

Equipment Replacement in the Digital Era: An Information Technology Perspective

Bob Holstein

Chief Information Officer

National Public Radio

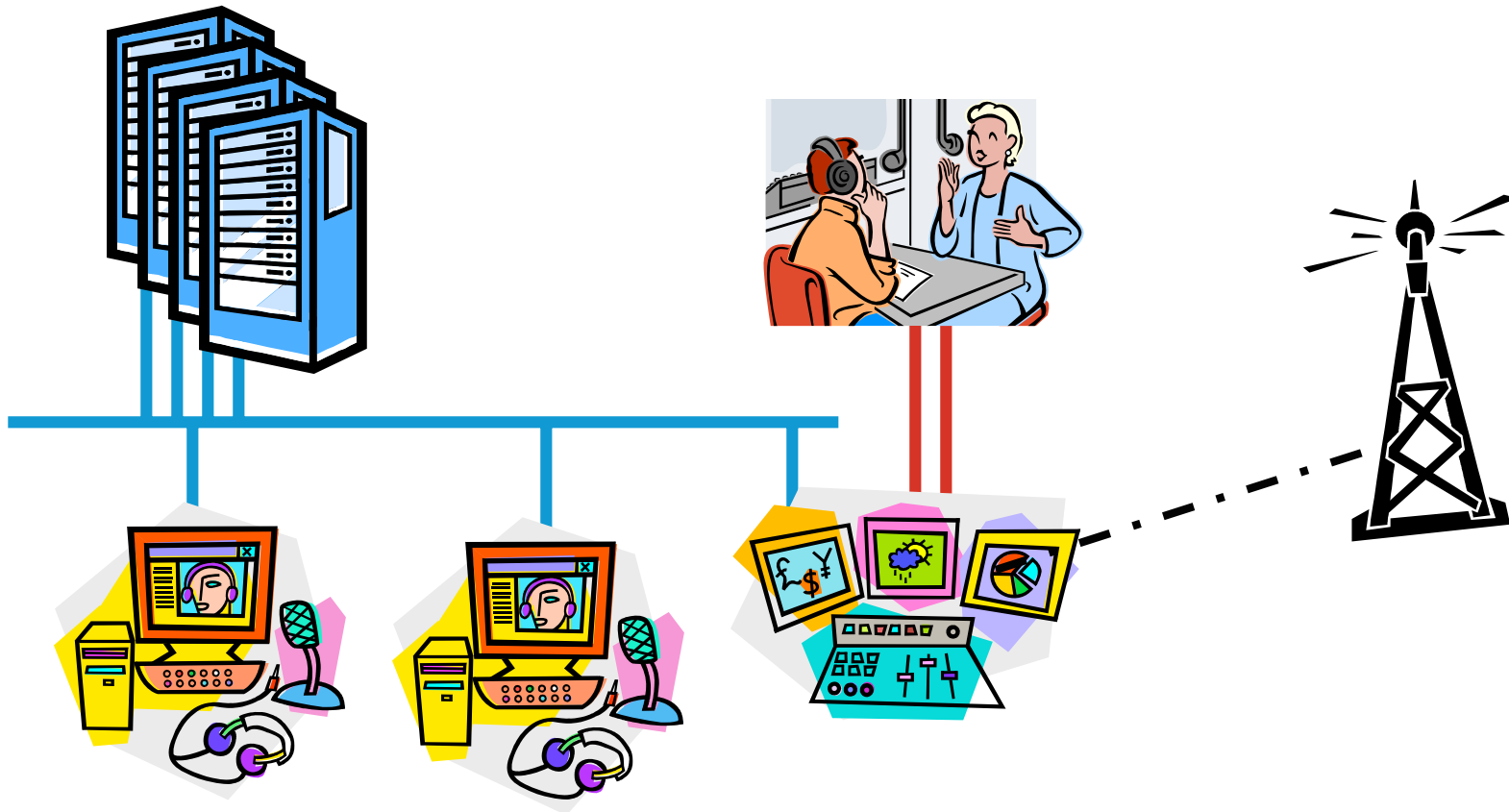
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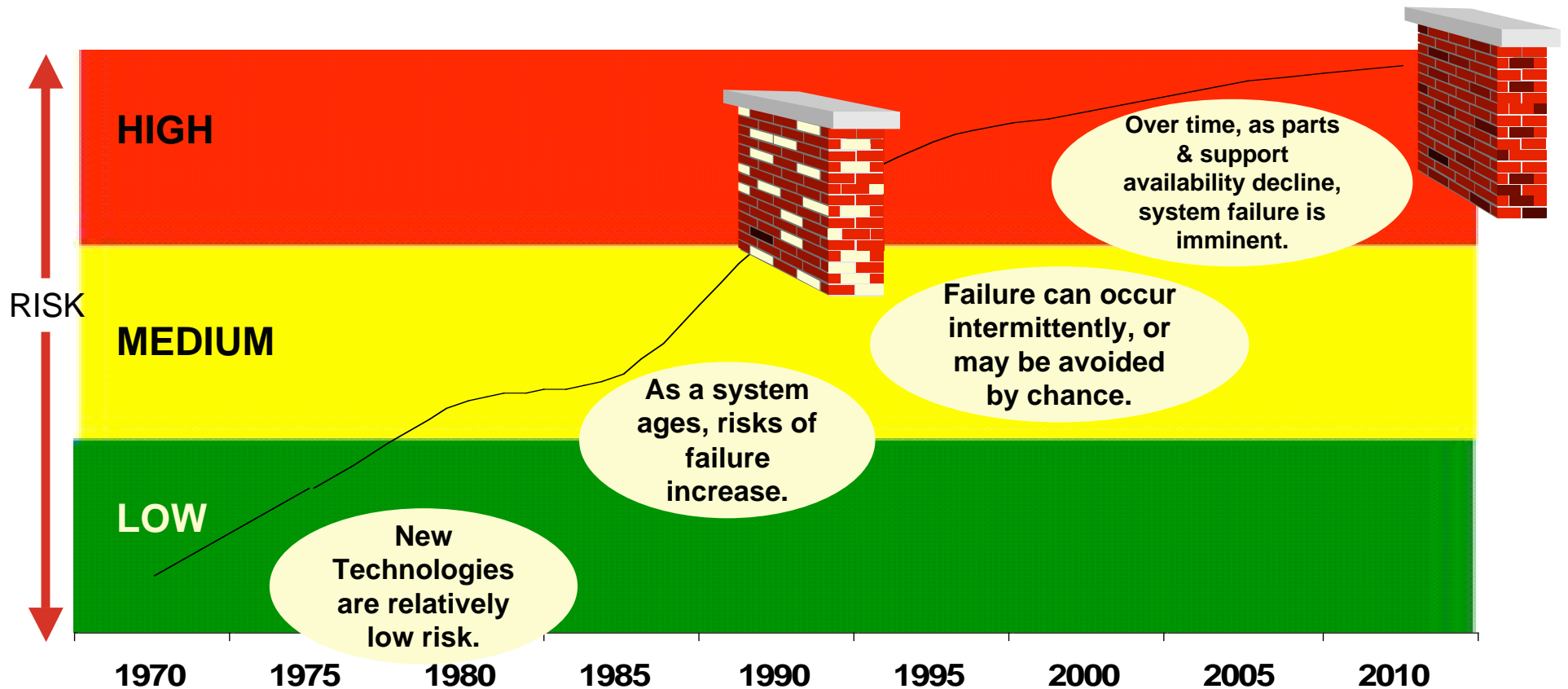


