

**WHY TOFFLER  
ASSOCIATES  
CONDUCTED THIS  
STUDY**

"We gave our client information we discovered about alternate technology that would help them develop an innovative distribution method. We also provided a timeline that would carefully phase them into several new markets.... They felt confident taking the steps we outlined for their future."

-Toffler Associates  
Engagement Leader

## Toffler Associates Gives Satellite Company a Plan to Expand into New Market

In the early 1950s, TV transmissions were distributed via land-based communication towers. Later in the decade, cable companies cut into the profits of these first signal distributors by giving consumers a more clear and stable TV transmission plus a wider variety of programming. And in the 1960s, communication satellites added to the competitive fray by transmitting voice, video and data for TV shows, news broadcasts, videoconferencing, and other programming. Still, regardless of the way the signals were transmitted, the primary way to view the programming was on a TV screen. Not any more. Personal computers, iPods, BlackBerries, and other products are making TVs just another viewing option, and broadband Internet, wi-fi and fiber optics are calling into question the future of satellites for video distribution.

### **ASSESS CURRENT AND FUTURE RISKS**

This explosion of new products and technologies caused a market-leading, international satellite communications company to wonder about the future of its commercial video broadcast business. Would it, like land-based towers, slowly become obsolete as a means of distributing voice, video and data? Should they begin exploring and investing in alternative technologies? Billions of dollars rode on the answer to these and related questions. The company brought in Toffler Associates to help create viable answers and develop a strategic business plan for the company's future.

"Satellites are their core business," said the Toffler Associates Engagement Leader. "The question our client wanted answered was, Is there going to be a market in the U.S. for commercial satellites to distribute video programming ten years from now? If not, they will need to focus on other areas of the satellite market, like the international or government segments. They needed to assess the risks and consider various alternatives for repositioning themselves in the market based on those risks."

### WHY TOFFLER ASSOCIATES?

The company chose Toffler Associates because of its expertise in satellite technology as well as in creative-thinking techniques that help clients visualize the future they want for themselves and understand how to achieve it. In addition, the consulting firm has a strong history—from working with intelligence agencies and other space-related government organizations—of analyzing space-age assets. Few if any of Toffler Associates' competitors bring the same level of experience to the table.

"We began by interviewing experts in the satellite, cable, video and other related communications industries," continued the Engagement Leader. "Basically, we started by interviewing all of the stakeholders you would typically contact to do research on this type of topic. But our client's problem had to be seen in a much broader context. Demographics, regional economies, education levels and other big-picture issues had to be considered because the answers our client needed could not be found by only studying the video market. So we interviewed experts in academia, venture capitalism and other fields that we felt would give the best outlook of future video viewing requirements."

### SEEING THE BIG PICTURE IN A NARROW MARKET

Taking this larger, global view of the problem is another approach that distinguishes Toffler Associates from its competition. Historically, consulting firms do not consider such a holistic external view of the marketplace when looking at the dynamics that affect a business. "Our client also had a more narrowly focused view of their challenges," said the Engagement Leader, "which is quite natural and normal. They looked only at the technological aspects of transmitting video via satellite because that was their expertise. We opened their eyes to the broader applications of satellite technology, plus how the technology will evolve along with consumer expectations for viewing video."

After researching industry trends and data and comparing them to its client's business model, Toffler Associates found that in order for the company to remain competitive and not lose market share over the next 10 years, it would have to extend its current satellite technology into three new areas. The company had a limited amount of research and development money, so it had to be spent wisely. "We gave our client information we dis-



covered about alternate technology that would help them develop an innovative distribution method," stated the Engagement Leader. "We also provided a timeline that would carefully phase them into several new markets. This was their core business, and they could not afford to make a mistake. The client commented to us that we helped them to see their company in a new perspective, that we provided a quantifiable value to their company, and that they felt confident taking the steps we outlined for their future.