

WHITE PAPER

Managed Video as a Service (MVaaS) For Enterprise Communications

**The Value Proposition to the Media Manager,
Human Resource Executive and Chief Marketing Officer**

V6 7/16/2012

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Managed Video as a Service (MVaaS) For Enterprise Communications

INTRODUCTION

Providing engaging, rich-media content to consumers on demand, wherever they are, on any device, including large screen displays, desktops, laptops, and mobile devices is now a reality.

- More people are watching movies online and subscribing to streaming service.¹
- Nearly half of smartphone owners and more than 6 out of 10 tablet owners have watched a product video on their device in the past 3 months.²
- There will be 22 million digital signs worldwide by 2015.³
- According to John Chambers, Cisco Systems' chairman and CEO, "...video will become the leading way people communicate...."⁴

This trend also applies to individuals and groups in the work environment as people use similar technology, including their own devices (BYOD), to have the same enriching experience as they do away from work.

As a result, enterprises are responding, providing video content over a variety of distinct, yet complimentary media channels, to inform and train employees and serve their customers. Their media and Information Technology (IT) professionals are working together to implement systems and manage the convergence of video and data.

This paper addresses how enterprise organizations are now acquiring video and rich media communication solutions as Managed Services in the same manner that IT professionals and financial officers have been acquiring telecom systems and data networks for decades.

It is time for media managers and HR and marketing executives to become familiar with the term Managed Video as a Service (MVaaS) and why it can be of value to you and your organization.

MANAGED SERVICES (MS)

Managed Services have been around for decades. The former Electronic Data Systems ((EDS) – purchased by Hewlett-Packard) is credited with starting it in 1962, when it was founded as an outsourcing resource for technology services.

The concept of Managed Services is for the Managed Service Provider (MSP) to contractually assume responsibility to manage and provide equipment and specified services. Primary objectives typically are to improve the effectiveness and efficiencies of operations by providing clients with fixed, predictable pricing over extended periods and

¹ IHS Screen Digest findings, as reported in *USAToday* April 2012: "A Flood of Streaming Options could be Overwhelming."

² Research sponsored by Invodo, reported in 2012 article: "Product Videos Found Boosting Purchase Confidence Among Viewers."

³ October 2011 article by Jose Avalos, Intel Corporation: "22 Million Digital Signs by 2015."

⁴ *Cisco 2011 Live Conference*

mitigating risks to the clients for equipment or system obsolescence. Also, this approach lets clients focus on their core business and not worry directly about the tools of the organization.

The business model for Managed Services has expanded to include video and rich-media systems and operations: Managed Video as a Service (MVaaS).

MANAGED VIDEO AS A SERVICE (MVAAS)

As mentioned in the introduction, new media and approaches to communicate and train are everywhere. For that matter, video is everywhere. Employees and clients are viewing content on screens of all sizes and types. Due to this increased demand for content and the convergence of video and data, media managers and IT organizations are delivering rich-media content over the same corporate network infrastructure that delivers email and other data services.

Much of this can be attributed to advances in video compression technology and Internet Protocol (IP) networks, commonly called IPTV (television). In addition, today's communication systems and tools are computers, requiring media managers and IT professionals to collaborate on creating new workflow processes and guidelines.

Trends indicate that the Chief Financial Officer (CFO) and Chief Information Officer (CIO) encourage this cross-functional collaboration and embrace MVaaS for the acquisition of video and rich-media solutions.

MVaaS can cover a wide range of video and rich-media systems and delivery channels of all sizes and types. The MVaaS components include satellite and terrestrial delivery systems as well as production systems, digital asset management and archival systems, network management systems, security and loss preventions systems, and staff resources (Figure 1: MVaaS Components).