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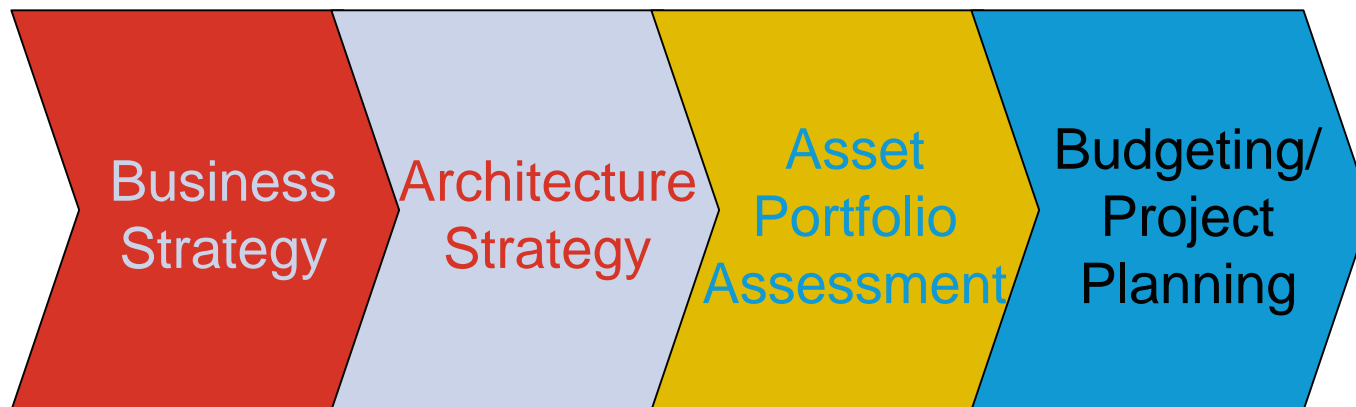
Digital Production and Transmission Process



