Table of Contents

Introduction:

Executive Summary:

In our previous report, we have given the Analysis of how the video streaming industries are overtaking the traditional TV media and also about the different competitors in this service. After capturing all the moves and future plans of other competitors of we proposed Strategy for HBO MAX, which can help the company to sustain and become a market leader. Our suggested strategy is based on Subscription and Advertisement. Firstly, we were focusing on increasing the numbers of subscribing by providing user good product at an affordable price. Secondly, after reaching the set target of numbers of subscribing we can introduce advertisement which will reduce the price of the plan by eventually increase the numbers of the subscriber that will unlimitedly lead to increase in the profit margin of an organization. To support our proposed strategy, we followed Strategic Position Analysis for both corporate and business levels which provides information about upcoming plans and policies. We have also performed External Analysis (i.e. Porter's Five Forces) that helps us to analysis the competitive intensity and developing our own plan to overcome this difficulty. In support of this, we have done SWOT Analysis for identifying the Strength, Weakness, Opportunities, and Threats of an organization as well as for different competitors. To wrap up overall Analysis we have developed Business Model Canvas, Business Model based on choice and consequences, BCG Matrix and Game theory which supports the proposed KPIs.

Vision:

"To be the best in providing Original & Quality content to our customer on a single CLICK"

Organizational Structure:

It is a system used to give an idea about how certain activities are processed in order to archive the goals of a company. It defines the hierarchy in an organization i.e. the most powerful employee of the organization is at the top layer followed by least at the bottom layer. This gives a clear picture of who is responsible for any particular reason. It gives efficiency to an organization by allocating different departments with a different function to each employee.

The Organizational structure of HBO MAX highly focused on centralized structure with hierarchy from superior to subordinate. HBO MAX is coming up with online video streaming services that can be accessed through desktops, smart devices, gaming consoles, and TV. In order to serve this service on these various platform numbers of different organizations need to work with proper coordination to make this service profitable. Departments like Marketing and Promotion, Finance, Advisory, Animation and content, IT and infrastructure, Customer Service, Product, and talent have some specific target set for archiving the desired goal. In addition to the above-mentioned department, content can also be further divided into two i.e. global Content and local Content, which can help in the streaming of content. Although HBO MAX has its own content production house i.e. DC Entertainment, New Line Cinema but can bring other content developers on this platform so which can further divide the product into original and other content.
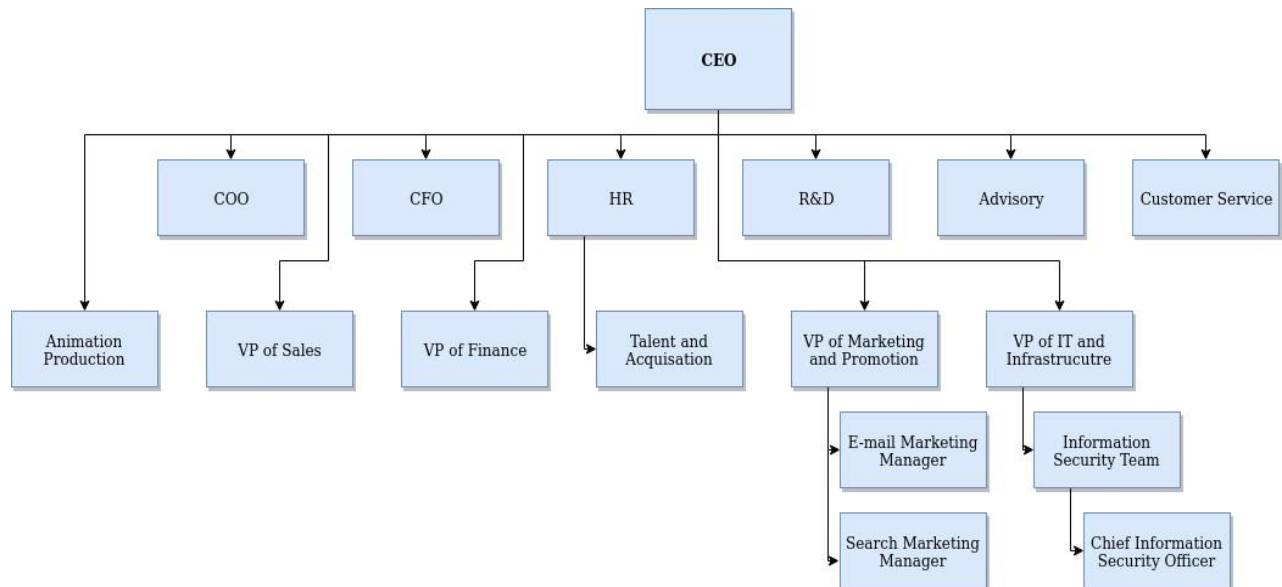
Strategic Plan Summary:

