



PR1ME INSIGHT + FOCUS

MARK YOUR CALENDARS...

RFC's 2004 SEMINAR SERIES

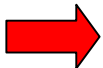
... designed for telecom directors and their managers in product, market, sales and distribution management.

CLASS of 2004 (Completed)
Network Services Seminar
January 28-30, 2004

**TMIA Annual Meeting /
Messaging 2004 (Completed)**
March 1-5, 2004

**BMMA Annual Meeting /
Broadband Services 2004
(Completed)**
March 22-26, 2004

REGISTER NOW!



**Sales/Care Channels &
Operations 2004**
April 21-23, 2004
(Click here for details)



Roney Palace Resort in South Beach—
RFC Seminar location for 2004

To register online
please visit our website.

www.researchfirst.com

Attributes of "Best in CLASS" Service

BY ANNA GIBSON

Research First Consulting conducted informal benchmarking among North American telcos and found that companies who are awarded top service recognition have many common attributes.

Channel/operational excellence is only one aspect of the entire service picture with many other factors such as repair and installation performance impacting the scores. Many other contributors exist outside of the control of the traditional "business offices." However, for this analysis, it is interesting to note a common thread of processes and focus inherent in the sales/care channels of the top performing companies.

Business office accessibility

Objectives range from 80-85% of calls answered in 10-20 seconds. Best in class companies consistently meet or exceed

these objectives. Some companies have vendors in place for Monday and post-holiday peaks in call volume.

Ongoing training

Training often takes a hit due to reductions in force or the perceived need to have a greater percent of total time on line. However, the top performing companies schedule training/skill enhancement time regularly each month in the form of formal classroom or informal personal coaching sessions including daily off-line time for reading communication updates on process enhancements, marketing and regulatory updates. The key is *scheduled time* that is used consistently and effectively to enhance skills and ensure the accuracy of information given to customers.

(Continued on page 4)

Sales/Care Seminar Promises Insights

BY ANNA GIBSON

RFC's Sales/Care Channels & Operations 2004 seminar – April 21-23 in Miami Beach – promises marvelous opportunities for learning and sharing amongst industry peers.

Once again this year the agenda covers significant business issues, including: recruitment and retention strategies; processes and structures for sales readiness; revenue generation, sales strategies and successes; turning a bundling strategy into a sales strategy; the ins and outs of a leveraged compensation plan; state of the art quality management; measuring and tracking priorities; cost containment; and expense reduction.

Agenda highlights:

DSL is a critical strategic product for telcos competing against cable. As a result, it typically carries high quotas in the call centers and can cannibalize voice solutions either due to quota drivers or time available. How can we effectively drive the proper mix of voice and data in our call centers? **Sprint** will share their successes with sales strategies for multiple product lines and in particular their balance of voice and data sales.

Business leaders agree that performance measures must be strongly linked to a company's mission, strategies, and key

(Continued on page 4)

Using Product Differentiation To Gain Market Share

BY ELLIS D. HILL

TELUS successfully employed product differentiation to gain broadband customers at 50% higher rate than their biggest competitor while simultaneously reducing churn by 16%.

Aaron Harburn shared TELUS' success story at RFC's Broadband 2004 seminar last month in Miami with Product Managers, Marketing Managers, and Directors from 14 of North America's largest telcos in addition to representatives from 11 vendor companies. Aaron explained, "Product differentiation has definitely been a key to our success in the past year; however, we have also needed to ensure that our products have been competitively and sometime aggressively priced to ensure that we are winning in the broadband war in our territory."

TELUS decided to differentiate their broadband product by adding anti-virus with Ad Block, Spam Control, and eCare service. Their price point is equal to that of their competitor at \$42.95 per month but TELUS' speed is 1.5 Mbps/512 Kbps

service versus 2-3 Mbps from their competitor. So while the speed is slower, they successfully differentiated their high-speed product by creating and supplying the following 3 features that have satisfied customer concerns and needs:

Safety and security:

- 46% of Canadian PC users have experienced a virus attack

Removal of Internet annoyance:

- 60% of emails received by TELUS in Jan 2004 were spam
- 62% of worldwide email is spam
- Spam is growing 2-4% per month
- 47% of TELUS customers asked TELUS to filter spam
- In the first 4 months of having the capability, 15% of customers activated the auto-delete feature

eCare Service – an automated, intuitive tool that:

- Identifies and repairs PC problems that may directly affect the high speed connection
- Automates testing and problem

resolution

- Answers questions about modems, email applications, browsers, and the connection ("I don't have an 'any key'")
- Helps to create or change email addresses and passwords
- Can exchange instant messages with a tech support person

TELUS has proven that lower price or higher speed is not the best or only strategy that can be used to gain market share. They have outperformed their competition in the last 6 of 8 months in net adds and increased their market share 3% points in Western Canada.

