



MORE is better than less.

Dear Friends:

We're asking some baseline questions in this quarter's newsletter to help your company lay a strong AI foundation. Next time, we'll dive deeper into how AI can help streamline your back-office operations.

At the annual Szabo Quality Awards Banquet in late August, we honored employees Robbin Steele, Richard Hunter, and David Grieco for their outstanding work.

We traveled to Jekyll Island, Ga., Sept. 6-8 to attend the Georgia Association of Broadcasters' annual gathering, GABCON. While there, we had a great time hosting a casino-themed party after the Gabby Awards.

Szabo will be presenting a webinar for the Media Financial Management Association October 22, which will be followed up by the MFM Regional Meet Up at Gray Television in Atlanta October 24.

On November 13, we head to Forecast 2025 in New York City. Before you know it, Thanksgiving and Christmas will be upon us. We hope this finds you well as we enter this final quarter of 2024.

Best wishes this fall!

Robin Szabo, President
Szabo Associates, Inc.

How to Set Your Media Business Up for AI Success

Over the past year and a half, the news has been full of stories about artificial intelligence and machine learning – whether it is helping people generate emails, transcribe Zoom meetings or create new headshots with a cool background. Generative AI apps such as ChatGPT, Claude 3 and MidJourney help people to quickly generate copy or to create beautiful images without needing any graphic design skills.

But AI has moved beyond a human interest story or a gimmick. It is a technology that most companies need to be seriously considering and adopting. Its promise is to make processes more efficient, speed outcomes and improve employee productivity, freeing them up to spend more time on profit-producing activities, such as building client relationships.

"We've seen the hype come and go. This is a time of radical transformation for AI. Progress is being made in some of the key technologies that will transform every kind of capability," says Andrew Finlayson, executive vice president of digital media and AI strategies at Smith Geiger.

Companies are racing to incorporate AI into their consumer-facing apps, as well as include them in their back-end business software. Many AI applications are becoming baked into the American enterprises' most popular suites of business and personal software, including products from Apple, Google, Microsoft, Adobe and more.

At Apple's Worldwide Developer Conference (WWDC) in June, the technology giant announced that it would be boosting its products with

so-called Apple Intelligence, adding AI capabilities to its word processing and image creation and to Siri, Apple's voice-driven assistant. Apple users have to wait a little longer for these than first announced: in late July, Apple pushed the rollout of these products to the fall.

Google offers users of its cloud-based office applications Gemini, which helps them write documents, create spreadsheets and design presentations. Gemini is baked into all of Google's cloud-based suite of applications, including Docs, Sheets and Workspace. Gemini also serves as the voice assistant on some Android phones.

"Every technology shift is an opportunity to advance scientific discovery, accelerate human progress, and improve lives. I believe the transition we are seeing right now with AI will be the most profound in our lifetimes, far bigger than the shift to mobile or to the web before it. AI has the potential to create opportunities — from the everyday to the extraordinary — for people everywhere. It will bring new waves of innovation and economic progress and drive knowledge, learning, creativity and productivity on a scale we haven't seen before," wrote Google and Alphabet CEO Sundar Pichai on Google's corporate blog in December 2023.

As companies often do early in a product rollout, Google recently stepped in a bit with its Olympics ad that suggested parents use

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Gemini to write letters for their kids, causing an outcry among parents and critics who said this approach encouraged bad parenting. Google ultimately pulled the spot.

Similarly, Microsoft offers Copilot across its 365 suite of products, including Outlook, Word, PowerPoint, and Teams. Adobe has incorporated generative AI into its suite of design products, including Photoshop, helping even the most unskilled graphic designers create elaborate images just by typing a few descriptive words into a text box.

There are even AI applications, such as Sora, that can create entire videos based on a text prompt. Many AI-powered video editing and effects are available to creators. And there are other applications to do other fun things, like write songs, create short animations or design social media posts. AI can help video editors quickly identify clips with which to create social media posts or promotional videos. Applications from Denver-based artificial intelligence company Veritone go so far as to run broadcasts through its system to determine how often sponsors are mentioned and then provide that information immediately to clients.

Asked what her favorite AI applications are, Nicole Bergen, founder and chief strategist at Westlake Village, California-based market research Elevate, says, “I have about a hundred open in my browser right now. I couldn’t pick from among them.”

Indeed, a quick Google search for “AI video generators” reveals dozens of apps in this category alone, including Appy Pie, Canva, InVideo, Synthesia, and many more. Some of these apps can create videos just off of a text prompt, while others offer AI-driven video editing tools and other custom apps. Used correctly – and with concern for copyright and other ethical considerations – these tools can be powerful options for video producers and editors.

