CASE STUDY: ACTUARIAL AND STRATEGIC CONSULTING

DATA ANALYTICS HELPS SOUTH AFRICAN MUSICIAN RIGHTS HOLDERS

NMG Benefits Actuaries assist the South Africa Music Right Organisation (SAMRO) to protect South African music rights holders.

THE CHALLENGE:

The South Africa Music Right Organisation (SAMRO) is an organisation mandated to protect the intellectual property of South Africa's composers, producers and musicians who hold musical rights. A key part of their mandate is to collect license fees and pay out royalties.

SAMRO approached the NMG Benefits Actuarial and Strategic Consulting (A&SC) division to assist them to create a model that allowed SAMRO to:

- Cut the time it takes to pay royalties.

- Grasp a holistic picture of their financial projections for the coming year taking into consideration the time lag between receiving information which makes it possible to pay artists.

- Determine a "royalty rate per second of play time".

THE SOLUTION:

The Actuarial team presented four components as part of the solution:

1. Project future financial statements for an upcoming period allowing for uncertainties and "change scenarios".

2. Analyse and understand the new trends in radio playtime.

3. Consolidate SAMRO's current information infrastructure, which incorporatedvarious complex spreadsheets, and apply data analytics to condense data into one "picture" which was easy to access

4. Develop models so that SAMRO were able to run their processes internally, whilst implementing with one organisational tool.

THE RESULT:

SAMRO General Manager: Information Management & Services, Ian Napier, said: NMG's actuarial team impressed us with their application of data analytics, statistical techniques and financial projections to SAMRO's unique challenge. When the new model is implemented, it will place SAMRO in a leading position within its industry by providing a more customer-focused service to the music rights holders it represents.

Key words: actuaries, data, analytics, information, financial projections

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