Impact Analysis: Traditional Approach



Business strategy and architecture planning precede annual budget planning



What does the business need?

What are your technology standards?

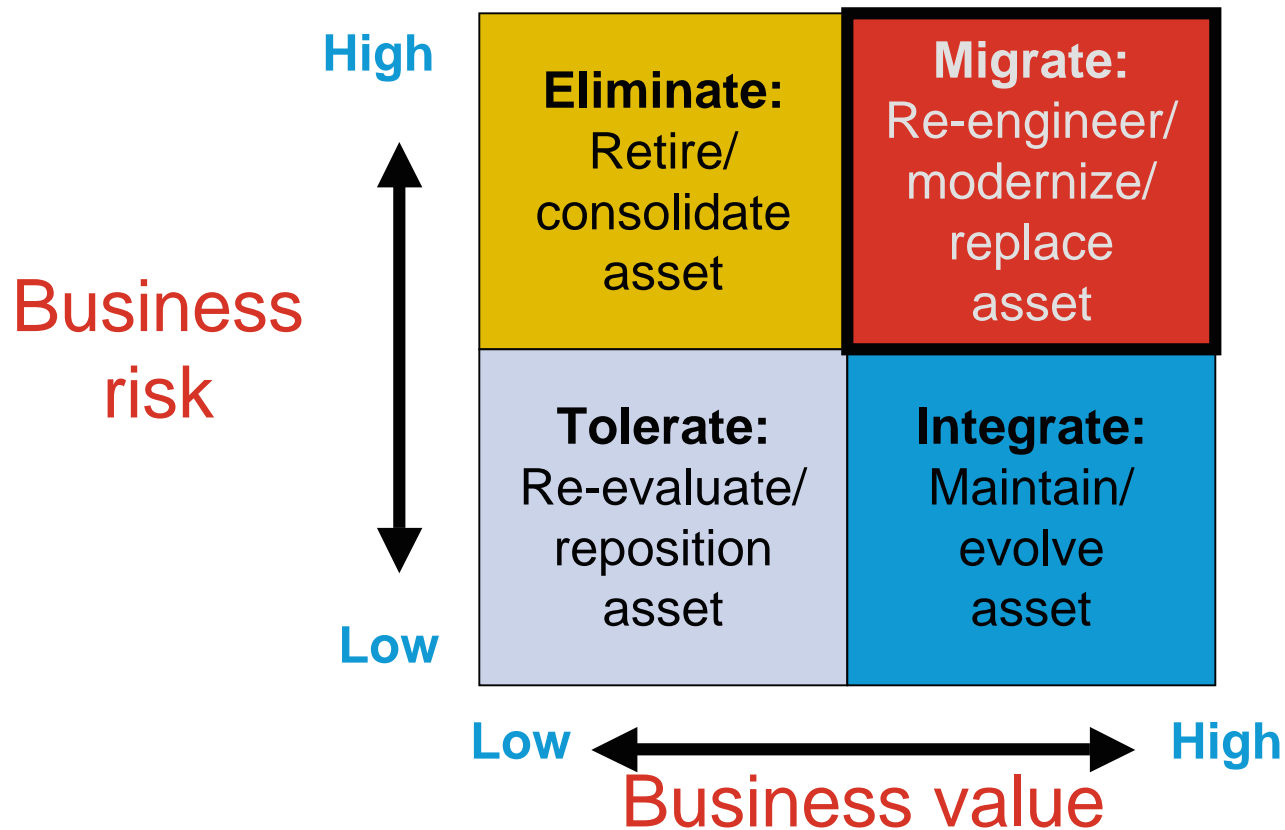
What is the gap between “have” and “need”?