With all of these changes and the sudden overwhelming proliferation of apps, many people fear that AI is coming for their jobs. “Au contraire,” says Bergen. Instead, she advises a “can’t beat ‘em, join ‘em” strategy.

“Get on the AI train as fast as possible,” Bergen says. “AI is not going to replace people’s jobs. People who use AI are going to replace people who don’t. That’s the bottom line.”

Strategically Using Prompt Engineering.

With AI so seamlessly incorporated into employees’ everyday software, everyone has the opportunity to become an AI expert, exploiting AI’s abilities in their day-to-day jobs. In many cases, the generative AI best-case usage requires employees to get familiar with AI, learning the basics of “prompt engineering,” which is the art of telling a text-generative app like Chat GPT or a visual-generative app like MidJourney exactly what you want it to do and getting exactly the outcome you expect.

“Crafting the right prompt can mean the difference between an AI delivering a valuable output that streamlines your workflow and receiving an inadequate response that leaves you more frustrated than relieved, forcing you to tackle the task independently. As the AI revolution charges forward, the skill of prompt engineering has emerged as a distinct discipline; prompt engineer has become a lucrative and sought-after role within organizations,” writes online publication Digital Ocean.

There are plenty of online programs that teach best practices in prompt engineering, but perhaps the best way to think of it is like writing a detailed memo to your assistant on how to complete a task. Digital Ocean recommends these basic principles, many of which are based on common sense:

1. Be specific, including such details as context, format, length, tone and style.
2. Use examples, such as sample copy, data formats, and charts and graphs.
3. Provide data, although this is an area where media companies need to be careful because main-

taining client privacy and data protection is highly important.

4. Specify as precisely as possible the outcome you are seeking.

5. Include instructions on what to do as opposed to what not to do.

6. Assign a persona to the model. For example, “imagine you are a seasoned salesperson ...” or “imagine you are a data analyst.”

7. Try “chain of thought” prompting, which asks the AI to explain the steps it took to reach its answer and present that information in an organized format.

8. Split broad, complex tasks into simpler, more specific ones.

9. Set realistic expectations of what the model can accomplish.

10. Take an experimental approach.

In addition, users should understand that even if the AI application spits out what seems like a perfect proposal, spreadsheet or composition, human intervention is still required to make sure all facts are correct. This is why even before employees are unleashed across AI apps, companies need to have an AI strategy in place.

How AI Is Powering Local Media Applications.

Drilling down, local media operations are also adding AI and machine learning to traffic and billing systems; they are helping to place ads in optimized time periods, limiting make goods and preemptions; and they are expediting invoicing and accounts receivable with more accuracy. They also help with the day-to-day work of creating sales pitches and proposals.

“Tools like Microsoft Copilot help people with the work they do on spreadsheets and PowerPoint presentations. That has an impact on sellers in our industry because they already use a lot of this software,” says industry consultant Al Lustgarten. “It’s rudimentary work that can benefit people once they embrace it.”

Once the proposal is built, “obviously a human has to look at it, but the tool was able to compile information and prepare

an actual proposal that can be submitted to a business partner. It doesn't replace anyone. It's a productivity enhancer that saves people time and effort," says Lustgarten.

Ad sales representatives can also use artificial intelligence and machine learning to build out rate cards and perform other data-intensive tasks. "People used to spend three hours a week doing a rate card. If you put a yield management tool in place, you can have an automated rate card in three seconds," says Lustgarten. "It's the old paradigm that you spend 80% of time compiling information and 20% analyzing it. [AI] flips the paradigm. There are also analytics tools that can incorporate pricing and inventory optimization. Elements of that are going to become more important as the business moves to impression based selling."

The local broadcast business remains hamstrung by the difficulties of accurately measuring local linear broadcast. That, in turn, means that there is no unified system that allows buyers to place their business across linear and digital systems with equal ease. But putting those systems in place is "becoming a key compo-

nent and element of sales," says Lustgarten. "These types of tools will be an asset to people to help them make such decisions as how many impressions they should place on linear, how many on digital, how do we fill inventory appropriately and how do we optimize revenue as we place spots across linear and digital platforms."

In the current media realm, ad buyers are insisting on an immediate return on their buy, including proof of that return. That type of information is still hard for broadcasters to provide in the linear space, but armies of people are working on changing that so that the linear environment is as targetable and responsive as the digital one. In turn, that should provide sellers the ability to optimize inventory placement so that their inventory can yield the highest effective rate.

Adding AI to all of those complex processes should simplify and expedite them, freeing up time for sales reps to hit the road. Even with today's profusion of technology, relationships remain the most important part of the advertising business, Lustgarten says, and these employees need time to cultivate them. "From my experience, the human factor in

local media business is still the primary vehicle of doing this," he says.

