

Two Sides to

Sandy Says: Make tru2way a Truly Open Platform



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A telecom industry veteran, Sandy spent 18 years with AT&T before moving to the broadband world. She joined her husband Dave Waks in their consultancy, System Dynamics, in 1996 and has been focused on consumer broadband ever since. Sandy splits her time between consulting, co-writing a monthly report on new broadband developments, and being a Skype video-addicted grandmother.

As the Internet has evolved to become an increasingly good carrier for video services, innovators have started combining video with data and voice to create new services that appeal to consumers. Most of these services run on PC screens, but many companies now offer hardware and software to extend these innovative services to the large flat-screen TV set. While some use PC extenders, others use stand-alone set-top boxes with direct Internet connectivity. Some are built directly into the TV set.

Cable's competitors have long planned to extend their IPTV video to include "blended" services that combine voice, video and data. At trade shows, they have shown many examples of these innovative services and made it clear that they are central to their competitive strategy.

Tru2way is a great step forward in cable's evolution — a "virtual cable box" that can be embedded into consumer electronics equipment. It opens up the set-top business for consumer electronics manufacturers and retailers. It provides consumers with better ways to get all of cable's services on their sexy new wall-hung flat-screen TV sets.

Tru2way also could be the cable industry's best tool in maintaining its position as the preeminent source for video services. Today's cable box already has access to all of the cable company's offerings and the built-in cable modem could provide access to everything out in the Internet.

To maintain its video lead, the industry should move quickly to open up the tru2way platform to encourage the development of innovative applications. At the recent tru2way developers' conference, which preceded the NCTA show in New Orleans, I was disappointed to see little sign of this thinking. Although tru2way could be a great platform for innovation, the industry appeared focused far more on its own traditional services than on innovation.

In the Internet world, developers think they understand what "open" means. It includes attributes



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like a well-documented, widely available and affordable platform, in which creativity is encouraged, the platform's resources are all at the command of the developer, and there are few impediments to product release and market penetration.

If the industry wants to attract innovative developers to the tru2way platform, it needs to do more than it has so far. Innovative developers are often funded by venture capital and the first question in any business plan is the size of the prospective market. No one attending the tru2way conference came away with a clear idea of the "footprint": how many tru2way-capable devices would be deployed and operational over time. MSOs should clarify their plans for deploying tru2way-capable set-top boxes and their timetables for

enabling the tru2way devices for full operation.

It is hard for prospective developers to assess the industry's commitment to tru2way. Throughout this year's NCTA show, there was far more focus on EBIF/Canoe than on tru2way, and OnRamp appeared to be a strong focus for some operators. Thus developers came away confused as to which interactive platform they should aim at. Operators should share their views on the timing of these platforms.

To fully realize tru2way's potential, the industry needs to simplify the path for innovators to reach all the devices in service. Rather than negotiating "carriage" with each operator, an innovator should be able to sign a deal with all operators supporting tru2way. Rather than testing with each operator, an innovator should have a simple way to demonstrate that their application operates properly with each device platform and cable system.

The cable industry should aim to make tru2way the preferred platform for innovative video services. That requires thinking through the role of third-party applications, developing a fast path for including them in the tru2way platform and developing evangelism skills. Otherwise innovators will surely find other ways to get to the screen and marginalize the role of cable's video portal.