Allocate funding and set schedules

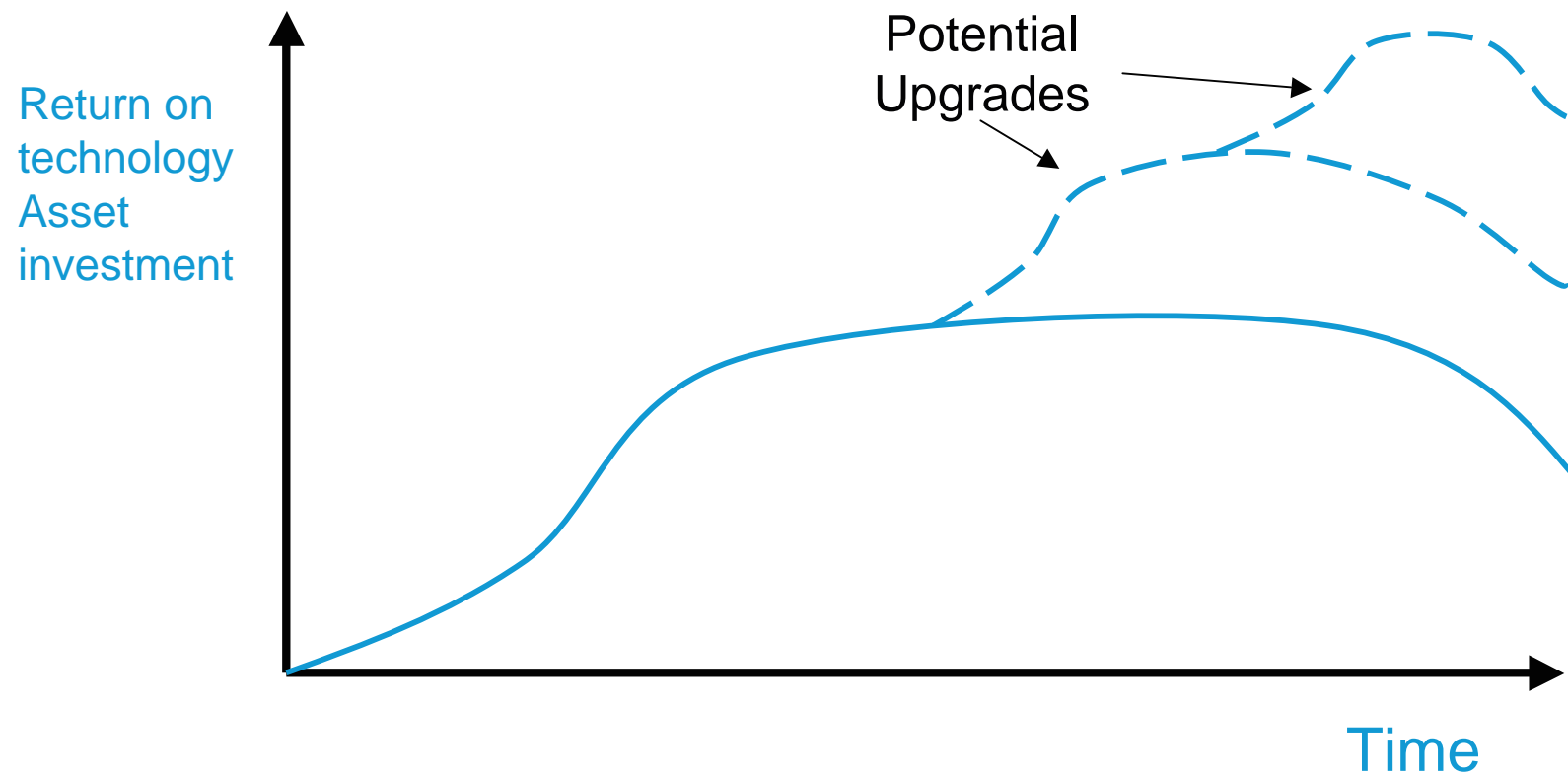
Drivers of change of IT-based systems

- ❑ New product and service opportunities:
 - ❑ Surround-sound
 - ❑ Multi-cast channels
 - ❑ Simulcast reading service for the hearing-impaired
 - ❑ Synchronized video-clip and picture transmission
 - ❑ Multi-platform content delivery (WiMAX, mobile devices, web)
- ❑ Reengineering of workflow
- ❑ Growth
- ❑ Integration with other applications
 - ❑ Resource scheduling
 - ❑ Traffic

