

## **BSG and Value Partners publish new White Paper**



### ***Broadband Infrastructure: The Service and Application Providers' View***

In the debate over the capability of broadband networks, the voice of companies and organisations that offer services and applications over the internet has been lost. To address this, the Broadband Stakeholder Group (BSG) and Value Partners Management Consulting today launch a White Paper, *Broadband Infrastructure: The Service and Application Providers' View*.

This White Paper provides insight into what companies and organisations that offer services and applications over the internet really think about the UK's broadband infrastructure today and how it might evolve in the future.

Antony Walker, CEO of the BSG commented: *"This report sets out the variety of issues that can impinge on the delivery of services and frustrate consumers. Bandwidth isn't the only problem. For service and applications providers, tired PCs and out of date web browsers can be just as problematic. In the medium term, some service and application providers are concerned that a battle for bandwidth could emerge as they compete to provide managed quality of service to end consumers. In the longer term though, service and applications providers are enthusiastic about the prospect of next generation broadband. Once the new networks are built, the clear message is that compelling services and applications will quickly follow."*

Key findings were:

- Few respondents considered current broadband as a significant barrier to innovation today. Instead they suggested that it was just one of a series of end to end issues that needed to be considered when thinking about how to improve services for consumers. Few believed that simply addressing the bandwidth issue alone would be enough to deliver the quality of service that consumers are increasingly expected to demand.

- Consumer expectations of quality are increasing as ever-richer data services, such as internet TV and cloud based applications continue to be brought to market. As a result service and application providers are starting to think about how they can manage end-to-end quality of service in the medium term (18-24 months). This raises issues surrounding net neutrality and suggests this debate now needs to be tackled in the UK.
- The major players believe that next generation broadband will spur innovation and growth in new services and applications. However an upgrade in bandwidth alone will not cancel out the need to manage the multiple pinch points across the network, to guarantee good quality-assured end to end delivery.

Dan Kirk, Partner at Value Partners London said: *“To us, these interviews highlight a positive story of the state of the internet industry in the UK today. Current trends in usage and the anticipated rise in consumer dependence on performance critical rich media applications drive a strong case for investment in next generation broadband. That is not to say that this report shows any evidence of market failure as a result of a lack of next generation broadband deployment to date. But this report does suggest that innovation will drive further exciting and far-reaching developments when next generation broadband takes hold in the UK.”*

### **About the study**

The study is based on a series of interviews with a small but representative sample of players operating in this area (BBC, BSkyB, Cisco, Directgov, Facebook, Hewlett Packard, Huddle, ITV, LOVEFiLM, MyDeco, MySpace, NHS Direct, Skype, Sony, The National Archives, Vodafone).

Participants were asked how broadband networks served their needs today; what services were planned within the next 18-24 months and what improvements to broadband networks would be required to support these; and what application and service developments would be possible in a world of next generation broadband.

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## **Notes to Editors**

### **Broadband Stakeholder Group (BSG)**

The Broadband Stakeholder Group is the UK Government's leading advisory group on broadband. It provides a neutral forum for organisations across the converging broadband value chain to discuss and resolve key policy, regulatory and commercial issues with the ultimate aim of helping to create a strong and competitive UK knowledge economy.

### **Value Partners Management Consulting**

Value Partners Management Consulting is a leading global management consulting firm, focusing on the TMT, financial institutions, industry and energy sectors. Our 3,100 professionals – out of 14 offices in 12 countries – deal with portfolio and business strategy; change management and operation improvement programs. Since 1993, we have been helping major companies to handle turnarounds successfully and to create lasting value.

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