As we have mentioned in Executive Summary regarding the strategy that we have proposed in over previous assignment. But that strategy can be used in the short-run, but in order to become a market leader, we must design some unique strategy.
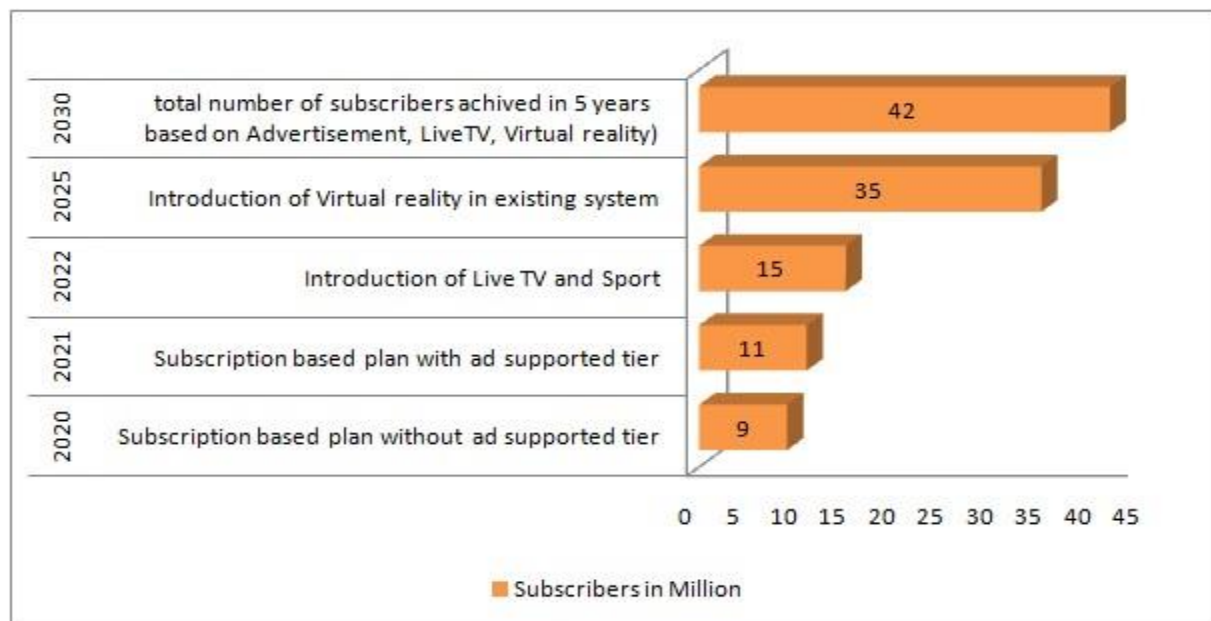
We are living in an era where rapid innovation in the field of technology is taking place for example Argument Reality and Virtual reality. This AR and VR are used for various medicinal purposes like curing the fear of height and many more. They are used to provide real-life experience with the help of graphics and give a theatrical view. But this technology is never used by video streaming industries. By integrating HBO MAX content with AR and VR applications can support the HBO MAX to become a market leader. It not only helps the company but also give a different experience to user which can help in user engagement

from an organizational point. Research shows that AR technology is currently enabled on one million Mobile devices and is expected to grow to more than 3.4 billion devices in 2020.

Integration of AR/VR in video streaming can be used to:

- Provide theatre experience.

- It helps in providing information in more interactive ways.

- User engagement time will increase.

- It's more than watching to experience it.

- Watching sports channels gives to real felling of the stadium.

- We can also introduce games based on AR/VR which will also help in attracting the new user.