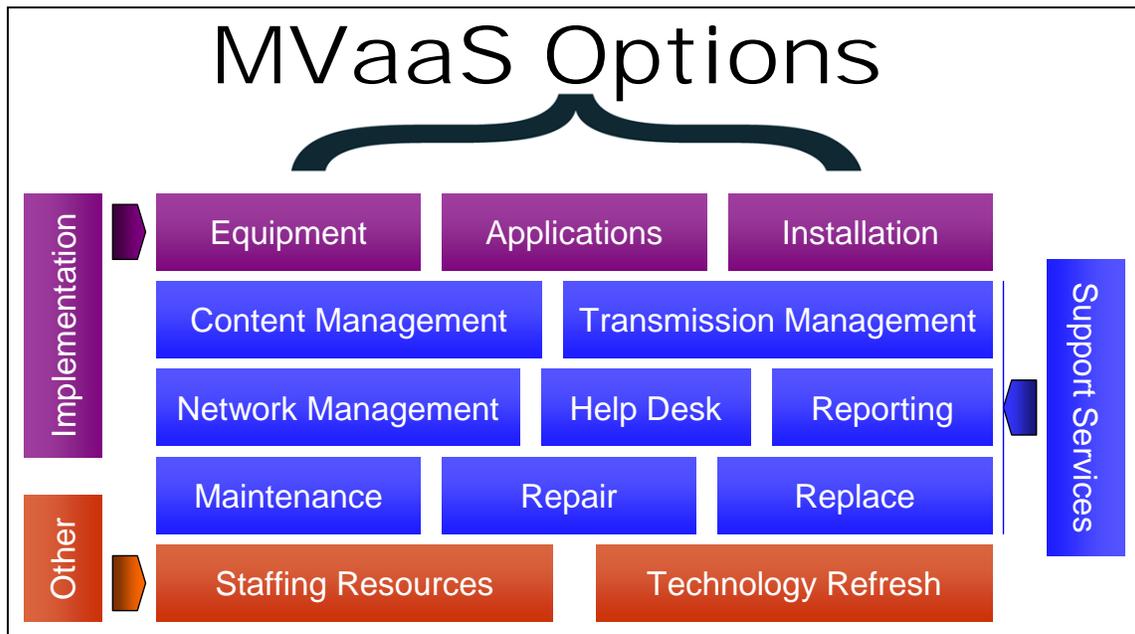


Figure 1. MVaaS Components

A key advantage of the MVaaS approach is the reduction in “up-front” capital expenditure. Also, MVaaS can be provided as a fixed monthly price over an agreed-upon term. Contract periods are usually 36 to 48 months; however, improved mytt72-month terms with a planned technology refresh as a key component of the agreement.

Longer terms allow organizations to take a much broader view of the MVaaS without the short-term worries of technology obsolescence or the inability to adapt to changes in the technology landscape.

The question is, “What works for you and your enterprise operation?” For instance, MVaaS may be based on one of the following options:

1. **All inclusive:** Equipment, applications, installation, system management, help desk support, field service, equipment replacement and repair, and staffing;
2. **System and Support Service:** Equipment, applications, installation, help desk support, field service, equipment replacement and repair;
3. **System:** Equipment, applications, installation, second level help desk support, equipment replacement and repair;
4. **Other:** To be determined by client requirements.

Vendors will provide the equipment and/or services in an MVaaS approach to meet the specific needs of each client.

