

Message from the President

Gavin Schutz



As the year draws to a close, we can pause for a moment and reflect on the events of the last 12 months and what impact these events have had on our lives and our profession. For the most part our industry—media and entertainment—is at the forefront of almost every major event.

On the media side, from the war in Iraq to the floods in the southeast and the fires in California, the ability to deliver to mass audiences a series of images and commentary—often live in realtime—has impacted the television viewer as never before. Unlike any time previously, the television viewer is immersed in emotions, stories, politics—and sometimes even facts—as they happen because programming is delivered in high definition video and sound.

On the entertainment front, visual effects have matured to the point where it is sometimes difficult to distinguish reality from virtual reality. Movies like *Tomb Raider*, *Matrix*, *Lord of the Rings*, and *Harry Potter* are all products of seamless mixing of live content, visual effects, and multilayer compositing so advanced it is easy for the viewer to suspend the perception of reality. Just around the corner is widespread distribution and display of digital content to mass audiences in theaters and arenas. All this is made possible using standards and practices developed by our Society. We also have a great responsibility to our industry with respect to the quality of the technology we develop and use.

Over the last decade, several new and fundamental technologies have evolved. The effective deployment of these technologies over the past few years has driven almost all the recent change within our industry. This is the first time in many decades that introduction of new technologies has driven a complete change of workflows and operating practices.

Here are four of the most significant:

- Compression Technology
- Networking Architectures
- Advances in Personal Computing
- Commoditization of Bandwidth

What do they have in common? They are all centered on open standards. Indeed, it could be argued that scalability of these fundamental technologies requires open standards.

Developing standards is one of the three most important functions of SMPTE. (The other two are educating our members, and promoting the technology and craft of our industry.) The media and entertainment industry is not large by many measures, and we must rely on open standards to provide the interoperability and extensibility required by our clients as well as continued growth and economic viability for our investors. It is a simple fact that the overall cost of ownership for much of our capital equipment is close to the highest of any market segment. In some cases the cost of maintaining this equipment is greater than its depreciation rate, meaning you never get to fully depreciate the products. When combined with the increasing commoditization of products and services we offer, it is easy to understand the reasons behind contraction in our market segment over the last two or three years.

If we wish to drive the technological recovery, and protect ourselves from technological obsolescence, we must embrace open standards. In the case of equipment manufacturers, this means using open file formats and metadata standards. For users of equipment, it means insisting on format interoperability and the ability to interchange essence transparently. Formats that are manufacturer-specific or not interoperable will result in vastly decreased flexibility and increase the costs of doing business. When combined with greater commoditization of services, this will result in continued marginalization of our industry.

There are many organizations working on open standards. The Pro-MPEG forum and AAF are two examples. SMPTE has been working with these organizations for some time and has formal liaisons with both bodies.

The bottom line is: open, interoperable standards are vital to our industry. We cannot be held hostage to proprietary formats or in-house standards that prevent us from keeping up with—or remaining competitive to—adjacent market segments that are moving with the agility of commoditized hardware and open formats.

On behalf of the SMPTE Staff, Executive Committee, and Board of Governors, I would like to take this opportunity to wish you and your families a great holiday season and prosperity for the New Year.