Corporate Level Strategy Scorecard:

AT&T Balance Scorecard:

AT&T which is the Parent company of HBO MAX comprises various companies like XANDER, Entertainment Group, Consumer Mobility, Business Solution, International Entertainment, and Time Warner. Every company works for different sectors.

AT&T is planning to introduce a more reliable wireless network like 5G and delivering low CO_2 customer solution products in the US economy. Apart from this AT&T is planning to expand its market at the International level. International Entertainment plans to introduce advanced technology to reduce Viros cost structure. Business Solution is adding ARPU fiber subscribe

Balanced Scorecard Strategy:	FINANCIAL
Main Objective(s):	-Increase Divisional Profit -Increase Operational Growth -Improving Cash Flow -Improving Cost reduction
Key Measure(s):	-Return on Investments %= Controllable (Traceable) Profit / Controllable Investment -Gross profitability= Total Revenue – Cost of good Sold -Actual value vs Budget - Receivables Days - Cost reduction
Targets:	- 15% annually - At least 45% annually -increase cash flow from $21B to $28 B - Reduce Cost Structure
Initiatives:	Focus on Revenue Growth with Improving Free Cash Flow and reducing operating expenses.

Balanced Scorecard Strategy:	Customer
Main Objective(s):	-Increase Brand Recall or Recognition -Meet Customer need -Build word-of-mouth Reputation -Providing Services to all available Segments
Key Measure(s):	- Brand Awareness surveys/ Well constructed surveys -Monitoring done by phone, e-mail, and chat communication - Word-of-mouth equity -Revenue per Customer: which give the idea about in which segment organization need to expand
Targets:	- 7+ in Customer Rating every single survey -Reduction in complaint 10% to 7% - 90% retention rate + 10 % new Customer - $10 per customer per month
Initiatives:	Expansion of new services and customer base.

Balanced Scorecard Strategy:	Internal Business Process
Main Objective(s):	-Innovation -Expansion of availability -Improve Production Process -Quality Indices
Key Measure(s):	- Customer need and new product - Increase in targeted countries - Reduce time from production to Customer -Service Level per Channel %
Targets:	- introducing 2 new services in year -Increase from 150 to 155 Countries by the end of year -Process Automation - should be between 70% to 75%
Initiatives:	Easy to adapt new Functionality

Balanced Scorecard Strategy:	Learning and Growth
Main Objective(s):	-Improve Employee Retention - Improve Product and Service Innovation -Expand Employee Mentoring Program -New and improved products
Key Measure(s):	- Employee Satisfaction surveys -Implement Employee Suggestion -Mentor meeting log -Introduce New product
Targets:	- response rate between 85% - 90% -implementation of 2 suggestion year - 2 meeting in a month - introducing 1 to 3 advance technology like AI
Initiatives:	Creating and testing new system for User.

Business Level Strategy Scorecard:

HBO MAX Balance Scorecard:

HBO MAX is a part of the AT&T Company. It's an online streaming video industry which can run on various platforms like desktop, smart device, gaming console, and TV. AT &T is helping HBO MAX to create a platform in the market by providing this streaming services available to the existing customers of AT&T cable user, HBO GO, and HBO now at no extra cost which in all increases the customer base for HBO MAX. Original content creation is provided from an in-house production unit that includes DC Entertainment, Castle Rock, and Turner entertainment. Xandr will help in the marketing and advertising sector for HBO MAX.

Balanced Scorecard Strategy:	Finance
Main Objective(s):	-Increase Revenue -Increase Profit -Lower Production Cost -Minimum customer retention cost
Key Measure(s):	- Sales Growth - Net profit - Production Costs - Customer Acquisition Cost (CAC)
Targets:	-Increase 7% per year - Increase 8% per year (Net Profit =Total revenue - Total expenses.) - Production Cost should be less as possible - $45 CAC = (total expenditure on sales)/ (number of new customers in that duration)
Initiatives:	To Satisfy our Shareholders and Customer, what business model we excel it.

Balanced Scorecard Strategy:	Customer
Main Objective(s):	- Improve Customer Experience -Meet Customer Unique need -Customer Referral -Grow market Share
Key Measure(s):	- Net Promoter Score (NPS) - Customer Satisfaction Score (CSS) - Count the Conversion rate of referral - Customer Satisfaction Surveys (CSAT)
Targets:	- +50 NPS = (% promoters - % detractors) - Increase in 5% new user per year - +2.3 % Referral rate - 4+ rating in every CSAT
Initiatives:	To meet the need and demand of Customer in Effective manner.

