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Vol. 2, 2008

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RFC's 2008 seminars will be held in Tucson at Loews Ventana Canyon

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Broadband Products & Programs that Work

BY STAN ROMERO

In spite of decreasing market share for local services and heavy competitive pressures, Telcos continue to make small but steady gains on the MSO broadband competition. As can be seen from the chart (see page 7), Telcos in North America are still growing their broadband services faster than MSOs. For all of 2007 Telco broadband units in service grew by 17.8% while MSOs grew only 15.2%. Total market share is now closer to even with major Telcos having about 47% share and major MSOs about 53%.

How are Telcos accomplishing this? Come to Tucson April 16-18, 2008 for our **Broadband Services 2008** seminar to hear what broadband marketing programs are working and what new broadband products are helping attract and keep customers as well as increasing ARPU. Join AT&T, Bell Aliant, Consolidated Communications, Embarq, MTS, Qwest, Sask-

Tel, TDS, TELUS, Windstream and other Telcos along with Alcatel-Lucent, F-Secure, SolutionInc, Synacor, Thomson, Zone Alarm and others to share best practices and other useful information that is sure to help you back home in your job.

The networking and great contacts you will make at these events are priceless, and the friendly atmosphere and open sharing is unlike any other event available. So register today at www.researchfirst.com or call me to learn more about these events and how you can take advantage of this great opportunity.

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Sales/Care Channels 2008

BY ANNA GIBSON

RFC's annual Sales Channel seminar is right around the corner—May 7-9 at Loews Ventana Canyon Resort in Tucson, Arizona.

The agenda is action-packed. We've got great presentations that I know will be informative, interesting and will stimulate lots of discussion. Topics include the web channel and the value of chat, new hire training and challenges, a high performance sales model, how to make your office a great place to work, door to door sales, indirect sales channels, successful DSL sales and recent mover research. We'll even visit a retail store.

There will be plenty of opportunity to network with your peers from AT&T, Verizon, Qwest, Windstream, Embarq, Cincinnati Bell, Frontier, British Telecom,

Telstra, TELUS, MTS, CenturyTel, TDS Telecom, and many others.

Fun is also on the agenda. Thanks to Afni, our platinum sponsor, we will be transported to a time when men with six shooters ruled the Old West. We'll dine at Old Tucson Studios where many of Hollywood's most famous movies were made. We'll walk in the footsteps of such movie legends as John Wayne and Clint Eastwood.

Don't miss out! This promises to be the best seminar ever! Visit our website www.researchfirst.com to register.

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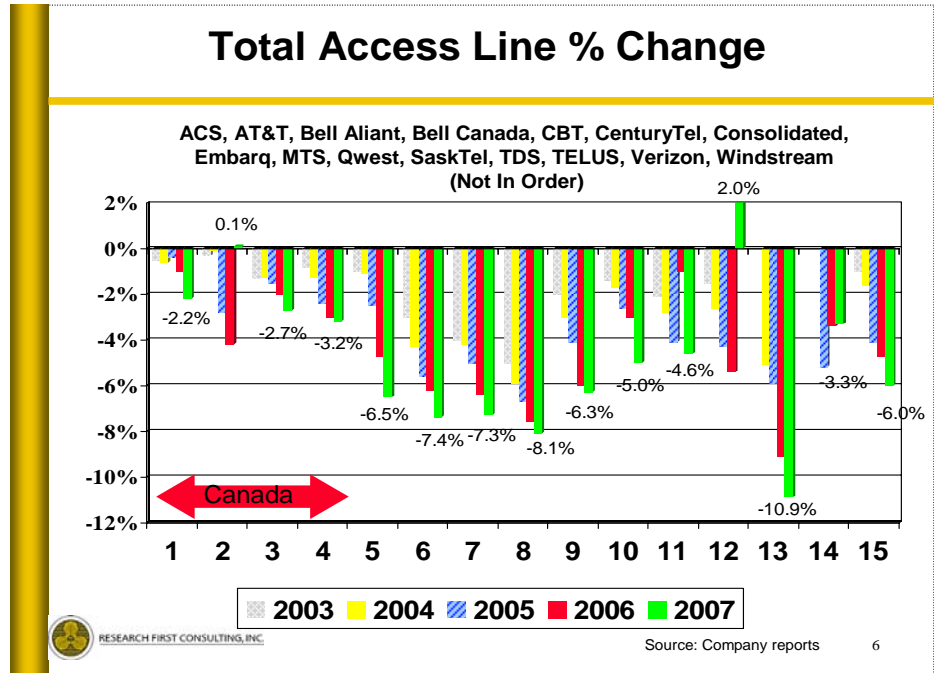
Canadian & US ILEC Line Loss in 2007

