

Prioritizing Enterprise

By Tim Young

Recently I, like many Americans, took in the Super Bowl. It was an exciting game featuring a decisive comeback by a strong team from a city that's had its share of rough times in recent years. (If you don't follow American football, or if you've sworn off the Super Bowl until your team makes it, I'm talking about the New Orleans Saints, here.)

That's usually, however, not the case at all. The game is often an afterthought played between poorly matched teams resulting in an uneventful occasion for anyone whose bedsheets aren't festooned with the logo of the victorious team.

So why do so many Americans sit down to watch the Super Bowl? It's tradition. There are chicken wings. It's an excuse to drink too many beers on a



I hear a huge rush of offers for home-based triple play everywhere I turn. Where's the push for business services? It's there, of course. It's targeted and calculated, and those who market business services understand that they'll gain more leverage through direct contact than through widespread brand-awareness campaigns. Still, the



Sunday afternoon. And, of course, there are the commercials, which lead me to my central point. Out of all of the commercials I took in last night—funny or poignant, clever or lame—I saw quite a few commercials for personal communications, but not a single ad for business communications.

idea that so lucrative a market isn't being more broadly marketed to is indicative of the general complacency that we've seen in the relationship between many service providers and their business accounts. We hear, at length, about the sexy technologies that CSPs are pushing to capture the

18-24-year-old market, but less about how CSPs are helping to keep enterprise and SMB customers at the forefront of their minds.

Meanwhile, the estimated value of the telecommunications business services market is a whopping \$130 Billion USD in the United States alone. The average revenue per subscriber-line for a business voice system is considerably higher than a comparable consumer line (Stratecast stated that a business line was worth twice as much as a consumer line in an admittedly dated 2007 study). At the same time, traditional revenue streams are contracting, as many users move away from traditional video and wireline services, focusing instead on the sort of over-the-top and mobile services that are available at lower price-points.

provide a wide range of tools for the smallest to the largest business customers. AT&T's InSite provides business users with a brilliant access portal that provides information about the customer's account, usage, and other valuable metrics that are of particular help to the small business that lacks the dedicated manpower to constantly monitor all aspects of use and billing.

Verizon Business, likewise, understands the needs of the enterprise and SMB customer and can react accordingly. This includes an awareness of the importance of e-commerce for many modern businesses of every size. "The use of the internet has allowed customers to transcend pre-sales and move to a 'buy' scenario," said Mark Chodoronek, Verizon executive director for e-commerce and



And the demands of the business customer are high. Voice and data quality must be of utmost importance, as what may be a minor annoyance for a residential customer could cost a business customer money.

Which isn't to say that there aren't solid options for business customers. There are fascinating tools available to enterprises that are willing to pay for them. Major US telcos AT&T and Verizon have a long history of working with business clients, and

digital customer enablement. "We have made major investments over the last three years that have helped us offer industry-leading customer experience."

And what sorts of things are customers demanding? "Customers require portals that demonstrate ease of use," said Chodoronek. "They want sales-service. Self-service. Dedicated account teams. Service teams." All of this underscores, rather than obscures, the fact that

every business is just a little bit different. The needs of a home business don't equal the needs of Home Depot or Coca-Cola. However, Chodoronek points to the scalability of Verizon's offerings, as well as something that many may overlook: Ease of use.

The truth is, if a portal isn't intuitive and relatively easy to use, it does little good to a small firm with no IT department. AT&T and Verizon seem to get this. "We've worked diligently with our customers to develop task-oriented architectures," says Chodoronek.

However, these telco giants aren't the only ones in the business services game. Increasingly, cablecos are breaking into the space, though they haven't, as yet, had the sort of penetration that they need to unseat the reigning telcos.

And they need this.

Revenue from basic cable video service isn't exactly on the upswing lately, and the business market is an area in which cablecos can make up some ground. Interestingly, though the dearth of general advertising for business services that I opened this column with is still a reality, cablecos are the sometimes-exception. It's logical.

It's a cause that's been adopted by CableLabs, which has this to say on its website: "Much of the new revenue growth in the cable industry is currently being driven by 'Business Class' services — providing voice, video, and high-speed data services to small and medium businesses." It's the wave of the future for cablecos.

However, recent estimates of cableco marketshare in the business space are still less than impressive, ranging from 3% of the overall business services market to 20% of the business internet market. Still, there's considerable ground that needs to be covered before the cablecos are on level footing with the telcos in the business arena.

On an anecdotal level, however, success stories abound. One such story is that of Optimum Lightpath. A CableVision subsidiary, Optimum Lightpath has created a niche of sorts by building out an impressive fiber network in one of the most imposing and intimidating markets in the world: The greater New York City area. By using Metro Ethernet, Optimum has demonstrated flexibility, and has managed to chip away at the heavily entrenched telco presence in the area, reaching out to serve hospitals, financial institutions, and other entities for whom fast, reliable service is key. Craig Clausen of New Paradigm Resources Group said as much as he gave the company one of its numerous awards: "Optimum Lightpath [stands] out for the innovation and competitive spirit the company has introduced into the dynamic communications market." And, in doing so, the company represents just one of many examples of the legitimate competition coming from cablecos in the business space.

Chodoronek says Verizon is fully aware of the competition, and described Verizon's strategy for dealing with these new competitive threats as (and I promise I told him nothing about my football-crazy lead-in) "blocking and tackling".

However, there are still many gaps in the market. Wireless is one of those gaps. Business customers are often faced with mobile plans that are just cobbled-together masses of consumer plans, not appropriately-sized and not even given a bulk discount. That's one area in which improvement can still be made.

Back to the big picture, the business market is often dominated by inertia. Longtime subscribers tend to take their service providers for granted. However, in an era of cost-cutting, no fatty plan is safe. Value must be identified, or enterprise customers, like residential customers, may just churn, churn, churn.

Perhaps that's why we didn't see more from the business providers during the Super Bowl. Maybe this is the big game.

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