

As the market opens up for Telcos to provide entertainment services and the Cablecos to provide telephony services, there is a race to increase broadband market share and secure as much of the customer's business as possible will be the key to protecting an existing customer base.

In light of the impending competitive environment, only those companies that can bring forth all their capability to create new services and markets that satisfy customers' needs will be positioned for success. Inundated with the task at hand ILEC's and IOC's considering an IPTV service are looking for a single source of expertise to expedite this initiative.

SaskTel has been at the forefront of offering new product and services to its customers. In 2002, SaskTel was the first telco in North America to offer an interactive video service (MAX) over its DSL network. SaskTel customers have the benefit of many interactive features which are unique to MAX such as up to date local weather, news, movie listings, local radio stations and many others.

SaskTel International in conjunction with SaskTel subject matter experts involved in SaskTel's implementation of IPTV, will conduct a comprehensive review and assessment of the IOC's individual business operational processes and procedures to develop a resource development strategy for an IPTV service offering with the intent to minimize competitive threats while continuing to improve on service offerings to their customers.

As a result of the assessment of the operational processes and procedures as well as existing network architecture, the IOC's can determine the actual financial capital and resource development requirements associated with implementing an IPTV based solution within its serving region with a comprehensive implementation time line necessary to provision these services.

An Operational Assessment provides company specific requirements necessary to provide an IPTV service. The Operational Assessment includes:

- High level technical designs and requirements
- Expected capital expenditures
- Organizational requirements
- Process requirements
- Critical business case inputs
- Marketing tools

The business areas that are covered in the Assessment are:

Network Engineering / Planning

The network assessment will include:

- A comprehensive review of the outside plant infrastructure.
- A comprehensive review of existing network (DSLAM, ATM, IP Network).
- Review of transport options.
- Assessment of implementation groups (Planning, Provisioning, and Operations).

Network Operations & Support

- Assessment of current and required Operation's skills.

- Review of network activation process for DSL internet service.
- Assessment of network alarm systems.
- Review of Network Trouble Ticket processes.
- Assessment of Internet Help Desk
- Assessment of Change Management Control procedures.
- Review of organizational structure of Support and Operation's groups

IT Systems

Extensive assessment to establish methods for the implementation of new systems as well as integration of existing systems includes:

- DIV customer service activation systems (based on ALCATEL MEDIA MANAGER - DTVM)
- VOD servers and application software.
- Network service activation systems (physical, DSL, IP multicast, ATM)
- Customer account and billing systems
- Trouble ticket systems
- Installation and repair service order systems.
- Network alarming
- Web portal- content partners, HTML expertise, web page designers
- DHCP servers
- Security

Customer Services and Installation & Repair

Recommendations for a customer service delivery system will be determined based on the following assessment items:

- Assessment of existing customer service delivery methods associated with DSL internet service.
- Evaluation of existing customer service activation process.
- Assessment of warehousing facilities.
- Review of customer service centres.
- Review of processes for distributing and returning hardware.
- Review of customer I & R processes and team.
- Review of Sales Channels.

Marketing & Business Development

SaskTel International will conduct the following assessments of business groups:

- Review of strategic plans
- Assessment of competitive environment
- threats – High Speed Internet (HSI), local telephony (VoIP)
- market – HSI, TV
- Financial forecasts
- Cost thresholds/budgets
- Corporate culture and Political environment
- Marketing organization and structure
- Marketing research and processes
- Advertising campaigns

- Sales Channels
- Regulatory & Legal

SaskTel International will provide recommendations regarding key Business Plan areas including, but not limited to:

Situational Analysis

- Industry, consumer, and competitive analysis.
- Organization structure
- Preliminary estimate of market potential (with limiting assumptions).
- Strategic drivers for implementation.
- Marketing Overview
- Marketing Plan
- Market research recommendations
- Current and planned product definition (ie Channel packaging, VOD, HSI, interactive features...)

Resource Requirements

- Financial Performance (with limiting assumptions)
 - Expected revenue per feature
 - Expected cost per feature
 - Capex

Resource requirements from supporting areas

- Sales
- Regulatory
- Legal
- Training

SaskTel is pleased to extend the benefits of its relationship with Alcatel to the IOC's with competitive pricing on Alcatel Access Networking, IP Data and Optical Networking equipment. SaskTel's selection and implementation of Alcatel equipment was based on SaskTel's due diligence and experience with best in breed products selected via competitive RFP and lab evaluation process.