

One of the key benefits of our true cloud playout is that customers pay for what they actually use

## IABM members speak – Veset



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### Playout in the cloud

#### When was Veset founded and what was the company's vision?

Veset was founded in 2011 in Latvia by a group of experts from IT, broadcast and telecoms backgrounds. Our vision was to create a pure cloud playout solution. We were surprised that this part of the broadcast workflow chain was lagging so far behind everything else in terms of migrating to the cloud – even in 2011.

#### Tell us about Veset's current product range and where you heading in the future.

We have focused on developing "native" cloud playout solutions right from the start, and this remains our focus today. Our main product, Nimbus, delivers 'self-service SaaS' for our customers. Nimbus enables our customers to deliver linear TV channels without the need to invest in any hardware or to commit to long-term contracts in any way, shape or form. All they need is to subscribe to our service, and to access and operate their channel through the web. One of the key benefits of our true cloud playout is that customers pay for what they actually use, which opens the door not only for reducing costs for traditional 24/7 linear channels but also to a completely new area of temporary, event-driven channels.

This industry is relatively slow-moving – still largely tied to the long investment cycle that building a business around hardware necessarily entails; this is typically five years. This means that over the next 1-2 years, many broadcasters will have amortized their traditional hardware investments, which will free them and their budgets to look at new ways of delivering linear TV

playout. Our immediate mission is therefore to help decision makers in such businesses understand the enormous flexibility and cost-efficiency of moving playout to the cloud.

Playout is of course mission-critical to broadcasters, so this is a bigger job than it might sound; engineers will feel their job is on the line, and we need to help them move from feeling comfortable with 'I can see it so I can fix it' to 'this is a more resilient, flexible and secure way of doing playout'. We need to overcome their natural conservatism and show them the benefits of being able to run up – and shut down – playout services at will.

As we've seen in many other industries, resistance to change can quickly put even a major player out of business. Our current clients are inherently open-minded – and this readiness for change is usually driven from CEO level. Fewer and fewer people are responsible for more and more as broadcast businesses continue to search for greater operational efficiency, and it's tough to learn something new while already doing a full-time day job!

Sometimes this results in a broadcaster trying to come up with a poor replica of what the cloud can offer, but working with their existing hardware suppliers. So, the reliance remains rooted in hardware or at best in some attempt to adapt existing software to the cloud. Ultimately the vendor ends up financing purchases over time so that the deal resembles an 'Opex' model: it's a half-hearted approach from which neither party fully benefits. In contrast, new players such as VOD, OTT and IPTV content providers are much more open to fully cloud-based working because they have neither incumbent engineers nor technology.

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### **What differentiates Veset's cloud playout solutions from those of your competitors – what's your edge?**

Veset's cloud playout solution was developed from the ground up to run on the public cloud – unlike our competitors, who are mostly trying to adapt existing playout technology to cloud-based working – all hidden behind heavy marketing claims. You can of course take existing software to run playout in the cloud after a fashion, but it will not deliver the full benefits of the cloud because it wasn't developed for it.

In contrast, Veset solutions were designed from the start to take full advantage of the cloud; for example, they use over a dozen micro-services which natively talk to each other in the cloud to deliver optimum performance. By designing software to maximize cloud resources, you bring maximum flexibility to your client and use resources more efficiently, drive down costs, increase redundancy across several data centers as well as being inherently future-proof. This is all a stark contrast to a lump of software running on a single instance in the cloud.

### **Do you think every part of the broadcast production and distribution chain will eventually move to the cloud?**

Playout is likely to be one of the last parts of the production chain to be fully cloud-based. We're making progress, but it will be a long time until cloud playout becomes the industry standard because its mission-critical role naturally engenders caution. Beware of claims you may see that organizations have already implemented fully cloud based multiplexes; scratch the surface and you'll find that 80% still have some hardware sitting behind them that's nothing to do with the cloud.

### **What's next for Veset?**

We're committed to further developing our self-service SaaS cloud playout solutions, and we're also looking for partners to enable us to broaden our offering. At present, we are actively evaluating scheduling and traffic systems – a natural complement to our playout solution; currently there are few such systems that have made the move to the cloud, however we expect to be able to make an announcement soon.

On the output end, we work closely with Zixi, the Boston, USA company that focuses on using IP to deliver broadcast quality channels, as well as bringing live IP contribution feeds to our playout systems. This is looking very promising – together, we can offer substantial benefits to the client – all those that come with pure cloud playout, together with reducing or eliminating their reliance on satellites or dedicated fiber links. We see Zixi's technology being widely adopted and becoming a de facto standard in this area.

### **What security concerns does the cloud pose for end-users?**

The advantage of the cloud is that it is much more secure than most broadcasters' (and everyone else's!) in-house infrastructures. The principal cloud providers – AWS, Microsoft and Google, have hundreds of people dedicated to cyber-security; recent examples have demonstrated that even very large companies in the media sector are vulnerable because they simply can't or won't match the resources that the large cloud providers can throw at security – no surprise as it's business-critical to the latter after all. I would say that security concerns expressed about operating in the cloud are largely down to ignorance and resistance to change rather than reality. AWS is Veset's cloud provider of choice, because it has the experience, scale and resources to be secure.

### **Veset sells internationally. How do you handle sales and support in overseas markets?**

We have two headquarters – in London and Riga, Latvia. However, the cloud allows us to be global without being physically in every location; we're a global business and that's part of what makes us attractive to clients. So, if you're based in New Zealand, you can use a data center in Singapore and/or Australia for example. We engage with our clients across the world; there are no physical devices involved, so location is not an issue; you don't have to have a physical presence in every territory to be a global player. Nonetheless of course we always explore partnerships with local systems integrators, service providers and the consulting community who have strong client relationships and understand new cloud and IP technologies. Recently we have interest from Brazil, Singapore, India and Nigeria.

### **Congratulations on winning the TVBAwards rising star award in 2016. What does this mean to Veset?**

This kind of recognition is great for young companies like ours. This industry is very crowded – just take a walk round IBC or NAB! For end-users, this can make it challenging to pick out real innovation and sort out the substance from the marketing hype. Awards like this give us the chance to stand out in the crowd and to get recognition for our innovation rather than merely our marketing muscle.

### **What value does IABM membership bring to Veset?**

IABM's market intelligence reports are very valuable to us. They are one of the very few – if not the only – credible sources of information about the market, which inform our big-picture thinking. This also helps us with keeping our investors informed as to how we are performing against the rest of the industry. The support IABM offers at exhibitions is also important for us – we have taken advantage of having a 'pod' on the IABM stand at the forthcoming BVE show in London, for example. Finally, the networking opportunities IABM events provide both keep us in touch and potentially open new business opportunities for us.