The Text of the Speech Given to the Business Radio Industry at the FCS Annual Gala Dinner

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Good evening ladies and gentlemen. We are here again in 2018, at the Chateau, to learn all the latest information and views from our industry, to discuss with colleagues how it all might turn out and now, to take the fullest possible advantage from the Business Radio Annual Gala Dinner to mull things over in a calm and informal manner. And what a lot there is to talk about after today!

So, it has been a year since I undertook the role of acting CEO of the FCS. In that year I have had a good opportunity to see how the organisation works, find out what it does well and things where opportunities exist for us to provide greater value for members.

In common with everyone, I see the Federation as having the greatest role in finding ways to improve the business potential of the membership. It doesn't really matter in what arena we operate as long as business improves overall. Clearly, over this last year there has been a lot of change.

Today we have seen an excellent snapshot of the activities of two relatively small but vibrant industries, each addressing a market sector but having a lot in common.

For Business Radio, the industry is still growing, despite decades of commentators predicting its decline and death. It is growing in all the sectors it operates in. Voice traffic is growing, data uptake is growing very fast and service provision can also be expected to grow.

Ofcom report that the number of licences they have on their books is growing very fast indeed in the light licensing area. The FCS is convinced that is a true reflection of healthy growth, but also a natural consequence of the licensing difficulties of 2017 and early 2018. When users start to experience the expected shortfalls of light licensing, we expect the demand for normal assignments to increase as some customers return to better protected radio spectrum.

We saw the monitoring and licence area of Ofcom and the great progress being made there. Again, why would Ofcom make such efforts if they didn't think BR was here to stay and will also grow and will also serve ever-more demanding customers? I think Ofcom have it right and are preparing for a long and healthy future for us. Kudos to them.

The BR industry has a solid customer base that is in it 'for the long term' and as long as the industry continues to **provide customer value**, it isn't going anywhere else! It appears then, that the theme of Providing Customer Value encapsulates the necessary strategy for many years to come. How will we do that?

I couldn't help but notice in the exhibition, the products are new and exciting. There is plenty of evidence of massive investment in the future, which is extremely encouraging. This industry is telling anyone with eyes, that it is certain it has a future and that future is for going places! There is clear innovation of all types going on in all sectors of activity.

It seems from this that the Gerald David Award for Innovation in Business Radio also has a long and healthy future ahead of it, especially if the participants' and winner's benefits package is relevant and adds value.

I noticed the sophistication of the solutions on offer. Bearing in mind these are primarily intended for a customer base with a far higher level of expectation of resilience than a consumer (say), this, on its own is quite a statement as we know that providing such solutions is a non-trivial business. I must compliment each and everyone on this. Even the most non-technical member of the public, who reads the newspapers, will be aware it doesn't always go smoothly. Making high performance, high sophistication, high resilience radiocommunications solutions is not easy and yet here you are, doing it every day.

The range and variety of the products is also very striking. The exhibitors in the main hall showed that just about everything is carefully considered, right down to the nuts and bolts (literally). I couldn't count the total number of products and items on display today, but, I suspect it was in the thousands if you include everything.

The presentations in the Gallery and Forum Rooms were extremely good. We heard views from the industry presenters on how they view the future, the sorts of strategies they advocate for solutions going forward, (and this is the telling bit), how much importance they attach to data-driven features and facilities the customers will buy. I am sure that a lot of this is in recognition of the changes in the market that are already clearly in progress. It seems the 2015 Demand Study is a good guide.

I also suspect that in discussions throughout the day, many of you will have become increasingly aware that some very serious challenges remain. For example, many of us are contemplating providing their solutions with data services added to them, supported on public national networks. Obviously, that is a neat approach if the data is not super-critical. But, what is the response if customers become frustrated with the (much predicted) reduction in reliability of call success of public networks that might happen if the current load on them continues to rise, almost without control and they start suffering serious congestion. Do we foresee a Mission-Critical data solution for us being needed? Who can tell. Data has grown in importance in every other sphere of activity, why not ours? And if it does, how much can we realistically ask the mobile operators to invest in their systems to make them resilient to the required levels for a relatively small return?