BY ELLIS D. HILL

Canadian and US ILECs lost 900,000 and 9.7 million lines respectively in 2007. In the US about half the losses were to Cablecos and the other half were cord cutters. In Canada about 800,000 of the losses were to the Cablecos who gained 2.3 million lines in total.

In the chart to the right we see two companies showing an increase in network access lines (NALs) for 2007. In the case of Company 2 the increase comes from an increase in business lines not in consumer lines, and the data for Company 12 was the result of acquisitions not internal growth.

When considering reasons for these losses to Cablecos and cord cutters, two primary issues come to mind. One is service and resulting customer satisfaction and the second is points of customer vulnerability. Regarding customer service, J.D. Power and Associates 2007 Residential Regional Telephone Customer Satisfaction Study (released July 2007) indicates that cable companies led the customer satisfaction rankings for telephone service in all six US regions for the first time. Six factors were examined to determine overall satisfaction: performance and reliability; customer service; billing, image; cost of service; offerings and promotions. Among the 12% who stated they intended to "definitely" or "probably" switch providers, the primary reasons included competitive / discounted pricing, convenience and receiving a single bill.



With regard to points of customer vulnerability, research that we have conducted indicates that customers are most vulnerable when a major change occurs in their lives. These can be events such as becoming empty nesters, retiring, changing jobs, or moving whether it be local or interstate.

In each of Research First's seminars this year, the topic of moves has or will be on the agenda. Original research will be presented that addresses mover motivation

and shifting the mover paradigm. We believe that aggressively addressing this market is one of the best ways to mitigate line loss and improve ARPU.

Ellis Hill, RFC President, founded RFC in 1987 after 12 years at BellSouth.
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Then join your telco broadband marketing and vendor peers for shared best practice discussions on our BMMA Hot Topic calls every 4th Tuesday.

Discuss such timely topics as:

- Competition—cable's next likely moves; competitive trends; retention initiatives
- The home hub and service integration
- Successful broadband marketing programs & tactics
- Convergence—opportunities for increased stickiness & revenue
- DSL benchmarking report – compare availability, penetration, churn, non-pay disconnects, etc. with your peers

Sustaining Performance

BY DON YAGER, AFNI, INC.

The contact centers in our company are successful with strengths in different areas and each center has its own personality. However, there is a common bridge that remains across the enterprise – we must consistently exceed our customers' expectations. Our corporate culture defines us and provides boundaries within which we operate, but it is up to every leader to deploy best practices and sustain their foundations of performance while maintaining their center's personality.

What are these best practices and hallmarks of success? Outsourcing is a unique breed and to be successful, we must be excited about achieving consistent performance by doing things in a consistent manner. That means you do boring things. Boring things that are done consistently define a habit - a behavior that is accomplished without thinking and is repetitive within the center's personality. Let's take a look at these elements that enable sustainable performance.

Monitoring

Are you collecting data but not using it to make decisions or to help change processes? Are you monitoring only to ensure that you hit the magical client number of 800 required monitors for a month? Are your calibration sessions nothing more than meetings to listen to and discuss calls? If so, you have ACTIVE people and projects, but are not IMPACTING people and projects.

The foundation of any quality program is monitoring. Effective monitoring must be strategic, focused on specific behaviors and measured against defined standards. Just as each center has a personality, each agent's personality also comes into play when performing. The Quality Consultant (QC) must PLAN activities based on a moving performance target.

If we have to monitor each consultant an average of 4 times per month, then let's be surgical about getting to that number. How? Spread those monitors and activities differently. Obviously, those that are underperforming should receive more attention than those that are performing or over performing. Make sure that each employee receives the required attention/monitoring they need and increase the

number of monitors for the underperformers. You also have to know which performance category each of your performers is in and the metrics that qualify for these categories.

