



What To Look For In Turn Key Digital Media Solutions

By Cal Gloss ■ *Advanced Media Services*

I was invited to share my perspective on the multi-dwelling media services industry after an enthusiastic conversation with a member of *Broadband Properties* magazine during the recent CAMEX show in San Antonio, TX. We postulated that the industry is in a period of change as demand for Internet based services grows and the ability to bundle services becomes more of a necessity. Property owners are demanding more commission, and are relinquishing shorter terms for right of way—the privilege to have access to their customer base. Service providers need to adapt to

structures, while they are scrambling to keep pace with video installations. It is not news that Private Cable Operators (PCOs) are facing the need to add other services to their video offerings to produce more of that little green commodity. Dave McClure, President of the US Internet Industry Association (USIIA) delivered a very clear message at the 2003 Broadband Properties Summit in Denver, CO, stating that the Private Cable industry needs to be able to provide Internet to stay in this business. This message is starting to sink in, as we watch the success of the large MSOs with their bundled video, Internet, and digital voice offerings, and feel the competitive heat of these cable entities. To add to that competition, the telephone companies are now bundling nationally branded video services to compliment their traditional services. Don't think that this technology gap will shrink anytime in the near future. In case you haven't noticed or don't appreciate the enormity of the next big product to hit the scene: Voice over Internet Protocol, a.k.a. "VoIP." The competition has noticed, and is taking action quickly. Almost every major phone or cable service provider has either entered the VoIP market or is positioning for rollout this year. Why the rush? VoIP is a superior phone service with currently low delivery costs. There is a temporary window of opportunity thanks to the FCC and its non-regulatory approach to the Internet and consequently VoIP. The latter being reliant on the Internet partially, when calls cross over to the public switched telephone network, or in whole when calls stay on net. The five-year Inter-

tribution system should require nominal effort to install and operate, and the same is true for the services themselves. The video distribution and service delivery solutions provided by system operators are very much turn key from the perspective of the property being served; the owner signs a right of way and residents get service. What about Internet services? You don't necessarily need to become an ISP to add Internet services to your business. If you are trying to add Internet and VoIP to your product offering then you need to look for a provider

structures, while they are scrambling to keep pace with video installations.

Don't think that this technology gap will shrink anytime in the near future. In case you haven't noticed or don't appreciate the enormity of the next big product to hit the scene: Voice over Internet Protocol, a.k.a. "VoIP." The competition has noticed, and is taking action quickly. Almost every major phone or cable service provider has either entered the VoIP market or is positioning for rollout this year. Why the rush? VoIP is a superior phone service with currently low delivery costs. There is a temporary window of opportunity thanks to the FCC and its non-regulatory approach to the Internet and consequently VoIP. The latter being reliant on the Internet partially, when calls cross over to the public switched telephone network, or in whole when calls stay on net. The five-year Inter-

structures, while they are scrambling to keep pace with video installations.

"...the industry needs to rapidly bridge the technology gap between video and data services, to accommodate the growing demand, with what will become known as the "Digital Media Services Provider"

keep up with the rising demand for digital services and the complexities of the associated technology. It is my opinion that the industry needs to rapidly bridge the technology gap between video and data services, to accommodate the growing demand, with what will become known as the "Digital Media Services Provider" (DMS for short). The DMS must provide services that are "turnkey" from the perspective of revenue. All you should have to do is start it up and expose it to your customer base, then let the DMS do the rest of the work for you.

To be truly turnkey a media distri-

that can set you up and quickly introduce additional revenues. You may want to do it on your own to increase your margins, but remember that "time is money." If you spend your time getting up to speed on Internet delivery it could cost you market share in the long run. If you consider the task of choosing the delivery method, learning the technology and how to manage it, the benefits of homegrown solutions are risky. Most PCOs are small and do not retain adequate Engineering resources to self-design such digital services, lack experience in IP delivery and system management, not to mention the required support

net tax moratorium has expired officially, but don't look for any drastic moves by the feds that might restrict economic stimulus via the Internet. Not yet anyhow.

After mastering the video industry, learning its assortment of components and technical specifications, it is time to learn a little more. Having spent eight years directing operation centers for the largest Internet Service Provider it is easy for me to identify just a few of the important things: Routers (big & small), routing protocols, operating code revisions, firewalls, routing tables, remote access, NAT/FTP/SNMP, line interface cards, Bandwidth—DS1 or DS3 or Fiber or Wireless. Then there is Cable Modem Termination Systems, DOCSIS compliance, cable modems, Ethernet over coax, Ethernet over twisted pair, 802.11(B/G), bandwidth management, remote upgrades. The

VoIP study list is a bit shorter with Analog Terminal Adapters, VoIP phones, protocols (SIP, MGCP, etc.), gateways, PRIs, 911, FCC, LEC, LNP, and don't forget the plethora of business class calling features that are included!