Factors to Consider First.

All of those benefits may make media organizations want to dive into AI with both feet, but there are some things to consider while moving to the new world of AI and machine learning, says Finlayson. First, "companies need to avoid magical thinking when it comes to AI. While it's certainly a promising new technology, it's a tool, just like Excel or Word. Companies should analyze the pros and cons of AI usage before jumping in."

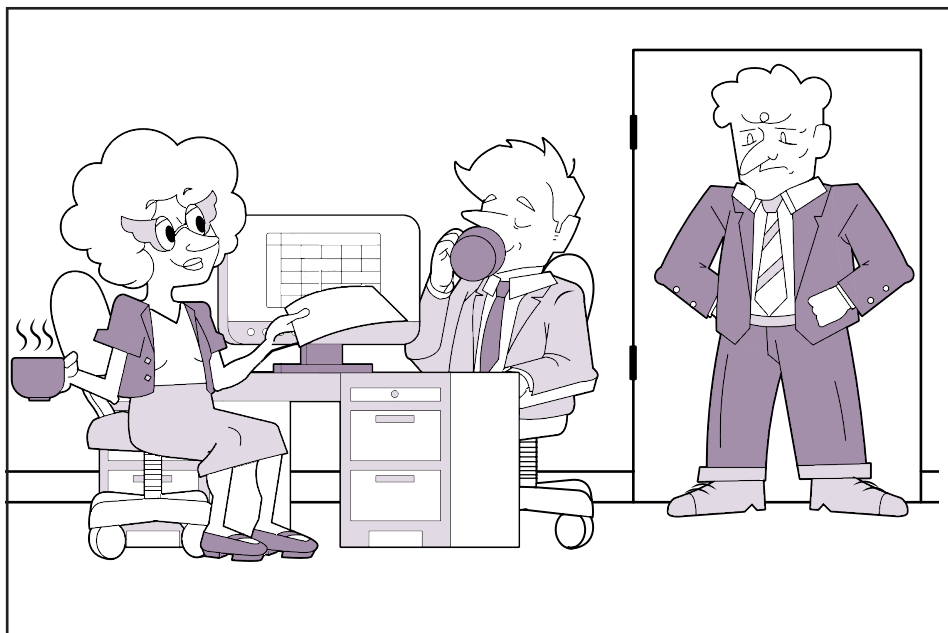
That means companies must install guardrails and guidelines for teams using AI. "It's not fair to have them use it without helping them understand how they should use it," Finlayson says. This means potentially investing in training or education for employees who are on the AI front lines, whether that's using AI to ideate pitches, create promos or put together their latest expense report.

And that training could prove critical. For example, Finlayson says, employees need to be reminded not to put confidential client information into any open AI, no matter how quickly they are trying to get their latest proposal completed. They also need to be trained to be careful about using copyrighted images or copy to generate campaigns. Companies should set guidelines around content and information that is considered safe to use in AI prompts, and that which is off-limits.

Along those lines, once an organization has decided to commit to using AI, they need to develop systems for onboarding it. "Somebody has to vet whatever software is being used, review permissions, and make sure they understand what rights they've been given," Finlayson says.

All of that requires investment, which means organizations need to consider and develop their AI budgets. "Most media organizations I ask haven't thought about it," Finlayson says. "One said they had put in place a small budget for training. But every local media organization is going to

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Hi boss! I'm taking a coffee break with Sales to talk about how we can work better together to optimize his client's campaigns across our platforms. I have so much more time these days since I started using our new AI-driven software to create rate cards, fill our inventory, track performance and invoice clients. I'm even using AI-driven apps within our office software suite to produce pitch decks and help our clients build advertising campaigns. Do you want to join us?

AI Success —

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have to have a line item for AI in their budget. What that budget is depends on where they are today and their attitude towards using tools in an open environment.”

Consider Who Has Access.

Finally, companies need to consider to whom they are giving

AI access: Everybody in the company, only certain teams, or a specifically selected group of experts? And controlling access to the technology is not as easy as it sounds: New applications are popping up every day and they can be a challenge to block, Finlayson says, especially if your employees are using smartphones – and they are – and if they are working from home on unsecured, cloud-based systems. What’s true is that “every

company should acknowledge that employees are already using AI, whether that’s autocomplete in email, AI-powered transcription services or automatically generated captions,” Finlayson says. How far companies want to take their investment in AI is up to them, but as Bergen said: “People who use AI are going to replace people who don’t.”

That sentiment applies to local media companies too. ♦

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