Balanced Scorecard Strategy:	Internal Business Process
Main Objective(s):	-Correct Error Quickly - Increase in Quality content - Decrease Transaction Time - Increase sue of Advance technology
Key Measure(s):	- Mystery Customer Report - Using Funnel Matrices - Customer Traffic - External Hires
Targets:	- 0.1% Compliant Rate -Increase from 10,000 hr to 15,000 - 20% global net traffic - 80% QOH (quality of hire)
Initiatives:	Improve the Customer Experience by delivering the Original Content in short span of time

Balanced Scorecard Strategy:	Learning and Growth
Main Objective(s):	-Actively Participate in Corporate training Opportunities. -Maintain career development and regular performance review -Minimize employee turnover rate -Focus on employee suggestions
Key Measure(s):	- Training Certification -% of employee receiving regular review -Employee turnover rate -Increase in productivity
Targets:	- Increase min 20% of employee who are giving regular review. - 10% average Turnover Rate - 2 Surveys in a month
Initiatives:	Implementing Customer Relationship Management and training of employee

Support Unit Level Scorecard:

a) Customer Service Balance Scorecard:

Balanced Scorecard Strategy:	FINANCIAL
Main Objective(s):	- To increase revenue, generate by each subscriber - To increase creation of new content - Maximize return on investment - To increase monthly profit margin
Key Measure(s):	- Revenue per customer - Expenditure on content creation - Return on Investments %= Controllable (Traceable) Profit / Controllable Investment - Monthly recurring revenue
Targets:	- increase 6% revenue per year - $35 Billion - 15% ROI annually - $1000 million/month
Initiatives:	Action plan for revenue growth

Balanced Scorecard Strategy:	Customer
Main Objective(s):	- measure new issues and understand them - track customer satisfaction - minimize Customer churn rate - grow market share
Key Measure(s):	- Number of complaints and Support tickets - customer profitability - Customer churn rate -No of new customers in %
Targets:	- 5% to 10% increase in profit per year - 10% churn rate per Quarter -Reduction in complaint 10% to 7% - 20% to 40% new customer yearly
Initiatives:	Implementing customer segmentation model

Balanced Scorecard Strategy:	Internal Business Process
Main Objective(s):	-To improve production process - Fix error quickly - Focus on supplier diversity and maximize it -To provide access to the use of service and product provided globally
Key Measure(s):	- Reduce time from production to service delivery to customer - Mystery customer report - Spending in service-disabled, woman, and LGBT - Numbers of countries having access
Targets:	- Delivery time should be low as possible -0.1% Compliant Rate - 60% content on women, LGBT, and old age people. -Increase from 150 countries to 200
Initiatives:	Rewards program and promotion program

Balanced Scorecard Strategy:	Learning and Growth
Main Objective(s):	-To expand employee mentoring program -focus on business improvement -Active participation in corporate training opportunity -provide work friendly environment
Key Measure(s):	- Mentor meeting log -Training certification -Employee retention rate
Targets:	- 2 meeting/ month - Increase min 20% of employee in year
Initiatives:	Training program and promotion program

b) Finance Balance Scorecard:

Balanced Scorecard Strategy:	FINANCIAL
Main Objective(s):	- Target the right market - Increase brand recognition - Maximize profit sales and distribution - increase brand engagement
Key Measure(s):	- Sales growth - Expenditure on advertising - Monthly recurring revenue - numbers of Clicks
Targets:	- increase 35% revenue per year - $2 Billion - $1000 million/month - 5% increase in number of customers quarterly
Initiatives:	Increase marketing effort in geographic and demographic

Balanced Scorecard Strategy:	Customer
Main Objective(s):	- To Improve marketing - strengthen the customer relationship - improve product and service quality - grow market share
Key Measure(s):	- customer life time - cost per service encounter (NPS Score) - Repeat Purchase Rate (RPR) - No of new customers in %
Targets:	- $300 per customer - 75%- 85% NPS score -75% + RPR - 20% to 40% new customer yearly
Initiatives:	Monthly offer provided on existing plan to retain customers