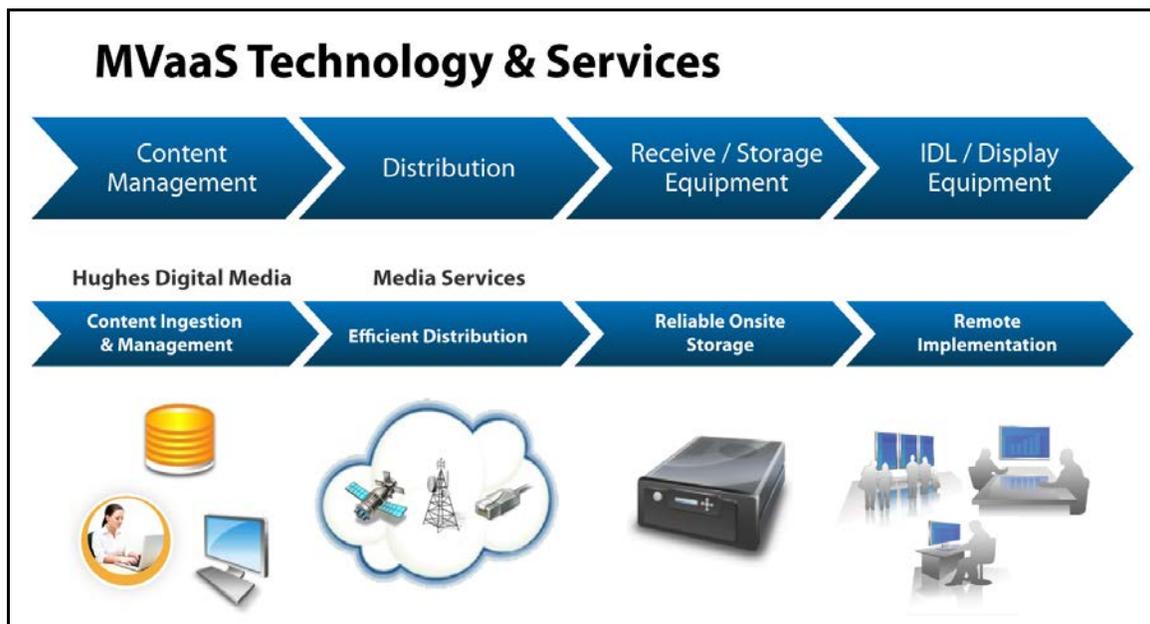


Figure 2. MVaaS Technology & Services

MVaaS may provide additional services and benefits:

- Ongoing system training
- A planned technology refresh

- Roadmap against software or technology obsolescence
- Software fixes, updates, and upgrades

Because the MVaaS provider will assume responsibility for ongoing system performance and maintain the financial burden for equipment and possibly staffing, it is critical to select a provider that understands and meets your communication requirements and is financially stable.

MVAAS KEY BUSINESS DRIVERS AND BENEFITS

There are numerous reasons why enterprise organizations embrace MVaaS, including but not limited to:

Business Drivers:

- **Managed Costs:** Lower or eliminate up-front capital expenditures.
- **Managed Costs:** Fixed monthly costs.
- **Mitigated Risk:** Enterprise is not exposed to equipment or software obsolescence as Vendor owns responsibility for equipment and systems.

Leading Benefits:

- **Improved Quality and System Performance:** Vendor will provide system refresh or upgrades to improve or meet performance standards and/or to improve operational efficiencies.
- **Informed Media Manager:** Leverages vendor's expansive knowledge of new media and technologies, applications, and industry best practices.
- **Improved Communications:** Focuses on core business while vendor handles day-to-day system operation and network challenges.
- **Sustained Operational Expertise:** Vendor can provide a managed source of fresh creative talent and skilled operators.
- **Sustained Budget:** Manages system and operation within forecast budget and financial plan.
- **Contracted Services:** Outsource services to better manage staff head count.

DELIVERY OF ENTERPRISE COMMUNICATIONS

Industry trends and best practices lead to MVaaS

Enliten anticipates a steady rise in the number of enterprise organizations embracing MVaaS as a means to manage the growing demand for video-based applications to deliver better communications and training. This movement is driven from the top down as executives attempt to be more visible and available to employees. It is driven from the bottom up as young and technology savvy employees view content on screens of all sizes and types, in group settings or via personal devices, live or at their convenience.

The learning organizations will incorporate more video elements or live broadcasts into their curriculum. Like other departments throughout the organization, they will create their own video content, shoot it, edit it, and search for the best methods to make it available to their targeted audience.

Facilities and real estate departments will install large screens to display digital signage content or real-time information and news programming. Display screens are now commonly accepted as furniture in offices and service facilities. Why not? They probably cost less than the wall hangings or window treatments!

Loss prevention, security, and IT organizations will embrace video as integral tools to protect or improve conditions of the work environment, and support business Media and communication managers will be challenged with managing the content and ensuring that the right messages are provided, i.e., the right stories are told to the right audience. It is important that the content, i.e., the digital assets, are managed properly for today's needs and are readily accessible for future applications. In addition to needing an asset management system, organizations need the right blends of media channels to deliver the content to widely dispersed facilities, for display on a range of screens located in differing environments.

This is where the IT organization gets involved. It is their network infrastructure and responsibility to ensure the content gets to where it needs to be displayed.

Simply put, there are far more people involved with video. There are more components in the video ecosystem, and there is more content being produced and consumed.