Each employee has 1-2 major elements that impact on their ability to provide their customer with exceptional service on each call. It is the QC's job to ensure they know the agent's "prescription" prior to monitoring. Even more difficult is the ability of each QC to know the behavior that most impacts the team(s) they are supporting as each Coach also defines their team's personality and such behaviors that positively or negatively impact the team's success. The only way to accomplish this is to understand and get to know the teams you support by building relationships and identifying trends. Do you as a QC understand and know the specific behaviors related to a quality form/assessment? What does system navigation, following stated procedures, or providing courtesy REALLY look like? Can you hear or see it? If you don't know, you need to find out – your partners are relying on you!

Keys to Monitoring

- Know the prescription FIRST
- Know your team's trends
- Build relationships to partner with coach
- Translate opportunities into behaviors
- Tend to the under-performers

Calibration

Calibration starts with understanding your project's Achilles heel. At the project level, what are the 1-2 behaviors keeping you from exceeding your customer's expectations? Is it a high level of transferred calls due to a lack of knowledge of servicing the latest function of a product? This would be the type of calls you must listen to during calibration. Calibration ensures that our picture of performance is accurately interpreted and identified – we have the experts with us during calibration; let's use this time effectively by FIRST listening to the calls that count.

Once client calibration is complete, we need to ensure coaches (who have ultimate responsibility for changing or reinforcing behaviors) are also in line with our client's

expectations. This is where internal calibration comes in, which is a 2-part process:

1. The formal calibration session/meeting between QC/Coaches
2. The comparison of a coach's scoring tendency during regular monitoring to the QC's scoring tendencies of the coach's team

It is not enough to be calibrated face-to-face in a meeting listening to a call. You must ensure the coach is able to identify specific behaviors (changing or reinforcing) when it comes time to share that performance feedback with the consultant.

Statistical measurement of calibration is critical. Take different views of the picture to make sure you understand it in full. An assessment completed by 2 people both reach a score of 87% - are they calibrated? Not necessarily. Assessor "A" may have scored technical 100% and sales skills 75%, while the complete opposite may be true for Assessor "B". It is critical to drill down into elements of performance that comprise the score as each person may be stronger in one area versus another – this may explain why one team may be strong in technical skills, while another performs in soft/service skills. Calibration initially takes time; however, once the baseline is built and all are involved, it is easy to manage and adjust.

Keys to Calibration

- Listen to calls that count
- Coaches and Quality must calibrate regularly
- Calibrate the details, not just the overall score
- Ensure frequent and mandatory participation

Coaching

A performer is only as good as their coach. Most teams have 1-2 star performers; however, on average this may only equate to 10%-15% of an entire team. It is the successful coach that effectively uses a star performer or develops an entire team to win. One coach may focus only on results while another focuses on behaviors. Behaviors get results. We have to know which behaviors impact on results or KPIs so that we can observe with a purpose and

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A Perspective on Modern Web Attacks

BY JOHN GABLE, ZONEALARM

Innovation is not always a good thing. While we are enjoying the new technologies and capabilities of "Web 2.0," AJAX and a wide variety of other Web-based innovations, cyber-criminals are also enjoying these technologies, frequently using them to hijack PCs, break into personal finances, and steal your money.

In fact, cyber-criminals are having a *really* good time. Today crime committed via the Internet is more lucrative than ever before.

It used to be that cyber attacks were relatively limited in scope, could only make money from a relatively small number of people. That is no longer the case. New technologies have evolved to attack hundreds of thousands of people at one time, making more money for the criminals and putting more users in greater danger.

How are they doing it? Here are some of the latest, most popular Web attack techniques:

Drive-by downloads

By inserting code into a graphic image on a Web page, hackers are silently installing malicious executables and making registry changes to PCs. The victim only needs to view the Web page – clicking or downloading is no longer required in order to become infected.

ZoneAlarm, the consumer security division of Check Point Software, discovered a single exploited Web page that literally downloaded over 170 executables and made over 1,000 registry changes in just one visit. Typical antivirus programs, which work by scanning the user's hard drive to detect and remove malware, cannot provide adequate protection against all of these attacks.

Browser exploits

In 2006, there were 284 days in which Microsoft's Internet Explorer (pre-IE7) had known vulnerabilities that had not been patched. Not only were these vulnerabilities known, but the exploit code for each of these critical flaws was publicly available on the Internet, easy for a hacker to find and use.