Ellis Hill, RFC President and Principal, founded RFC in 1987 after 12 years at BellSouth.

205-995-8866

ellis@researchfirst.com

SPONSORS MAKE IT HAPPEN

RFC's 2004 series of seminars have been a resounding success in part because of the generosity of the sponsors.

We thank our sponsors for enabling RFC to put on these world class events.

RFC THANKS OUR SPONSORS

PLATINUM SPONSORS



Lucent Technologies
Bell Labs Innovations



SILVER SPONSORS



The BMMA Celebrates its First Anniversary

BY STAN ROMERO

The Broadband Multimedia Marketing Association (BMMA) – focused on business and marketing aspects of selling DSL and wireless broadband – had a great Annual Meeting last month in Miami. We elected a new Board of Directors, approved the bylaws, heard committee report readouts, reviewed 2003 accomplishments, set up 2004 committees, had enthusiastic and productive discussions about the purpose and direction of the BMMA, and even found time for some fun.



2004 Board of Directors

Stuart Chowning, Cincinnati Bell - Co-Chair
 Shari Mombourquette, SaskTel - Co-Chair
 Charlie Conway, LogicaCMG - Treasurer
 Michael Flynn, InfolnterActive - Secretary
 Ric Brovedani, Alcatel - Director at Large
 Elaine Stacey, MTS - Director at Large
 Esther Griffin, Madison River - Director at Large
 Stan Romero, Research First - Executive Director

A discussion surrounded the opportunity for the BMMA to team with the SCC by providing market input to their product development efforts. BMMA members proposed teaming with the SCC by offering the organization a special BMMA membership allowing them to get new product market input from BMMA member companies.

The BMMA Board and membership encourage you to join us in shaping the direction of the broadband industry and helping each other to

be more successful in marketing broadband products and services.

To learn more, visit www.BMMA.us, or contact me or any Board Member for their perspective. We would love to have you join us.

Stan Romero, Executive Director BMMA & Broadband, has over 30 years of telecom experience in operations and marketing at BellSouth.
 205-403-0690
stan@researchfirst.com

The tone of this first Annual Meeting was very positive. Existing members expressed a strong conviction that the BMMA was important to their success, and that it will be even more valuable when additional broadband industry players join as members.

The members enthusiastically endorsed the value of the Benchmarking and Market Research reports and renewed their commitment to provide timely and complete input to make the reports even more useful to the membership.

The following committees were viewed as valuable and meeting member needs,

and will continue in 2004: Membership; Market Research (to include Competitive Research); Advertising; and Technical. Members signed up for committees then set 2004 objectives, elected Committee Chairs and set dates for meetings.

Craig Forbes of net.com presented on the Service Creation Community (SCC), an independent organization dedicated to fast-tracking new communications services and service provider revenues. The Community's goals amongst others are to accelerate time to service delivery and revenue, and to promote collaboration and interoperability among suppliers.

WiMAX Excitement

BY ELLIS D. HILL

Intel's Joe English presented a strong case for WiMAX excitement at RFC's Broadband 2004 Seminar in Miami last week with 46 attendees from 14 of the largest North American service providers and NTT in Japan plus 11 vendor companies. As shown in Intel's diagram (see page 5), WiMAX is envisioned to provide the following services:

- ❑ High throughput access that can be dynamically allocated for enterprises and premium consumer services
- ❑ Consumer broadband access in remote areas not economically served today by ADSL
- ❑ Backhaul for Wi-Fi hotspots
- ❑ High-speed access for mobile/portable users

The first flavor of WiMAX was called

802.16 for which the standards were completed in December 2001. The channel conditions called for line of sight placement with a range of about 30 miles and a typical cell radius of 1-3 miles providing a bit rate of 32-134 Mbps.

A non line of sight standard called 802.16a was developed in January 2003, but that standard has been renamed 802.16a/REVd and is currently in revision scheduled for completion in 3Q 2004. This standard will provide a non-line of site range of up to 30 miles based upon tower height, antenna gain, and power output; have a typical cell radius of 3-5 miles; and transmit at up to 75 Mbps. A pedestrian roaming standard called 802.16e will also be completed in 3Q 2004 and will be non line of site,

have a bit rate of up to 15 Mbps, and have a typical cell radius of 1-3 miles. Joe believes that the first three applications will start with outdoor installations in the 1st half of 2005.