Before you get too overwhelmed with all the buzzwords, there is light at the end of the tunnel. Emerging out of the rise and fall of the Internet industry is a growing number of companies with extraordinarily innovative talent pools that are providing turnkey solutions for the multi-dwelling industry, serving PCOs and property owners in their hour of need.

What to Look for In "Turnkey" Solutions:

Design: There is "no one size fits all" design when it comes to data distribution, as there will be many unique property situations. Don't kid yourself

if you think it is as easy as slapping in a CMTS or a wireless antenna. Provide your physical specifications and a list of your required services to a skilled professional and let them design your entire media distribution system, or let them advise you on the minimum design requirements to support your bundled service delivery.

Equipment: You can spend a lot of time and money trying to outfit your system, and even more time learning how to operate it. Work through reputable distributors, but don't be afraid to shop around. There is still an abundance of Internet equipment inventory in warehouses and you can find good deals on the Web, but there is an art to it. Use reliable brands that carry standard hardware warranties.

Leasing: Somebody has to pay for it. It is a common challenge that property owners are not keen on paying for media distribution systems, even

if it does increase the value of their property. Leasing is the best method for taking the sting out of capital expenditures, spreading costs out on a per dwelling basis, and making your system investment cash flow positive quickly. The best arrangement is to find someone who can roll up all the costs of labor and equipment into a single invoice, and lease it directly from them or through your preferred leasing agent. Depending on the size of the property and the complexity of

for any CPE. After all, it is the age of plug and play.

Support: This can make or break your business, very much so with Internet and VoIP, unless you obtain exclusivity that includes the air surrounding the property you serve. Since that is not likely, you should expect 24x7 system surveillance, on call repair contacts, quality of service monitoring down to the CPE level, customer support 800 hotlines staffed with technicians rather than report-

all, you are working the market and finding the customers, as the marketing “feet on the street” for the service providers at their highest level. You may have to look in a lot of places and do some negotiating, but don’t settle on an outsourced digital services solution unless it is available with wholesale reseller terms that allow you to bill your customer. After all, a bundled solution is not really bundled if your customer is getting multiple invoices. Customer billing can become very complicated and cumbersome, so rely on credit cards and electronic invoicing. You’ll never get away from paper invoices completely, but with a little effort you can push your customers toward electronic billing and minimize your overhead.

In summary, when you apply a turnkey solution you will be opening up a new line of revenues and enabling expansion into the market. I hope that my article has helped to improve your perspective, whether you are adding on to existing distribution or installing new. ■

About the Author

Cal Gloss is Vice President of Business Development for Advanced Media Services (www.ams-llc.com), a Digital Media Services Provider based in Ann Arbor Michigan delivering fully supported Video, Internet, and VoIP services for residential and commercial properties. Advanced Media Services is currently operating its own distribution systems in Michigan, Wisconsin, and Texas, and is providing add on revenue solutions to PCOs with existing video distribution systems. Advanced Media Services has formed a strategic alliance with DF Countryman (est. 1953), a retailer of Fiber-Optic and Broadband equipment (www.dfcco.com), to supply its add on digital distribution systems, catering to the changing needs of PCOs and the multi dwelling industry. The author may be reached with questions or comments via email at cal@ams-llc.com.

“You’ll never get away from paper invoices completely, but with a little effort you can push your customers toward electronic billing and minimize your overhead.”

the system, you should be able to get per dwelling costs down below \$10 monthly. For example, a \$10,000 distribution system serving a 100 unit property on a 60 month lease with average rates, would cost approximately \$2.23 per unit, monthly.

Services: Internet access and VoIP plans must be customizable, or offered with a variety of standard speeds or options so that you can accommodate customers with budget constraints. You should have the ability to unbundle VoIP services from Internet access, although it needs the latter for transport. Your provider should be able to isolate the LAN segment and restrict traffic to enable only the phone converter without providing free Internet unwillingly.

Provisioning: You know what a hassle it can be to provide selective signal connectivity to dwellings to ensure you get paid for any resultant subscriptions. Be sure your data solution includes automated or hands free provisioning that does not demand site visits. Service activation and service level changes should be done remotely, with on line order tools, and through the use of self-installation kits

ers, and on line trouble assistance resources so your subscribers can fix it on their own. Tools are important, so don’t be hesitant to ask for a dog and pony show to see what backs the service.

Pricing: This is my favorite area to pick on. Your turnkey solution should be priced so that you can make money and can offer services at or below market rate. The pricing should provide you with enough margins to compel you to outfit your other properties with the same ability. Be sure that the cost of high-speed circuits, system maintenance, and customer support is included with the price of the service. Expect some commitment of business if you get wholesale pricing—at a minimum enough to cover the cost of high-speed circuits. You don’t want any diluting surprises after you have activated your system. Nationwide market rate averages for video, Internet, and phone hover around \$120 per month according to my most recent market analysis.

Billing: My pet peeve in this industry is that it is difficult to find a media solution that allows you to bill your customers under one invoice. After