High-value, high risk technologies provide tough choices for engineers

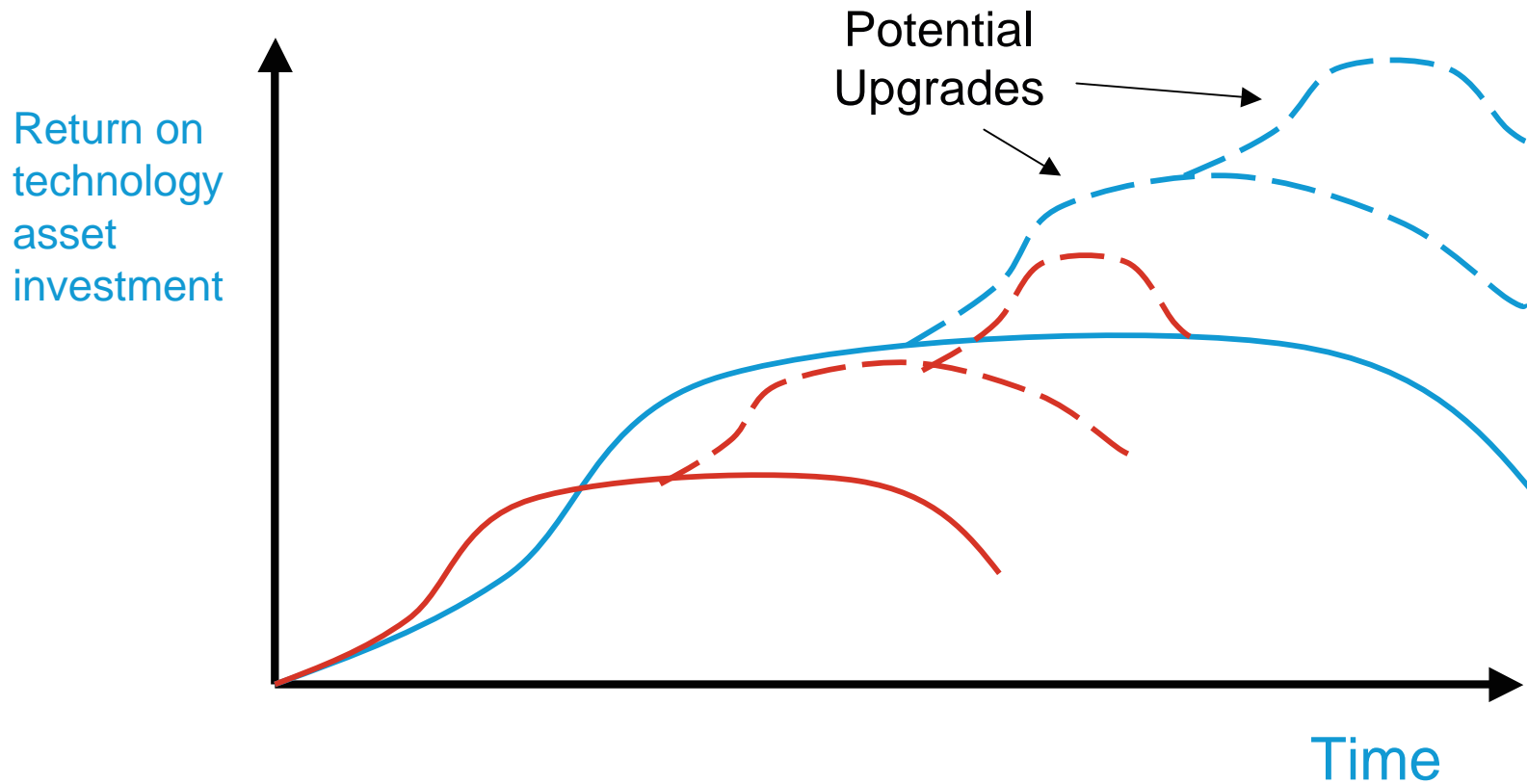


Technology lifecycles

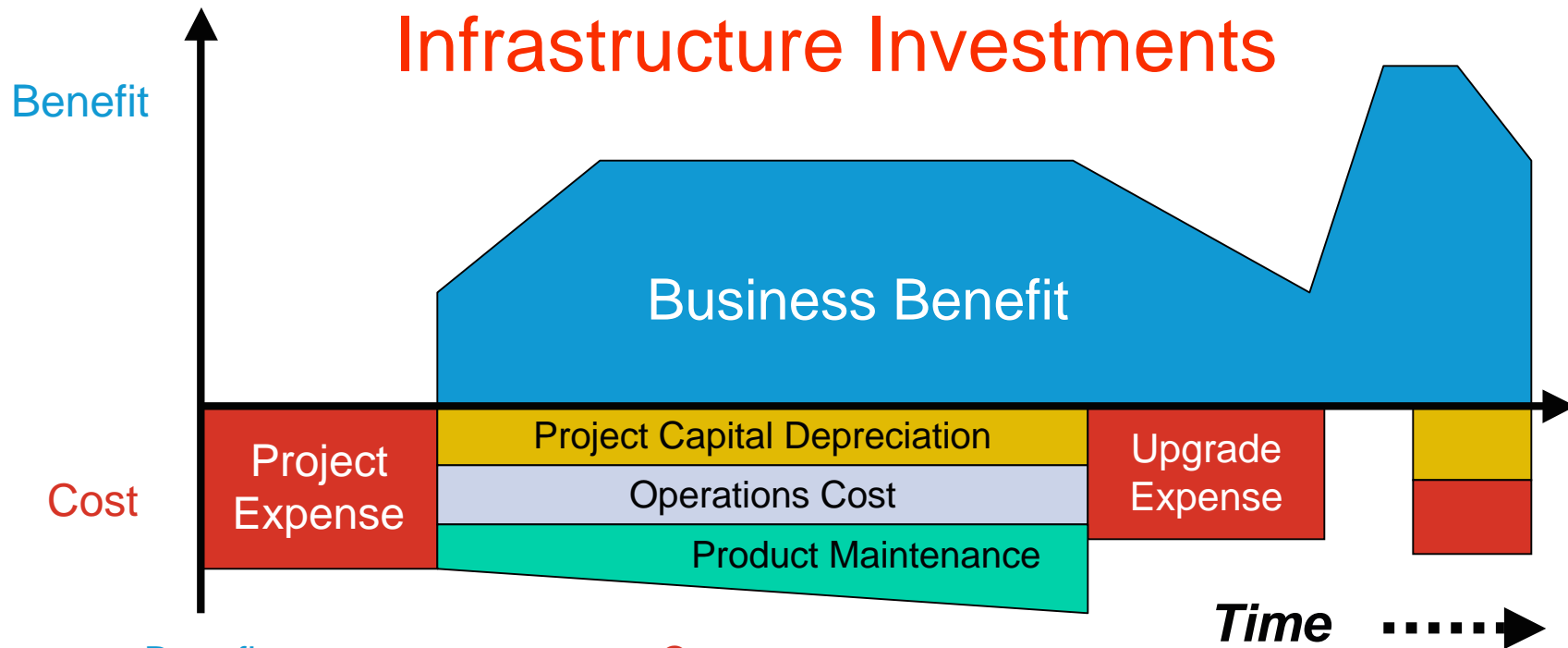


Technology lifecycles

Do newer technologies force shorter upgrade cycles?



Economic Lifecycle of Technology Infrastructure Investments



Benefits:

- Increasing revenue
- Expanding mission
- Improving quality
- Reducing cost/risk

Costs:

- Product maintenance: staff, tools
- Operations: staff, tools, training
- Software: licensing, maintenance
- Hardware: capital, maintenance
- Depreciation

Important considerations for IT-based systems

- ❑ IT products have inherent data models; conversion to an alternative can be expensive
- ❑ IT products have moving parts – they wear out and must be refreshed on a scheduled basis
- ❑ Standards and interfaces change leading to upgrade requirements to stay current
- ❑ Personal computers and servers become obsolete or economically impractical within 3-6 years
 - ❑ Staying current with software requires reasonably current machines
- ❑ Isolating storage from processing is necessary so upgrade cycle is matched to each technology

**Bottom Line – IT-based systems require funding on more persistent basis.
But not necessarily more funding.**

Thank you

Bob Holstein

rho1stein@npr.org

202-513-2991

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