WiMAX will give telcos the ability to provide residential and business customers not currently served by DSL with a relatively low cost high-speed access product since WiMAX signal delivery can be made beyond 18,000 feet. This can be a provisioning model for new subdivisions, office parks, corporate and university campuses, or be used in a cap and grow provisioning model.

Joe's presentation plus that given by Shigeki Miyake and Norishige Yoshida

(Continued on page 5)

Best-in-Class Service

(Continued from page 1)

QA Team

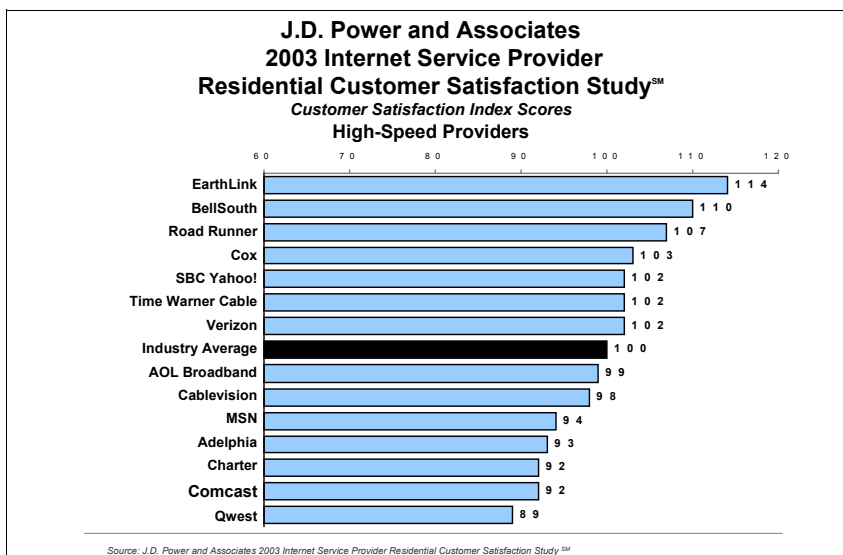
All top performing service companies have a formal process of call quality sampling including call recording. Equally important is the use of the QA data that is gathered. Top performing companies incorporate it in their coaching and developmental plans.

Service culture

Lastly, and perhaps most importantly, a mindset that focuses on the customer must permeate the organization. One company eliminated their save desk because customers didn't like being transferred even though it had positive results on product retention.

Telcos have historically had some of the highest customer satisfaction ratings among all service companies, but these ratings deteriorated from 1997 to 2002 in all the major telcos. It appears that the erosion has stopped, according to data contained in the American Customer Satisfaction index, which shows that the scores are now trending upward again.

Another indicator of customer satisfaction is the J.D. Power and Associates 2003 High Speed Internet Providers study that identified EarthLink, BellSouth, Road Runner (Time Warner), and Cox as the top 4 companies



respectively in terms of residential customer satisfaction.

As intuitive as it seems that good customer service will reduce customer churn and increase win-backs, telcos that have conducted retention and win-back studies have seen a direct correlation. Those companies with marginal customer service lose more customers to their competitors and are less likely to win them back.

Join us to discuss these and other best practices at length. At RFC's **Sales/Care Channels & Operations 2004 seminar** (Miami Beach, April 21-23, 2004)

Anna Gibson, RFC Vice President, has over 30 years of telecom experience, most recently as the VP of Sales Operations at Qwest.
480-283-0495
anna@researchfirst.com

Sales/Care 2004 Seminar

(Continued from page 1)

success factors. Although measures typically are plentiful in organizations, the challenge is in defining a handful of critical measures that capture the essence of each dimension. **Qwest** will share their concept of a balanced scorecard: how to build and deploy it, then how to achieve operating efficiencies in the reporting process.

The right balance of customer service and sales is always a challenge in the call centers. **Bell Canada** will share their state of the art processes and technology in Quality management.

BellSouth has recently completed an arduous journey of transforming its channels including consolidations, titles, compensation, processes and balancing sales and service. We'll hear the ups and downs of this effort and their ultimate outcomes.

Leveraged compensation in the call centers is a controversial topic, to say the least. **Qwest** was the first RBOC to implement a risk-based plan in a union environment and will cover the impacts to the business, the people and the union – both pro and con. "We've come a long way baby...." Or have we?

