



CHANNEL 4

SAP® BusinessObjects™ SOFTWARE MONITORS PROCESSES TO IMPROVE SERVICE QUALITY

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John Telford, Project Manager, Channel 4

QUICK FACTS

Company

- Name: Channel 4
- Headquarters: London
- Industry: Media – broadcasting
- Products and services: Analog and digital transmission of media content
- Revenue: £944 million (about €1 billion) (2007)
- Employees: 965
- Web site: www.channel4.com

Challenges and Opportunities

- Monitor data quality and delivery of digital content provided to partners requiring new on-demand content
- Reduce costs associated with outsourcing business intelligence (BI)
- Avoid missing service level agreements (SLAs) and incurring associated fines

Objectives

- Use existing BI investments to monitor the content creation and delivery process
- Enable real-time reporting and alerts
- Achieve the data quality needed to grow the business

SAP® Solutions and Services

- SAP® BusinessObjects™ Data Integrator software
- SAP BusinessObjects XI solutions
- SAP BusinessObjects Web Intelligence® software

Implementation Highlights

- Leveraged existing investments in SAP BusinessObjects software
- Project completed in 20 weeks

Why SAP

- Best functionality and performance when compared to other vendor products
- History of successful deployments and business benefits
- Corporate commitment to investing in one BI vendor across the enterprise

Benefits

- Eliminated significant concerns about data quality and meeting SLAs
- Gained the real-time reporting needed to improve processes and eliminate bottlenecks
- Achieved the high data quality needed to attract new service providers and grow the video-on-demand business

Existing Environment

- Database: Oracle 10g
- Hardware: Sun and IBM servers
- Operating system: Solaris 9 and Microsoft Windows 2003



Since transmitting its first program in 1982, London-based Channel 4 has continually explored the boundaries of television production. In 2006 the channel launched its latest innovation: 4 on Demand (4oD), its first video-on-demand service. 4oD offers customers the chance to catch up on TV shows for free up to seven days after transmission, as well as the option to rent or buy archived shows or films. “In a market where customers have a fast-growing range of entertainment options, 4oD is very important for Channel 4,” explains John Telford, project manager at Channel 4.

However, creating 4oD content is a challenge. It has to be delivered in a timely fashion to meet service level agreements (SLAs). “Monitoring the effectiveness and efficiency of the 4oD production process is critical to ensuring that content is delivered on time,” says Telford. To meet this need, Channel 4 leveraged SAP® BusinessObjects™ Data Integrator software.

Leveraging Business Intelligence Across the Enterprise

Channel 4 had deployed SAP BusinessObjects Data Integrator in 2002, when the company switched to a new airtime sales system to support advertising sales. It wanted to bring business intelligence (BI) in-house rather than outsource it, as the executive team believed that BI was strategically important for the business. “Ad sales are our main source of revenue. SAP BusinessObjects software enables our sales executives to analyze the inventory in real time in order to maximize revenue,” explains Telford. “There’s a lot of money at stake – hundreds of millions of pounds in ad sales per year – so mistakes can be costly.”

According to Telford, management expected that its investments in products such as SAP BusinessObjects Data Integrator would be used by other departments to improve decision making and increase operational efficiency. The 4oD initiative wasn’t even on the company’s radar during the initial software implementation. “The enabling technology for 4oD didn’t even exist at that time. It’s one of many opportunities that have come along,” states Telford.

Using BI to Monitor Critical Processes in Real Time

The concept behind the 4oD initiative is simple. “Our partners, such as BT Vision, Tiscali TV, and Virgin Media, provide the boxes that sit under customers’ TVs,” explains Telford. “Our content runs on their infrastructure, and their customers pay a subscription or pay-per-view fee for access.” Channel 4 commits to SLAs with each of its partners. For example, it will agree to provide partners with a certain number of hours of content per month – at a specific quality level – and have it up on their platform within a certain time

frame. If Channel 4 fails to meet an SLA with an external provider, it incurs a financial penalty.