Balanced Scorecard Strategy:	Internal Business Process
Main Objective(s):	- Launch a new product and services - Enhance internal communication - Decrease Transaction Time - Increase sue of Advance technology
Key Measure(s):	- Product development - Contracts filed without error - Customer Traffic - External Hires
Targets:	- $10 Billion - 0.1% Error rate - 20% global net traffic - 80% QOH (quality of hire)
Initiatives:	Implement innovative program and research on trendy market

Balanced Scorecard Strategy:	Learning and Growth
Main Objective(s):	- Job satisfaction - Improve Product and Service Innovation -improving communication amongst staff -New and improved products
Key Measure(s):	- Employee Satisfaction surveys -Implement Employee Suggestion -Knowledge management -Introduce New product
Targets:	- Response rate between 85% - 90% - Implementation of 2 suggestion year - 2 meeting in a month - Introducing 1 to 3 advance technology like AI and BI tools
Initiatives:	Rewards program and promotion program

c) IT ScoreCard:

Balanced Scorecard Strategy:	FINANCIAL
Main Objective(s):	- Leader in Strategic Market - Diversified Source of revenue - Grow Profitability
Key Measure(s):	- Cost per lead - Revenue Growth - Recurring Revenue Rate (R3)
Targets:	- Average $270 - 35%+ rate - $1000 million/month
Initiatives:	Increase in growth of technology investment

Balanced Scorecard Strategy:	Customer
Main Objective(s):	- Be seen as an advisor and partner - Expand and develop identity - Proactive deliver high-quality content
Key Measure(s):	- Number of partners - Visit Rate - Content Matrix
Targets:	- 50+ partner for developing local content - 75% + Repeat visitors - $10 billion in developing
Initiatives:	Improving the self-service offering

Balanced Scorecard Strategy:	Internal Business Process
Main Objective(s):	- Ease of Customer Expectation - Improve resource allocation - reduce Complexity
Key Measure(s):	- Customer Satisfaction Score (CSAT) - Resource Cost Variance - Quality Assurance
Targets:	- 4+ rating in every single feedback - Cost Variance should be negative - Quality 4.0
Initiatives:	Increase Resource productivity with Efficiency

Balanced Scorecard Strategy:	Learning and Growth
Main Objective(s):	-Invest in research and development -Collaboration Between employee -Develop Employee's operational management skills
Key Measure(s):	- R&D Spending -Net Promoter Score and Survey -Supporting other's idea and approach
Targets:	- $1 Billion yearly - 2 survey per month - 1-2 brainstorming workshops
Initiatives:	Making employee aware of new and upcoming technology

Operational Plan:

It's a specific plan use by an organization in pursuit of the Strategic plan. It is a plan for the day-to-day management of the organization. It is based on the Strategic Plan. Purpose of this plan is to give a clear picture of the task and responsibility of the employee to archive the desired goal. Strategies are the start point of the Operational plan.

Strategic Intent:

1) Brand Recall or Recognition

Objective: Its main objective is to attract more users.

Strategy	Introduction of human recommendation search engine
Performance and Budget	Brand Awareness surveys $5,000/ month
Timeline	3 months
Responsibility	IT and infrastructure, Marketing and Publicity

Strategy	Arrange more promotions and display of advertising
Performance and Budget	Amount of shows and campaign arranged monthly with a $16 million monthly budget
Timeline	3 months before launch
Responsibility	Marketing and Publicity

2) Subscribers

Objective: Its main objective is to expand subscriber base.

Strategy	Offer a low-cost subscription plan (Ad-free plan $14.99) and Quality Content
Performance and Budget	Customer Acquisition Rate $45 -$50 /customer
Timeline	1 year
Responsibility	Customer Service and Finance

3) Content

Objective: Its main objective is to develop original content.

Strategy	The introduction of new films and shows. During the launch of HBO max, it contains 10,000 hours of existing and new content.
Performance and Budget	Context Matrix with $2 billion budget
Timeline	6 months
Responsibility	Animation and Production

4) Streaming on different platform

Objective: The main objective is to help in adding more subscribers.

