrade. Sidetrade can be “bolted on” any existing enterprise resource planning (ERP) system, using custom APIs to link everything together.

Guiding users through Sidetrade’s system is its AI chatbot, Aimie. Aimie uses generative AI to create email responses, automate dunning communication, provide collection summaries and analyze payment data, according to Sidetrade, all while continuously learning from Sidetrade’s vast network.

“Sidetrade can pull in every credit agency known to man – there are more than 30 that we can pull in,” said McCall. “We can then use that information to build credit-risk profiles and build customized score cards within a client’s system.”

Aimie can then track changes in a customer’s profile so that it’s always kept up to date, allowing collection agents to change their strategy for working with that

customer, if necessary.

Similarly, Finvi offers an AI-driven platform, Velosidy, specifically tailored to the collections space. One of Velosidy’s key functions is to use AI to quickly sift through reams of data, helping to keep customer information up to date and speeding the rate of collections.

“No matter the application – be it in the collections industry, the healthcare space or elsewhere – the benefit of AI fundamentally comes down to the idea of simultaneously solving for both volume and velocity,” wrote Dan Ward, senior vice president, marketing and payments, Finvi, on the company blog in September.

Challenges Hindering AI Integration.

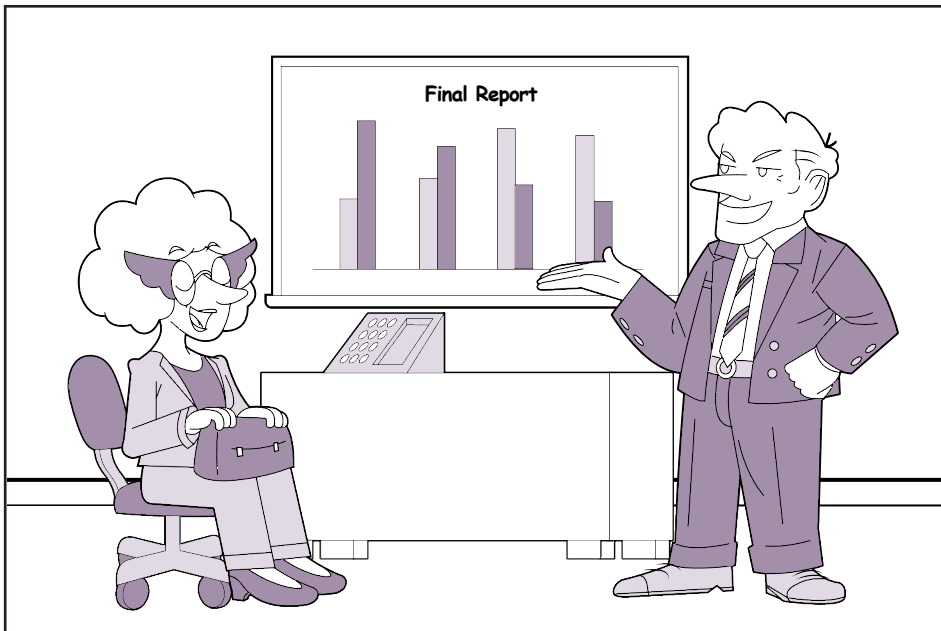
While AI has a lot to offer, there are few factors still holding companies back from adopting it.

Many of them still run legacy systems, in which companies’ technology remains on-premise via client-server systems, versus moving everyone to the cloud and deploying SaaS (software as a service) systems.

“Remember that this is an industry that no more than five years ago was highly dependent on on-premise software and a physical server,” said Dembowski. “These two things that are occurring at the same time are very complementary – you need to have your data in the cloud to really glean the greatest value from any large-language AI. It’s only been since that migration to the cloud that AI’s been able to offer this infinitely better way of doing things. Without these data layers, AI would be for naught.”

While making those moves makes sense, upgrading hardware and software across entire organizations, migrating those operations to the cloud, implementing the necessary privacy and security functions, and setting up the necessary data storage and data processing is an expensive proposition in a time when broadcasters are looking to cut costs, not add them.

“Some organizations with small IT budgets have to weigh the merits of advanced tech-



Boss: Since we’ve been working with our new AI interface, Aimie, to quickly surface insights from our data lake, I’ve seen a 57% gain in productivity, a 31% improvement in collections performance, a 45% cut in payment delays and a 50% reduction in DSO.

Flo: That’s great news! Does all that extra efficiency mean I can take a long lunch?

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nology with the cost of acquiring and implementing it,” Dembowski said.

That said, one factor that should help is that most cloud-based SaaS platforms, such as Sidetrade and Velosidy, can run on top of whatever operating system a company is using, even

if different parts of the company are using different systems and even if that operating system is extremely old.

“As long as there is an API feed that we can pull into, it doesn’t matter to us if it’s an on-prem or cloud-based system,” said Sidetrade’s McCall.

It’s often hard for entrenched businesses to innovate or just change established patterns in how they operate. But that has to evolve to

avoid repetition if those businesses want to remain relevant in the current environment.

Said Matrix’s Gorman: “You’ve got thousands of people who have been doing business this way for years. But as this infrastructure starts taking hold and AI starts really hitting, you’ll start seeing movement toward it and seeing the necessity of that movement. Necessity is the mother of invention.” ♦



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