

BT Wholesale Sets New Standards in Content Distribution Networks

Executive Summary

CUSTOMER

BT Wholesale

INDUSTRY

Service Provider

CHALLENGES

- Needed solution that would enable simultaneous and cost-effective content delivery in multiple formats, while improving competitive differentiation

SOLUTIONS

- Developed a set of economic models based on delivery of a rich portfolio of services to BT Retail and BT Wholesale customers
- Provided market opportunity data and analysis for CDN services—first in U.K., and then globally
- Created use cases illustrating how solution might be deployed in customer's environment
- Prioritized potential solutions based on BT's ability to deploy and support them

RESULTS

- Launched WCC to five U.K. customers in 2010
- Gives BTW a competitive edge by bringing CDN-related activities in-house
- Reduced content delivery/formatting costs by 10 percent and processing time by 20 percent

Background

BT Wholesale (BTW)—a member of BT Group plc, the holding company for an integrated group of businesses that offers voice and data services worldwide—provides high-bandwidth network services and solutions to more than 2,000 communications providers worldwide, and to more than 600 fixed and mobile operators and service providers (SPs), primarily in Europe. BTW's Media & Broadcast (M&B) division sells content distribution network (CDN)-based services to aggregators, content providers, Internet service providers (ISPs), and consumers. In recent years, the amount of video content passing through the network has grown exponentially, placing increased demands on communications providers. At the same time, the media and broadcast industry's demands are rising due to the increased number of media formats and processing power required for transcoding. This new landscape is creating delivery and cost challenges for BTW.

Challenges

BT M&B supplies services to content providers and media companies in the United Kingdom. According to BT M&B, 99 percent of the data that traverses the company's network is video, which needs to be stored while passing through the network. In addition, the number of different formats in which the media is delivered is increasing. Because of this, BTW was challenged with how to manipulate and deliver content in multiple formats simultaneously—and at lower costs—to both BTW and its customers, while also differentiating itself from its competitors.

Furthermore, competition in this cost-conscious market is strong, for both customized and scalable content delivery. In addition to a suitable CDN architecture, BTW also required a set of services that would enable the company to achieve its goal of differentiating itself from competitors.

Solutions

Strategy

Cisco's account team reached out to the Cisco® Internet Business



Cisco Internet Business Solutions Group (IBSG)

Solutions Group (IBSG) for help as a trusted adviser, given IBSG's thought leadership and experience in building new revenue-generating service portfolios for SPs. Cisco IBSG offered assistance in developing use cases for a rich portfolio of services for BT Retail and BTW's customers. (BT Retail is a "customer" of BT M&B and a downstream customer of BTW. It buys BTW's services in the same way that an ISP would, and then resells them to end-user customers.)

A joint working group of BTW and Cisco IBSG experts was formed in the second quarter of 2009, under the sponsorship of then BTW CEO Trudy Norris-Grey. The group reviewed:

- Potential CDN market opportunity
- Types of relevant services for BTW customers
- How these services might be monetized to produce meaningful revenue for BTW
- How best to use BTW capabilities in launching and supporting new services
- Competitive differentiators
- Best practices from Cisco IBSG engagements with other SPs around the world

"The work done by IBSG was key to making the business decision for BT to go ahead with a pilot trial and subsequent commercial launch of the WCC CDN service."

Trudy Norris-Grey
Former CEO
BTW

Deployment

A cross-functional team led by Cisco IBSG worked with the appropriate Cisco business units and contacts at BTW and BT Retail to develop the CDN use cases based on both their understanding of the market and experience in working with other major SPs.

In testing the IBSG hypotheses, the use cases were mapped to BTW's current and future needs to serve its downstream ISPs and upstream content providers, and to its operational capabilities for supporting proposed future services.

Key deployment activities involved:

- Providing market opportunity data and analysis for CDN services, initially in the United Kingdom and then globally
- Creating a number of use cases illustrating how the solution might be deployed in the customer's environment
- Prioritizing a list of potential solutions for BTW to consider, and then matching them with the company's ability to deploy and support the solutions
- Providing findings from the analysis to BTW's CEO and direct reports

Results

Following a successful pilot, BTW launched the BT Wholesale Content Connect (WCC) service in the third quarter of 2010, based on Cisco equipment. To date, WCC serves five customers in the United Kingdom. The solution enables BTW to tailor easy-to-use services by allowing the company to bring "in-house" a number of CDN-related activities that were previously outsourced, such as transcod-

ing and merging / converting content delivered in one format to another. BTW now enjoys the flexibility to manage and offer customers a more complete range of video-processing services.

The new service and network architecture reduced BTW's content delivery and formatting costs by 10 percent, and overall processing time by 20 percent.

"The work done by IBSG was key to making the business decision for BT to go ahead with a pilot trial and subsequent commercial launch of the WCC CDN service," said Trudy Norris-Grey, former CEO of BTW.

Next Steps

As a result of these activities, Cisco IBSG's relationship and credibility with key members of BTW led to two subsequent activities:

1. BTW's participation in the Cisco IBSG-led "CDN Federation" project, in which BTW is working closely with both IBSG and SP peers from around the world to develop common standards, practices, and architectures for a global intercarrier CDN exchange model
2. Further work with BT M&B in developing a set of content aggregation and delivery services for the media and broadcast industry

More Information

Cisco Internet Business Solutions Group (IBSG), the company's global consultancy, helps CXOs from the world's largest public and private organizations solve critical business challenges. By connecting strategy, process, and technology. Cisco IBSG industry experts enable customers to turn visionary ideas into value.

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