

## Norway's Lyse Tele expands services, sees stronger ROI

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### Overview

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#### ■ **The Challenge**

*To become more competitive, generate profits, win customer loyalty, and respond to industry deregulation*

#### ■ **The Solution**

*Provided first true 'triple play' of services (high speed Internet, digital television and telephony services) through a single broadband cable to residential homes*

#### ■ **Why IBM?**

*IBM brought together the expertise, solutions and partnerships to help Lyse Tele create a robust on demand environment for its customers*

#### ■ **Key Benefits**

*Successful 500-home pilot program on track to expand to 4,000 homes, an increase of more than 660%, within 16 months; 'significantly' improved upon original return on investment (ROI) forecast of 7 years; and helped customers realize 20% savings or more.*

#### **First 'triple play'**

Delivering high-speed Internet, digital TV and telephone services into the home on one broadband cable has been something consumers have wanted for years. No more spaghetti wiring — no more multiple providers.

Unfortunately, certain impediments — like the high cost of bringing fiber to large numbers of homes — have usually blocked the way. Until now.

In Norway, however, a local utilities provider has broken through the usual barriers. With the help of IBM and Cisco, Lyse Tele, a subsidiary of Norwegian utility Lyse Energi, has become the first in Europe to offer Internet access, digital TV and telephone services (what it calls the 'triple play') over a fiber broadband network — at an attractively low cost to its customers.

"In the wake of deregulation of our electricity markets, we needed to diversify our activities or risk losing our competitive edge," recalls CEO Toril Nag, of Lyse Tele. "By bundling this new combination of services, we believed we could drive revenues and attract new customers.

"Our goal was to become a more resilient company and capitalize on new opportunities in the changing utilities marketplace. At the same time, we needed to be more responsive to customers, to give them something they wanted — a unified communications service from a single provider."

*"IBM and its partners have given us the tools and support to become a more resilient and responsive business in the face of changing market conditions."*

*– Toril Nag, CEO of Lyse Tele*

### Overcoming barriers

In bringing a single broadband cable to the home, Lyse Tele had a huge asset to leverage—Lyse Energi. It took advantage of the parent company's expertise in laying and digging cable, and utilized its existing ducts and cable path infrastructure.

Knowing seamless integration of a bundled services platform was critical to success, Lyse Tele teamed with IBM, who brought in an end-to-end solution and partners specializing in TV, digital media, Voice over IP, and networking. Key contributing partners include Cisco Systems (metro Ethernet technology, vision and business expertise) and Tandberg Television (video services).

The IBM solution consists of WebSphere® Portal Server, as the core Internet Service Provider product, and WebSphere Edge Server.

To make it all work together—in an on demand environment—IBM Global Services provided the consulting and integration services as well as multi-device enablement across platforms and channels.

### ROI faster than expected

The initial pilot program targeted 500 homes and went live in September 2002. Many residents stand to save 20% or more on their combined telecommunications, TV and Internet

bills. Plus they have access to many other services. "Anytime you deliver more services for less, you win customer loyalty," Nag says.

Nag expects to have some 4,000 'triple play' customers on board by the end of 2003. "We're looking to significantly improve on our forecast of a seven-year ROI and see profits much sooner," he says.

Importantly, the IBM solution has allowed Lyse Tele to generate new revenue streams, rather than relying on commodity products, such as electricity, gas and heating. The company claims that 40% of the existing customers being asked to sign up for broadband services are accepting the offer.

### Open to change

Lyse Tele and IBM developed the solution based on open, industry standards, including Linux, which provide the flexibility to change technology as business strategies evolve. "From both business and technological points of view, IBM has helped to make our company more adaptable to new regulations and competitive pressures," says Nag. "Now we are looking at the possibility of partnering with other local utilities to franchise our 'triple play' offer." As a result, Lyse Tele's groundbreaking solution may transform other utilities into on demand e-businesses as well.

### For more information

Please contact your local IBM sales representative or IBM Business Partner.

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