Web browsers are the new primary online attack vector. Hackers can now easily identify the specific version and make of any individual's Web browser, and use that information to exploit known vulnerabilities. Since firewalls and other security software permit access to the Web through the browser, hackers can by-pass traditional defenses to gain access to PCs and private data.

Hacking legitimate sites

Internet surfers often believe that if they avoid questionable Web sites, like pornographic sites, they will be safe. But that is just not the case anymore. One in 10 sites on the Web have been "booby-trapped," and most of these are well-known, legitimate sites.

Major, trusted Web sites from popular search engines to local ISPs have been exploited. There are many well-known cases, from search engines to ecommerce sites, where hackers have cracked the advertising company that served banner ads on popular, well-respected sites. In certain cases, in less than 24 hours, over 100,000 computers fell victim to a drive-by-download attack. When a popular job and resume Web site in the U.S. was hacked, 1.3 million users had their information stolen. Social networking sites have already been hacked and will likely be a big target in 2008.

Super resilient viruses

In the medical world, especially during flu season, we have heard of viruses that are almost if not entirely immune to common antibiotics or vaccines. The same thing is happening in the cyber world.

Criminals have developed tools that automatically revise and evolve viruses to be harder and harder for antivirus security software to detect. They also design malicious applications that by-pass specific security software, particularly the more popular brands. Well financed, criminals also hire talented programmers to develop new, more sophisticated attacks.

Too many, too fast

One way to get past security software is purely by speed and numbers. Most antivirus, anti-spyware, and anti-phishing defenses rely on signatures. In other words, they create lists of known dangerous software, and constantly update those lists, which become very long very quickly.

Unfortunately, there is no way that any list can possibly stay up to the minute on every attack every moment of every day. Malicious software now numbers over 250,000 and is still growing. While the best antivirus vendors claim they catch more than 90% of viruses (which still leaves 10%), they only catch around 70% of the most modern viruses delivered in drive-by-downloads, the modern attack that exploits browser vulnerabilities. Other antivirus solutions catch less than half.

Phishing, phishing, phishing

Phishing sites, or fraudulent sites that pretend to be legitimate in order to trick visitors into revealing confidential information, are a popular and well-known threat. Despite the broad awareness, the number of these attacks continues to grow dramatically. And they will continue to grow as long as criminals continue to get the information they need to steal your money.

PhishTank, an open and collaborative clearinghouse for phishing data that continuously posts the URLs of new suspected phishing sites, reported over 300,000 new phishing attacks last year. That's approximately one new phishing scam every two minutes.

More and more attacks

The list continues – Trojans, rootkits, keyloggers, screen grabbers, botnets, and on and on. Criminals know how to use these technologies to make money, either by breaking into consumers' finances to steal money for themselves, by selling personal information or credit card numbers to someone else, or by perhaps just silently taking over someone else's computer to use it to send out spam and other attacks.

With a new generation of attacks, Internet users need a new generation of security.

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Providers See Success in Exploding Hotspot Market

BY NATALIE DOYLE OLDFIELD, SOLUTIONINC

The technology model... the management model... the support model... ... the *business* model. There are so many things to consider in offering public Internet access services that are often outside the realm of the broadband providers' daily business. We have seen announcements of the next great municipal Wi-Fi deployment, only to find months or years later the project has been less than successful or cancelled completely. Is there such a thing as a successful deployment?

SolutionInc Limited has been working with broadband providers, including some of the leading telecommunications and cable companies in North America, for several years. We understand the challenges providers face in successfully deploying property and/or community-wide hotspot services. We work with customers to develop successful strategies to move into the hotspot market and keep growing with – and ahead – of it. SolutionInc has helped its customers find success in this challenging but valuable market.

The right business model is one of the biggest challenges preventing providers from maximizing success. Some want to make their money from pay-per-use service fees; some may decide to offer a free service and generate revenue from advertising; others want to offer the service to increase the average revenue from their customer base or to increase their number of broadband customers. It takes more than a provider and end-users for a successful deployment – the business model must appeal to the *right* venues in order to have a profitable footprint.