SoundBite Communications, the leading provider of Interactive Voice Messaging applications will give an update on how highly targeted telecommunications applications can decrease the cost of supporting customers, increase customer retention and compress the customer communications cycle.

Our seminar alumni have told us that the RFC seminars provide useful, actionable information and also allows ample networking time. Here are some comments from participants at our 2003 seminar:

"As a presenter at RFC's conferences, I have experienced excellent, insightful dialogue around our industry's challenges and opportunities. Participation in these conferences is extremely valuable"

"Fabulous conference."

"Unique opportunity to share knowledge and learn in detail what others are doing to tackle the challenges we all share."

"Great seminar, very informative."

"Actionable information that I can implement."

Join us for much more at the **Sales/Care Channels & Operations 2004 seminar** in Miami Beach, April 21-23.

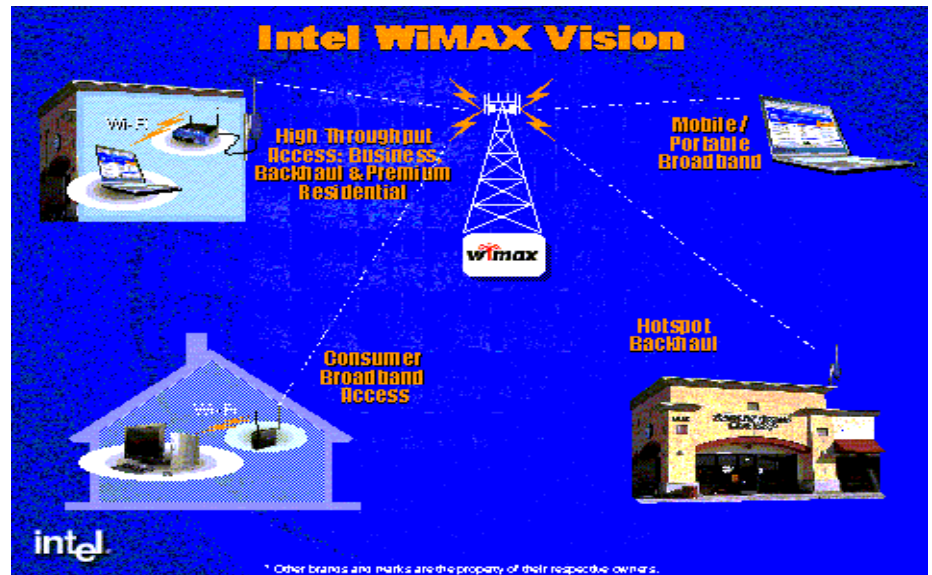
Anna Gibson, RFC Vice President
480 283-0495
anna@researchfirst.com

WiMAX

(Continued from page 3)

from NTT made me realize that a killer application is the use of a portable IP phone/terminal in the WiMAX environment. This would allow users to maintain a landline number and have high-speed access that can provide, voice, data, and video service using their device in any WiMAX served area such as the hotspots in airports, Starbucks, McDonald's, corporate parks, and hotels. The 802.16e standard will allow for pedestrian movement in a 1-3 mile area and logic would argue that the technology to hand off high speed is not far behind allowing video streaming on the go.

IP telephony is another telecom area where Japan is ahead of North America. NTT cited a study by Yano Research Institute that stated the number of IP telephony subscribers in Japan is expected to exceed 6 million by 2005. The best estimates we can gather indicate that in the US today we have fewer than 300,000 IP telephony users.



Perhaps WiMAX is the jump-start we need. This will encourage the development of more integrated devices such as the pocket PC, phone, PDA, Blackberry...coffee maker?

Ellis Hill, RFC President and Principal,
founded RFC in 1987 after 12 years at
BellSouth.
205-995-8866
ellis@researchfirst.com

Research First Consulting, Inc.

Bringing The Best TogetherSM

RFC specializes in research and consulting of consumer and business network services and new telecommunications technologies. Our suite of services includes:

- Marketing consulting, including**
 - Churn measurement and reduction strategies
 - Product planning and introduction
- Market research**
- Telecom seminars**
- Sales training & certification**
- Association management**



Research First
Consulting, Inc.

Bringing The Best TogetherSM

Research First Consulting, Inc.
4066 Somerset Ridge
Birmingham, AL 35242
Phone: 205-995-8866
Fax: 205-991-8143
www.researchfirst.com