Now, in addition to all that has already been seen today, it is useful to reflect on the good progress made in 2018 for our industry.

The business Radio industry continues the process of TRANSFORMATION that was recognised in the 2017 Conference. Clearly, there is still a long way to go on that but there are changes already in evidence:

1. Of central importance to many members is the change to licensing policy that was finally implemented (and went live) in April this year whereby three concurrent licences could be awarded on a shared channel instead of only two. At a stroke, the assignment congestion was alleviated and a 50% growth opportunity enabled in Key areas like London. Worries about the onset of similar congestion that was getting very close in other major metros, are similarly relieved.
2. Throughout much of 2017 and into the early part of 2018, the industry suffered very long cycle times in getting their assignments following the re-location of the licensing operation to Warrington. Of course, everyone here is very aware of the adverse impact of such long cycle times on business. After some meetings between us and Ofcom (and the transfer of a particular individual to lead the Ofcom recovery – he is here with us tonight, by the way), we are delighted to be able to say that the licensing issue is effectively resolved now for many members with only some residual individual matters left still active. Well done that man and also well done his team!
3. In 2015, the FCS membership contributed to an Air-Time Demand Survey, looking 5 years forward. As I have already said, what we said would happen, is happening. In essence, the FCS predicted modest, but steady growth in voice air-traffic and much higher growth in data traffic (but from a smaller base). in 2018, we can see that the survey appears to have been right on the money. More and more members are starting to suspect that the increase in the use of services that require data transmissions over the air is starting to cause interference on shared channels in the time domain. Equally, voice traffic is clashing with data more and more, simply because of growth. This clashing is a lot more difficult to detect than the more usual interference we are more familiar with. It's more difficult that is, until the whole system approaches near saturation - by which time it is all far too late, and we have a big problem we can't unwind.
4. On the clashing point, the FCS lead an investigation, sponsored by the TAG Group of Ofcom, which provided a theoretical prediction of what we can expect to see in the way of clashes between independent, non-coordinated usage. This was completed in 2018. It doesn't make pretty reading and we know Ofcom take this seriously. They take it seriously because it is formally "Harmful Interference" – which they have an obligation to take action against. No doubt the FCS will be participating in the work Ofcom will undertake in coming to some policy conclusions that will alleviate this very serious issue. Who knows, it might eventually result in different radio spectrum arrangements in the future. It might also mean we have to find a way to coordinate while preserving the obligatory independence that some users MUST have (they have legal obligations that require this).
5. 2018 also saw the introduction of the Resilience Code of Practice FCS 2020. Clearly a ground-breaking piece of work as it is the only known, very simple scheme by which non-technical customers and providers can enumerate their resilience requirements across the whole range of parameters that affect resilience. We have already had reports from some members that they are able to use this to engage in useful discussions with customers that would otherwise not have been possible. One member even reported that a provisional purchasing decision against their offer was turned around as a result.

The examples we have just talked about read directly on the business potential for our industry. These influenced the choice of "Theme" for this conference today. We are still involved in other matters that might have a similar impact.

But, considering the ones we have just mentioned, take a moment to reflect. How could we hope to "Provide Customer Value" in the manner that we will need to in order to be successful in business if:

1. We can't get licences to allow our customers to operate their systems
2. Even if we can get licences, they arrive too late to meet the customers purchase and even operational timescales
3. Even if we get a licence and the customer is still able to proceed, the interference caused by clashing will be too great.
4. Even if all the problems above get resolved, how does the customer distinguish between your offer and another lesser one?

2018 has seen much progress in these areas and the problems have been addressed or will be addressed. We can have more confidence that greater customer value can now be delivered.

There is yet much to do. The FCS believes that we are drawing to a very successful conclusion on many important items. But, this could mean we simply need to move on to a new phase of work and even a new way of working to improve the business potential of our membership. Many ideas occur to us. Watch this space.

Now, you are all probably on the edge of your seats to find out the result of the 2018 Gerald David Award Contest (and also to get something to eat, at last). So, without further ado, let me invite you to your first course. Do enjoy the rest of the evening. We will commence the 2018 Award ceremony shortly.

Thank you.