Keys to Success:

Understand that revenue increases are not directly related to hotspot service revenues

Providers that expect to generate bigger revenue returns solely off usage or advertising revenue should think again. It is important to consider the revenue that can be gained by offering hotspot services that may not be related to service revenue.

One example is a SolutionInc customer that wished to offer free hotspot access to its residential customers as a value-added

service. The provider's residential broadband customers use their email address to access the service for free while non-customers pay for service with a credit card. The provider not only retained a higher portion of its residential customers, it created a value proposition for non-customers to consider when choosing a broadband provider. In addition, the branded service assisted the provider in gaining valuable marketing exposure.

Having the hotspot in their venues means increased traffic and sales for the venues. It can also create an opportunity for the provider to sell more services into that venue.

Solid Planning... start small, dream big

It is important to know what you want to achieve and also know your available capital investment and operational costs. Municipal or community wide rollouts can not happen overnight, so it is best to choose groups of locations and take on one group at a time. Create a phased approach and migration plan for smooth and steady growth.

In the past, some providers have attempted mass roll-outs of hotspots, only to crash when high maintenance costs become too much to handle. It is best to select groups of potential high traffic venues that offer an atmosphere for computer use and monitor the usage. By selecting venues with the highest traffic and potential usage, the provider is securing that venue ahead of a competing broadband provider even in the early phases of the project.

Invest in the right technology

It is important to invest in commercial grade equipment for a hotspot service offering. While this may require more of an initial investment, quality equipment keeps support and maintenance costs low. Standardized, commercial equipment reduces on-going maintenance and support costs.

Buy-in throughout the organization

A successful hotspot deployment requires buy-in and investment across the organization. Alignment of marketing, sales

and finance with the business model and the services' potential is critical to success. Support from other divisions within the organization will also enhance the success of the initiative. For example, the residential team supporting business teams, or vice versa, will assist in achieving multiple goals and create an open and collaborative environment.

While providers are seeing success in hotspot deployments now, they must continue to monitor trends and look for new opportunities for service offerings to maintain competitive position and enhance the customer experience. What we'll be seeing in the near future is tiered bandwidth, support for more IP enabled devices, more Internet applications and services, and other targeted services tied in with the hotspots.

Recognized as a leader in the IP management space, SolutionInc develops technology to assist providers in deploying hotspot services quickly and easily by managing the network, as well as working with customers to develop their Wi-Fi strategy and business model. SolutionInc also provides support and managed services to ease the resource strain for telecommunications companies just moving into this new business. By providing critical back end services, SolutionInc offers providers everything they need to successfully run a hotspot business while concentrating on their core business.

Come to RFC's ***Broadband Services 2008*** seminar in Tucson April 16 -18, 2008 to hear more on this topic.

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Web Attacks

(Continued from page 4)

Sure, traditional PC security is still necessary – the traditional viruses, spyware and other threats are still out there. But is it important to supplement that protection with new defenses.

Here are some security technologies that are evolving to keep up with new threats:

Virtualization

Enterprises have been using virtualization to create working and disposable “copies” of key software and processes, so even if an attack does break through, it only damages this disposable copy. The operating system and vital systems remain unharmed. In the same way, the Web browser can now be virtualized for consumers, so even if an attack does get through, it will be blocked there and never infect the PC operating system. Try out the free public beta of ZoneAlarm ForceField to see how this kind of defense works.

Intelligent defenses that don't rely on lists

Any defense that relies on a list (called signatures) will ultimately fail because no list can be 100% perfect all the time with new attacks being created every second. Other defense strategies are necessary. The firewall, for example, simply blocks all network traffic unless the user specifically allows it. Virtualized browsing applies the same principle – it

blocks everything unless the user specifically decides to keep it. Some heuristics observe and analyze potentially dangerous behaviors and sites, stopping malware or blocking a site even if it is not on a list. Additional intelligent defenses exist and are being developed.

Yes, criminals are continuing to innovate, but that has always been true, long before computers and the Internet existed. Users need to stay up-to-date on the threats and continue to deploy additional layers of defense. Once upon a time, antivirus software was sufficient, and then a firewall and anti-spyware became necessary. The latest requirement is browser security – special defenses designed specifically for Web browsers, the main vector for the latest attacks.

We “the good guys” in the industry will remain vigilant and innovative to stay one step ahead of the criminals. Users have to remain vigilant as well and take advantage of the latest technologies, like browser security, to stay safe.

