

# AN INTERESTING TIME TO BE IN THIS BUSINESS

As Executive Director of both the **Society of Satellite Professionals International** and **World Teleport Association**, **Robert Bell** is behind the 'Green Teleport of the Year' campaign launched in September 2009. We asked him what made Essel Shyam emerge as the winner

"The satellite is a vent pipe that does not do much beyond that one miraculous thing which is to be the replicator in the sky – you send a signal up to it once and you can get that signal any place on the planet. When it comes to adding complex value that's the teleport sector's business...Teleports have all the complexity of a data centre plus the additional complexity of satellite transmission and reception equipment...The teleport business is still fairly fragmented, it consists of a lot of relatively small companies – even the big companies in the business are relatively small by global standards. And it is intensely innovative for that reason...The teleports are basically global businesses but at the end of the day their customer relationships are all within a time zone or two."

**T**he Green Teleport initiative is a big idea, but it really comes down to lots of very small details. What impressed the WTA jury was that Essel Shyam targeted a set of opportunities to reduce their costs and their carbon output and began executing them one at a time. Switching to solar heating and high-efficiency lighting, changing their air conditioning set, remodelling their entire facility to begin work on issues like airflow and materials, and then starting on the expensive part of their comprehensive five-year plan which is replacing their transmission equipment with

something more efficient. A real strong pace going forward.

## How do you see other operators implementing green initiatives?

What's interesting is the diversity of approaches. SES did a study and discovered that their Betzdorf facility alone was contributing 34% to their carbon footprint. So they focused on Betzdorf, replaced their main cold water chillers and cut the gas consumption by some 500,000 cubic metres. They replaced burners in their boiler system and started buying power from hydro-electric sources, which actually cost them a bit more per kilowatt but they were able to get a 6,000 ton a year savings on greenhouse gases. So that's what a big company thinks about.

NewCom International in Miami, Florida, quite a small company, spent a lot of time on server virtualisation - basically putting in software that manages a number of servers as one server. They were able to cut the power used by its server farm by about 42% and reduced the number of servers in operation. That flows through the business in terms of the management overhead of maintaining the equipment, the cost of power, the cost to cool it, so it's a real simple win.

"Satellite communications is a business with enormous operating margins, it has enormous capital costs too - you spend US\$250m to put a satellite in orbit and then have to pay off that cost and get a return on it"

It's important to realise that you can only manage what you can measure. So many companies are starting to do things without really putting in place management systems so they call tell if they are getting results.

## What are the most interesting recent developments?

Even though the teleport business



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is a mature business with some significant global operators, you have this constant stream of new companies coming into it – you just have to look at the 2009 'Fast 20' list. You continually see this entrepreneurial surge.

One of the biggest challenges that surfaced in the interviews for our report "What customers want" – with decision-makers for teleport and satellite customers in the media and entertainment sector - was staying on top of technology change with an ageing infrastructure.

Switching over to HD is still rippling through these organisations and they are also being continually challenged to expand distribution, particularly through some of the new media, and yet the budget is the same or has been reduced.

When asked about the next two years, 72% said their transmission requirements are going to increase. They expect to be using less satellite, more fibre, and they expect a significant boost from the use of broadband for both contribution and distribution.

HD gives you a great window into the future for the broadcasters. The broadcast business did not make a dime from the HD transition – they could not charge more for advertising because it was in HD, they just had to do it. That seems to be increasingly the challenge now – we have to figure out how to meet all these new requirements, but the business model either does not exist or is just unclear. Quite an interesting time to be in this business. ■

## The future

"There are huge opportunities waiting for companies who can come in and be a change agent - help the media and entertainment business do more with less."