



## Telecoms takes on the IPTV challenge

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**Deploying product lifecycle management solutions will take operators closer to staking a profitable claim on the TV space.**

IPTV has been acknowledged as a strategic priority by fixed-line operators across Europe for many years, but to date only a relatively small contingent of European operators have succeeded in offering viable IPTV services.

There's no doubt that IPTV offers opportunities that operators cannot afford to miss.

For some commentators, however, IPTV represents much more than a way for operators to redress a downturn in revenues by offering a new set of standalone services. According to this worldview, traditional wireline operators have two choices: reinvention as a converged content and service provider; or reduction to a commodity supplier of the infrastructure – the pipes - that other companies will use to make the real money.

IPTV can serve as one of the cornerstones of IP-based entertainment-on-demand offerings that will not only allow operators to deliver high quality television services, but also deliver Video on Demand (VOD), Subscriber Video on Demand (SVOD), messaging, Internet access, music streaming and interactive gaming, all accessible through a single end-user device. These offerings can also be integrated with traditional communications services to deliver a variety of enhanced features, such as displaying phone-caller-ID on the television screen, and automatically pausing the VOD movie when the phone is answered.

Certainly, IPTV is still a market that has yet to achieve anything like its full potential. According to research by Screen Digest, European IPTV subscriptions should have almost doubled in 2007 to reach 5.6 million. Screen Digest also predicted that IPTV revenues would grow to over €1 billion from €470 million, with the U.K. contributing the fastest growth - a 250% increase (to 300,000 subscribers from 80,000).

However, since IPTV made its first appearance on operators' planning agendas, the market itself has undergone substantial change. There are more players from different sectors now competing for their share, increasingly with notable success. There is also a growing recognition that realising IPTV's true potential will require creative packaging and bundling with other communication services. All of which underlines the fact that operators have little time to lose if they want to make an impact on the IPTV market.

Operators already have many of the attributes needed to support an IPTV offering within their existing business and technology frameworks. They have robust and reliable network capabilities backed with experience in network management. They also have many systems and processes that support a customer-focused culture that will be of value in supporting an IPTV infrastructure. Looking longer term, the insight operators have into customer needs and expectations could fuel development of creative converged offerings and personalised content and services that are seen as defining the next evolutionary stage in IP-based services.

Where time-to-market is a business imperative, operators may encounter difficulties in attempting to break into the IPTV market with a variety of converged services offerings. Fast and responsive cross-domain product development will be necessary to win in the marketplace. Operators have a fundamental problem in the isolated silo thinking that has allowed each business line to have its own product management teams and disparate systems. Teams rarely communicate across business units primarily because the existing product realisation processes and systems don't easily support collaboration and don't offer a definitive source of information on service and product data.

The lack of systematic, consistent, fast and reliable approaches for defining and managing products shows in the time needed to bring products to market. A basic price change or short-term promotion can take two to three months to appear while a new package composed from product elements already in the catalogue can take up to nine months in some cases. In an IPTV world, such timeframes are unsustainable. Operators must take control of their product development and management process, while retaining the imagination and flexibility to create product and service packages with a commercial lifespan that may be limited to days or even hours.

Functional convergence is key to ensuring that IPTV achieves its maximum potential. Operators must match innovation with agility to deliver blended, tailored packages that are closely aligned to customer preferences. New product creation and introduction raises a range of immensely complex issues, not least the need to secure input from different technology and business functions that may until now have little experience of co-operation.

Standardisation of product development and realization processes, along with adoption of specialised product management tools, offers operators a means by which they can accelerate product development. By integrating information and automating processes across organisational and technological divides, collaboration between cross functional teams can be streamlined and simplified. Standardisation will also allow creation of a core set of product and service elements that can be re-used in defining new packages and offerings.

Systems such as PLM (product lifecycle management) solutions offer a software-driven approach to standardisation and collaboration that has been proven to work in other industries. A PLM system would have a similar beneficial impact as pooling all product managers into one cohesive unit, but without the pain and interruption to business activity that would result from restructuring the company!

PLM works by creating a centralised product catalogue that serves as the definitive source of information on products and services that can be accessed, used and updated by all relevant project team members. By concentrating all relevant data into one application, PLM allows for the effective collaborative working that most operators currently lack.

Operators with ambitions in the IPTV market cannot allow poor internal communications between business units, gaps in product data and the non-systematic approach to product lifecycle management to impede their progress. A move to a software-enabled PLM approach will vastly improve collaboration on defining, constructing and managing converged products and services. Operators can expect to see a substantial reduction in both time-to-market and cost-to-market for complicated service offerings.

Taking a PLM approach to controlling the product development and management will take operators closer to staking a profitable claim on the IPTV market.