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Performance

(Continued from page 3)

coach behaviors accordingly.

An example involves two coaches working with consultants to decrease AHT. Call control may be the common issue; however, Coach A further drills down determining that one consultant has difficulty when taking calls from irate or confrontational customers. Coach A provides behavioral solutions such as specific empathy statements or paraphrasing the customer's frustration, ensuring more success.

Project Leaders, Senior Operations Managers, Instructors, Quality and others also must effectively coach. Do your leaders know what your expectations are, how you inspect against those expectations, receive feedback and coaching on key areas, and know where they stand? Coaches must be observed to determine their coaching effectiveness just as Quality Consultants must also be observed to ensure they are capturing the key contributing behaviors. While it is not enough to rely just on activity, such as mandating that coaches or project leaders accomplish a required number of observations, it has to start with activity. Activity has to be inspected to allow measurements against standards and ensure substance. An effective coach is one that INSPECTS what they EXPECT and does this consistently. Very, very boring...very, very effective and sustaining.

Keys to Coaching

- Behaviors get results
- Behaviors must be inspected regularly
- Coaches must receive feedback on their ability to coach
- Activity without substance will decrease performance

Call centers have their own unique challenges and opportunities, but the ultimate goal must be an unyielding race to achieve outstanding satisfaction in the face of the customers and clients you serve. Success is found in identifying best practices and processes that yield consistent results with enough flexibility to counter challenges such as escalating attrition, or rising AHT. These challenges should not pose an “either or” proposition. Rather they should provide an OPPORTUNITY to modify processes to account for such challenges.

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4Q'07 Major Provider Broadband In Service

Broadband Service Provider	2007				
	4Q In Service	4Q Gain	4Q % Gain	YTD Gain	YTD % Gain
Major Telco DSL					
ATT	14,156,000	396,000	2.9%	1,995,000	16.4%
Verizon	8,235,000	235,000	2.9%	1,253,000	17.9%
Qwest	2,611,000	95,000	3.8%	473,000	22.1%
Embarq	1,277,000	61,000	5.0%	260,000	25.6%
Windstream	871,400	41,200	5.0%	188,800	27.7%
Citizens / Frontier	523,845	26,604	5.4%	130,661	33.2%
CenturyTel	555,000	25,000	4.7%	186,000	50.4%
Cincinnati Bell	221,500	3,900	1.8%	23,200	11.7%
TDS	143,500	8,000	5.9%	38,400	36.5%
Total US	28,594,245	891,704	3.2%	4,548,061	18.9%
Major Canada					
Bell Canada	2,004,000	11,000	0.6%	124,000	6.6%
Telus	1,020,200	26,200	2.6%	103,500	11.3%
Aliant	695,000	29,591	4.4%	106,762	18.1%
MTS	166,171	3,538	2.2%	17,904	12.1%
Total Canada	3,885,371	70,329	1.8%	352,166	10.0%
Total Telco	32,479,616	962,033	3.1%	4,900,227	17.8%
Major Cable					
Comcast	13,220,000	332,000	2.6%	1,733,000	15.1%
Time Warner	7,900,000	216,000	2.8%	1,011,000	14.7%
Cox *	3,933,045	144,349	3.8%	711,244	22.1%
Charter	2,682,500	43,300	1.6%	283,200	11.8%
Cablevision	2,282,000	62,000	2.8%	243,000	11.9%
Bright House *	1,129,069	43,426	4.0%	163,936	17.0%
Mediacom	658,000	22,000	3.5%	80,000	13.8%
Insight	754,660	31,860	4.4%	143,460	23.5%
Total US	32,559,275	894,935	2.8%	4,368,840	15.5%
Major Canada					
Shaw	1,486,475	34,719	2.4%	137,836	10.2%
Rogers	1,465,000	46,500	3.3%	174,000	13.5%
Videotron	933,000	34,000	3.8%	141,000	17.8%
Cogeco	415,836	12,363	3.1%	43,821	11.8%
Total Canada	4,300,311	127,582	3.1%	496,657	13.1%
Total Cable	36,859,586	1,022,517	2.9%	4,865,497	15.2%

Source: The companies, Cable DataCom News and Research First Consulting Inc. research.

* Estimated