Strategy	HBO Max can Collaborate with Peacock platform to increase the market share.
Performance and Budget	Customer acquisition rate with $60 million budget.
Timeline	may take more time to convince distributors after launch (7 months to 1 year)
Responsibility	IT and infrastructure

5) Technology Integration

Objective: Its main objective is to boost the use of advanced technology.

Strategy	Introduction of advance technology among employee by organizing workshops
Performance and Budget	Useful training index of $5-8 million
Timeline	1-2 workshops/months
Responsibility	IT and Infrastructure & Learning and Growth

Strategy	Using AI tools and machine learning to create consistent content and enhance recommendation
Performance and Budget	Increased percentage of AI tools with $30 million
Timeline	Once in 6 months
Responsibility	IT and infrastructure

6) Monitoring and Review of platform

Objective: Its main objective is to ensure that the online environment is fun and safe.

Strategy	Content analysis with the aid of product analyst
Performance and Budget	Content Matrix and $25million
Timeline	3 Month
Responsibility	Animation and Production & IT

7) Censorship and content regulation

Objective: Its main objective is to review the content on the legal basis.

Strategy	Follow the relevant instructions in the legal document.
Performance and Budget	Certification of approval from legal authorities
Timeline	2-3 Months or might take more time if content issue occurs
Responsibility	Advisory & Animation and Production

8) Addition of Advertisement Plan

Objective: Its main objective is to decrease the cost in plan.

Strategy	Ad-Supported tier formal presentation (Dec 2020)
Performance and Budget	Introduction to advertisement will lead to profit gain of $50 million
Timeline	3-month time period required for development
Responsibility	IT and infrastructure & Marketing and Promotion

Contingency Plan:

It's a plan devised to ensure that an organization will work correctly even if interruption caused by disaster or any unseen event. HBO Max uses cloud service to provide video streaming service over the various platform. Therefore, apart from a natural disaster, there are high chances of cyber-attack and IT failure on System. It can act as a severe problem for the company as well as customer, because data in the company's database is not only comprised of video streaming content but also has customer 's personal details.

| Plan	Purpose	Responsibility
Business Continuity Plan	It provides the procedure for the continuity of the essentials business operations like providing video Contents and functionality of System while recovering from unexpected error	This functionality is depended on the IT support and Services Department.
Business Recovery Plan	It helps to recovery the lost data immediately following a disaster, by retrieving that data and content from he backup database.	This functionality is depended on the IT support and Services Department. Also, AT&T has Ultravailable and Storage Plus Services.
Crisis Communications Plan	It provides procedure for disseminating Status report to personnel and the public	Customer service department take care of this plan
Cyber Indent Response Plan	It provides strategies to detect, respond to, and minimize the consequences of malicious cyber incident.	Information Security department will respond to incidents affecting the system and/or networks.
Disaster Recovery Plan	Provide detailed procedure for recovery of functionality at alterative location which is near to the affected region in-order to avoid lacking system capabilities.	Business head along with VP of various sub department will develop the solution to this problem

Types of IT Failure:

- Technical Fault
- Third party Intrusions
- Virus
- DDOS Attack
- Social Engineering
- Firewall penetration

Controlling measure: AT&T which is the parent company of HBO Max has a department in AT&T Business Direct which is specifically designed to secure firm's LAN, WAN, and remote access service. They provide support in:

- Providing Firewall protection
- Installing DDOS Scrubbing devices in the network that can detect and filter out malicious traffic.
- Enhanced VPN services
- E-Maintenance
- System Recovery
- End User Recovery
- Also provide primary storage trough Ultravailable and Storage Plus Services to customer.