To enable its 4oD initiative, Channel 4 created a new business process to request, select, produce, and deliver 4oD content and monitor the process to meet partner SLAs. It used SAP BusinessObjects Data Integrator to analyze this process in real time. The company consolidated data from three different systems – an asset selection application, a media management application, and software supporting business process management – into a single data mart. It then uses the software to load process data overnight into the data mart. Channel 4 creates reports using the SAP BusinessObjects XI solutions to analyze and monitor the efficiency of the 4oD content creation process.

“Our consulting team used the data integrator application to write excellent data cleansing processes and improve data quality,” Telford says. Data quality issues are identified, logged, and fixed at the time of extraction. In addition,



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the software applies a set of validation rules to extracted data, enabling detailed reporting.

“This reporting is what allows Channel 4 to monitor overall data quality for 4oD content and delivery,” states Telford. “The validation reports give us detailed insight into data quality, which is then fed back to those developing the operational systems.” Real-time process monitoring also ensures that quality problems are addressed early, before they compromise the business process. Reporting is always available over the intranet using SAP BusinessObjects Web Intelligence® software.

Because Channel 4 is constantly looking to improve 4oD production and create supporting applications, the consultants developed highly scalable extraction, transformation, and load (ETL) processes. They enable easy addition of new data sources – both to support new providers and to accom-

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modate the expansion of 4oD content. The organization currently delivers 4oD both direct via PC downloads and PC streaming and through provider partners. Over time, Channel 4 expects that the number of provider platforms will increase significantly, as will the volume of programs available in the 4oD format.

Exceeding Performance Expectations

The solution has eliminated the company’s significant concerns about data quality and SLAs. Channel 4 now has rapid insight into the volume of content created and can see if it is being delivered in line with partner-specific SLAs. “The consulting team designed strong systems that help our organization understand how well the 4oD service is performing,” says Telford. For example, Channel 4 now has automatic reporting of the number of programs produced in the 4oD format within a given SLA. “The ability to constantly monitor the 4oD content creation process inspires confidence in our ability to meet the SLAs. As 4oD attracts new service providers, Channel 4 has the excellent quality data required to support future market expansion.”

Channel 4 also uses SAP BusinessObjects XI alerts to highlight missed SLAs. One report provides a

content overview, with each program highlighted in red (if an SLA is missed), amber (if an SLA is close to being missed), or green (if an SLA is met). This gives decision makers a top-line view of the timeliness of content delivery.

The software also enables Channel 4 to determine when customers are using content request, select, produce, and delivery resources, including both the personnel and the expensive transcoding hardware required to create 4oD content. Understanding these kinds of details has enabled Channel 4 to improve its resource allocation. For example, analysis enabled by SAP BusinessObjects software revealed that production work was concentrated toward the end of the week. This situation put pressure on both equipment and people because content selection decisions were made early in the week. Using this insight, management spread the entire production process across the week, which removed bottlenecks and minimized the risk of missing SLAs. Monthly analysis of resources helps Channel 4 track and anticipate increasing demand for 4oD production.

Content analysis is another benefit of using SAP BusinessObjects XI. The solutions enable Channel 4 to develop a set of reports that assess user uptake of program by type, frequency, and whether they are paid for, rented or purchased, or free. Such insights help Channel 4 deliver the programming its customers seek, as well as respond quickly to changes in demand. Telford notes, “Our consulting team has delivered in-depth analysis of video-on-demand production, enabling Channel 4 to respond quickly to changes in the new 4oD business process.”

And finally, the software has supported significant growth in the 4oD business. Since the initial launch of 4oD, the volume of content created and delivered has quadrupled. “Because we offer

a quality service, we've been able to do more deals – for example, with syndicated National Geographic content and iTunes. If we had lots of problems, we wouldn't have won these deals," explains Telford.

Looking Ahead

At Channel 4, 4oD has gone from being an experiment to providing a revenue stream. States Telford, "It's still a small part of our overall revenue, but we see lots of potential to grow it. We're confident that SAP BusinessObjects software will scale to support 4oD growth and meet the changing BI needs of our business."

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