

Open A Window and Let Something Fresh In

Innovative cable operators can keep the window of opportunity open indefinitely

By Bryan Rader ■ *MediaWorks*

Years and years ago, when I first started in this business, the CEO of a successful mid-sized private cable operator told me, “I don’t think the PCO industry will be around in the long run.”

“Why?” I asked. Remember, I was just getting my company going. “There’s so much great runway ahead of us. And each operator seems to be signing up so much new business.”

PCOs Had Three Years... 10 Years Ago

He promptly told me about the numerous concerns on the horizon. “The franchise cable guys are rolling up. The phone guys are getting in. We’ll never get economies of scale.”

So I asked him, “what do you predict will happen?”

“I think we’ve got two, maybe three years tops to make headway in this business, and then...” He trailed off.

“And then what?” I asked, wondering about my recently minted new business plan.

“And then you can no longer compete,” he concluded. “Three-year window.”

I can still remember those three little words as he so defiantly stated them. My hopes for our new private cable company were hanging by a thread. “I have 36 months to enjoy this?”

That was ten years ago, and I am still wondering about that so-called window shutting. It never shut, and we’ve had a terrific ride in this industry. Only upon reflection do I now realize what people mean when they talk about a three-year window.

In some ways, they are right. If PCOs

stick to the same products, continue offering the same things, the window will shut. If you did not get into broadband several years ago, your window shut. If you never expanded into digital, your window shut. And if you don’t jump onto the VoIP bandwagon now, the window will shut.

If you stand in place, the window will shut on any company, especially a service provider in a competitive service business. We can’t stand in place, even if we are in year two of a ten year right-of-entry term. Don’t have HDTV? Better offer it. Only have a 256 Kbps high-speed data product? Better enhance it.

That infamous window will definitely shut (and it might not take three years) if you don’t continue to adapt to the market.

When I look back at my discussions with the CEO of this established PCO, he wasn’t referring to our industry, or our business. He was referring to our need to keep ahead of our competitors.

Investors Still Come

Recently, I heard the same comment from an investor who is getting into this business. “I like this space,” he said, “but I think we only have three years to make a difference before the window is shut.”

“What do you mean?” I asked. “Ever since I got into this business, I have heard about this three-year window.”

You see, there’s always been something on the horizon to worry about that could squash our plans in months ahead – whether it is fiber, or wireless, or a Fortune 50 brand-name company entering our space. And each time, the window never shut. And you want to know why?

Because successful PCOs know how to adapt to remain viable, successful and meaningful. Those that didn’t met the fate of the closing window.

Donny Deutsch, the chairman of \$2.7 billion ad agency David Deutsch, Inc. and TV talk show host of “The Big Idea” on CNBC discussed this issue eloquently in his recent book, *Often Wrong, Never in Doubt: Unleash the Business Rebel Within*. He wrote, “If you’re not moving forward, you risk getting run over from behind. In all industries, something that is not risky can, in fact, be more risky because it will neither excite an old customer nor attract a new one. Any company that does not create product that is fresh, inventive, challenging, stimulating – in a word, risky – is dead.”

He nailed the concept completely. All of us do in fact live in a world with three-year windows. But after a lot of years in this business, I am confident that PCOs can keep that window open forever, so long as we continue to adapt, stay fresh, and remain inventive in what we do and what we offer.

And as we begin a new year, I’ve decided to keep the window open for a long time. Good advice at the start of the year.

May 2006 be a greatly successful year for you and your company. **BBP**

About the Author

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