There should a proper flow of process in order to overcome is risk
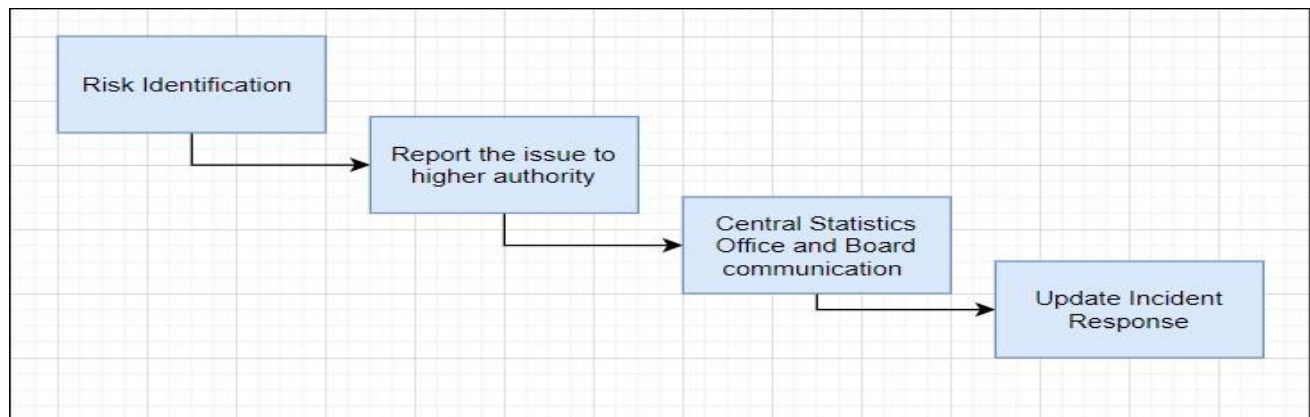
Strategic review and Monitoring Plan:

Implementation Control is designed to identify the intermediate goals and milestone and identify problems and shortfalls. It is a step by step assessment of implementation activities.
There are two primary types of implementation control:

❾ Monitoring Strategic thrust: Two ways to implement this strategy
- Define all the procedure at a very early time.
- Using stop/go assessment linked to a series of thresholds

Monitoring is done on a yearly, quarterly, monthly, weekly, and daily basis. It helps us to identify whether to continue with the strategy or make some change. It is applied on three level i.e. Corporate level, Business unit, Support unit (Customer Service, Marketing, and Finance). Head of every level will be responsible for monitoring the target. Monitoring time is different for levels such as yearly monitoring for corporate level, for Business unit level Quarterly monitoring is done, and Support unit monitoring is performed monthly.

1. Corporate Level: Monitoring is performed yearly, and CFO will be responsible for accomplishment of following target:
- In the $26 billion range free cash flow
- From non-voice related services 15% of the revenue growth generated.
- Customer acquisition is 15%
- 85 million subscribers

2. Business Level: Monitoring is performed quarterly, and Department head will be responsible for accomplishment of following target:
    *   Domestic and international streaming
    *   Number of complaints being decreased by 2%.
    *   Quarterly increased the brand awareness by 2%
    *   100% strategy awareness

3. Support Level (Customer Service, Marketing, and Finance): Monitoring is performed monthly, and Group Manager will be responsible for accomplishment of following target:
    *   Monthly increase 1% share.
    *   Customer engagement being increased by 2% monthly.
    *   Monthly achieved marketing skills by 100%.
    *   Exceed FCR 60% every month.

❾ Milestone review: while creating a strategy, we gather some important points. Once the milestone is reached, the organization will reassess the strategy and refocusing the direction of the organization. Review is done on the monitored target.
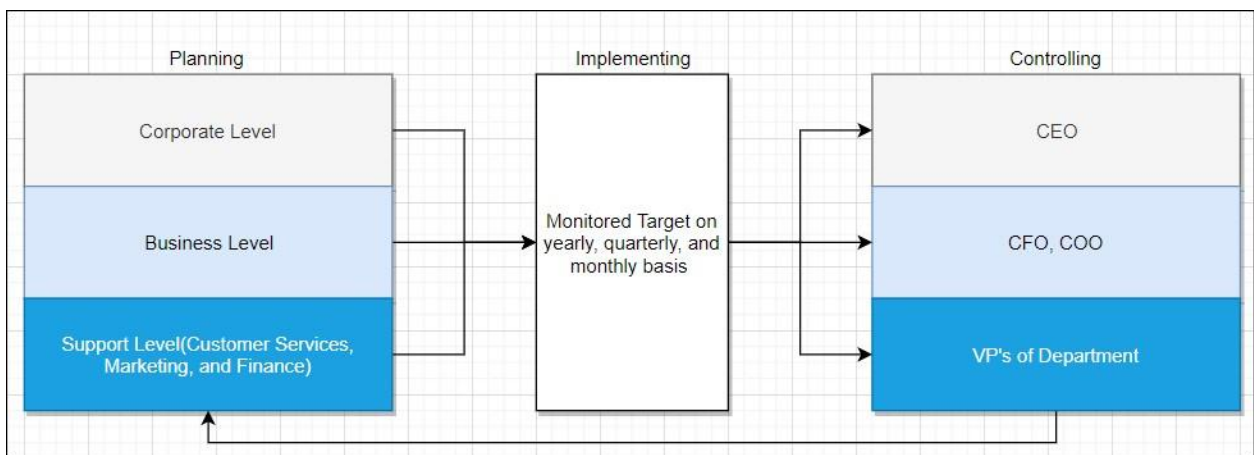
Once the monitoring of target is done then that targets are passed to implementing phase where higher authorizes like CEO, CFO and VP will review the strategy and make required changes.