Organizations will look to manage the technology, the staffing resources, and the expense while increasing the use of video to communicate and train.

MVaaS providers are implementing and managing solutions while assuming responsibility for the ongoing performance and effectiveness of the systems. MVaaS providers are allowing media managers to acquire systems and solutions that enable them to focus on their jobs and meet the organization's business needs. At the same time, the media managers do not have to worry about equipment obsolescence or budget requests for technology improvements and upgrades. This applies to satellite-based Business Television (BTV) and IDL networks, Web-based streaming and on-demand networks, two-way videoconferencing and telepresence systems, video production facilities, digital asset management systems, and management and control systems. In addition, MVaaS providers can assume responsibility to staff and manage the media and video production organizations.

It is an environment where viable, trusted vendors are making video communications easy and hassle-free for enterprise clients.

THE CASE FOR MVAAS

Here is an interesting case study of a leading company that has embraced the MVaaS value proposition.

Safeway is a well-known retail chain. Through print and broadcast advertising, online marketing and social media, as well as in-store promotions, its brands are readily identifiable. In addition, the company uses various, complementary media to inform and educate customers on products and services as well as to educate and inform their employees.

A long-time user of satellite broadcast and IP multicast BTV and Interactive Distance Learning (IDL) solutions to deliver corporate information and training to employees, Safeway is upgrading its network with enhanced capabilities and expanded media channels. The company is purchasing specific products and services through its provider's MVaaS program. Here is its story:

SAFeway INC.

Safeway uses its satellite-based IP multicast network to deliver employee information and training for live and on-demand viewing to large display screens in break rooms, store manager desktops, and digital signage screens at select areas in stores. Historically, Safeway purchased the equipment and acquired support services and satellite bandwidth separately under a service agreement. However, the latest system upgrade is based on a long-term (60-month) MVaaS agreement, inclusive of equipment, software, satellite bandwidth, and specific help-desk, installation, and field support services.

The MVaaS program covers transmission equipment, such as encoders and encapsulators, the satellite downlink system and receiver/router, inclusive of storage and IDL solution, IDL keypads, on-premise playback devices, and the large screen displays at its 1,725 store locations.



According to Dan Pryor, VP Communications and Media Production, “The Managed Video as a Service approach allows Safeway the opportunity to upgrade its network and enhance its communications with the best available technologies and display screens at a fixed, budgeted cost.” Pryor adds, “Hughes willingness to allow Safeway to continue providing certain help desk and unit replacement functions in-house, along with the assurance of protection against equipment obsolescence over the term of the agreement, provides the basis for an attractive business relationship.”



Safeway strategically integrates the satellite network with videoconference rooms for program originations and store local area networks to enable viewing of content at desktops. Also, Safeway leverages the satellite network as both an enhancement to and back-up for its terrestrial data network to deliver large files to the stores. Safeway maintains a dedicated satellite uplink at its headquarters facilities in Pleasanton, CA.

SUMMARY ON THE VALUE OF MVAAS

All companies and organizations are striving to increase revenues, improve the bottom line, and/or enhance value to their targeted clients. In today's video and media-centric society, they need to increase touch points with clients and employees through digital media, reaching them as often as possible, wherever they are, and on various viewing devices by leveraging every available tool.

As media evolve and new technologies are implemented, the way to acquire solutions and services are also improving. Whereas managed services are a proven business approach to address financial issues and practices for IT and telecom systems, the benefits can apply to visual-based solutions as well.

As media and IT organizations work together to address new media and associated workflow challenges, Managed Video Services (MVaaS) can be an equally helpful tool, if not strategic approach, to meet organizations' business and communications and training objectives.

MVaaS from a trusted provider may be an approach you as a media manager or HR or marketing executive may want to investigate.

About Hughes Network Systems, LLC

Hughes is leader in managed network solutions to the distributed enterprise market providing WAN and digital media solutions. As a pioneer in customer facing digital signage and rich-media employee training solutions, Hughes has the experience to provide an end-to-end rich-media solution for your enterprise that will enhance your customer's experience and better train your employees—all with the financial strength and service capability to offer you the benefits a true MVaaS can provide.