Conclusion:

The scope of videos streaming industry are becoming increasingly crowded. Because the entry barrier is small, particularly for old media entertainment companies such as Netflix, Fox 21st Century, Disney that already has the content and can create content, they have started the video streaming services or in the process of starting them. The provider currently has the same revenue way, i.e. direct customer subscription (either quarterly or annually) no switching costs. In order to keep and attract customers, the companies will have to offer the most watchable content.

HBO MAX has invested a lot in the content on the platform. It wants to continue with the two strategies, increasing subscriber and to produce local contents. It must go into partnership with Peacock, which is going to launch in April 2020 that may affect pay-tv distributors business. If AT&T and COMCAST sign a deal to integrate the services of two video streaming platform, i.e. HBO MAX and Peacock will result in an effective increase in a profit margin of both the company and help them to survive in this competitive market. These will help HBO MAX to expand their market across the globe. Currently, Comcast has many subscribers than AT&T, but Peacock has less Quality content library as compared to HBO MAX. Besides this, HBO MAX can also target live sports content which is not the focus of Netflix and other competitors. This strategy can keep the cost low, and at the same time, they can focus on the quality of content.

So Alternative Strategies can be:

- Collaboration with Peacock Streaming platform in upcoming year.
- Also, HBO Max can introduce Live sports content.

References:

Bika, N. (2019). *How to measure quality of hire*. Retrieved from Workable: https://resources.workable.com/tutorial/quality-of-hire#

Bughin, J. (2010, April). *A new way to measure word-of-mouth marketing*. Retrieved from McKinsey & Company : https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/anew-way-to-measure-word-of-mouth-marketing

Conversion Rate: What Is a Conversion Rate? (2019). Retrieved from WordStream-Online Advertising Made Easy: https://www.wordstream.com/conversion-rate

Kirvan, P. (2017, July 26). *A free IT risk assessment template*. Retrieved from Search Disaster Recovery : https://searchdisasterrecovery.techtarget.com/Risk-assessments-in-disaster-recovery-planningA-free-IT-risk-assessment-template-and-guide

Mark R. Young, W. S. (n.d.). Netflix the battle for your free time: Strategy guided by customer. *Journal of Business Cases and Applications* , 12.

Molla, P. K. (2019, December 17). *Netflix shows off the numbers behind its global growth story for the first time*. Retrieved from Vox: https://www.vox.com/2019/12/17/21025154/netflix-globalgrowth-numbers-sec-streaming-investors

Petersen, R. (2018, May 28). *10 experts explain what is a good ROI and why*. Retrieved from BarnRaisers: https://barnraisersllc.com/2018/05/good-roi-experts-explain-industries/

Reuters, T. (2019). *Sales Growth %*. Retrieved from Stockopedia: https://www.stockopedia.com/ratios/sales-growth-838/

RYSZARD BARNAT, L. D. (2014). *Strategic Management: Formulation and Implementation*. Retrieved from https://24xls.com/.

Sherman, F. (2019, November 18). *Net Profit Percentage Goals of Any Business*. Retrieved from Chron: https://smallbusiness.chron.com/net-profit-percentage-goals-business-23447.html

Wakefield, J. (2018, October 4). *Netflix viewing eats up world's data*. Retrieved from BBC NEWS: https://www.bbc.com/news/technology-45745362

Woods, C. (2019). *What Is Contingency Planning in Business? - Definition, Example & Importance*. Retrieved from Study.com: https://study.com/academy/lesson/what-is-contingency-planningin-business-definition-example-importance.html