



All-Star Advice for MDU and MPC Deployments

Top-drawer panelists share hundreds of years of combined experience

How do service providers and network builders compete as the portfolio of possible broadband services expands? The issue was discussed by Ghattas Hajjo of MCW Solutions, which provides builders and developers turnkey network systems; Eric Fichtner, Executive Vice President at Connexion Technologies; Patrick Cunningham, Vice President for Sales and Marketing at MDU Communications; and Bryan Rader, then CEO and Founder of MediaWorks, an Atlanta-area PCO recently purchased by DirecPath. The panel was moderated by Henry Pye, Assistant VP for Residential Services and Technology at JPI, a real estate investment trust.

The key for owners and managers: There are as many different business models for broadband content providers as there are for property owners. Shop for the best fit.

Rader: The triple play is impacting what we offer. You can't be only a reseller of a satellite video service, or data only. The deal is selecting the right mix of products from your arsenal of products.

Cunningham: The main thing is giving the client what they are looking for. We look to bring in best pos-



Left to right: Henry Pye, Assistant VP for Residential Services and Technology at JPI; Ghattas Hajjo of MCW Solutions; Eric Fichtner, Executive Vice President at Connexion Technologies; Patrick Cunningham, Vice President for Sales and Marketing at MDU Communications; Bryan Rader, then CEO and Founder of MediaWorks.

sible video – typically DirecTV stuff, including foreign language programming. From a broadband perspective, do we need more, do we also need to be a low-cost provider for competitive reasons in that building?

Fichtner: We are not a PCO. We sit between the service providers – we use seven of them – and the property own-

ers. We have to understand the business models of the providers. We wanted all our properties to be served by triple play providers. We had none this spring. Now we have two. It is much easier to work with combined providers to get lower rates, as a bundle.

Henry has a problem in Florida, where BellSouth is rejecting interconnection. So we have lifeline-quality phone offerings. Lifeline has to be TDM (switched telephone service) at the back end and front end for any call. Our principal investor, worth \$8 to \$12 billion, calls us a real estate tele-

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phone company. We bring a lot of capital to play, and we’ll work with you to determine best providers, fix problems as they arise, enforce service-level agreements.

Hajjo: We are a complete provider of all low-voltage stuff in a building – voice, video, data, and security, all over IP.

Rader: What is the importance of

Fichtner: The cost of good Quality of Service would not matter if it helped rent or sell units.

Pye: What’s necessary to be effective at it, is both an attractive rate for the owner, and high quality service.

Hajjo: That’s what everyone wants to know: How do you reduce truck rolls, reduce costs. We always have to

Cunningham: “We do have to charge if they roll just to turn on the TV. The lesson is that you should keep the customer-premises equipment to a minimum, use switched Ethernet instead of a cable modem, avoid a set-top box if possible. If you give a cheap bulk deal AND a wireless router, it bites you.”

bulk, and are you using it to capture market share? We focus on South Florida, homeowner agreements. The 65-channel analog product and bulk video is a nice way to get in, and can then up-sell premium channels. That’s declining, but broadband sales are increasing.

Cunningham: We like bulk as well.

Fichtner: The issue of bulk gets to the heart of competition. The developer wants five providers on the premises, all paying fees to the owner/manager. You can offer bulk to secure a foothold against an incumbent who may not be delivering good quality of service.

Pye: In the luxury multifamily market, selling bulk is difficult.

Cunningham: We allow the owner to phase in our bulk service. We’ve also done a basic bulk analog video, \$5 per resident that the owner pays.

Hajjo: We also wedge in with bulk; it allows you to guarantee a return on initial investment. We always lead with bulk. It is either bulk or exclusive. Henry bought 7200 months of bulk from us to dispense at will.

renegotiate with guys who have fiber in the street, room in the POP.

Pye: When do you charge for the truck roll? If there is a problem in the network? Or only when the guy doesn’t know how to use the remote?

Cunningham: We do have to charge if they roll just to turn on the TV. The lesson is that you should keep the customer-premises equipment to a minimum, use switched Ethernet instead of a cable modem, avoid a set-top box if possible. If you give a cheap bulk deal *AND* a wireless router, it bites you. Also, as a warning to property owners, if you do a bulk deal with us, you will be perceived as the service provider,

Rader: “In all of our deals on bulk, we always win because Comcast and other MSOs don’t want to be there. They even send a cable modem by mail.”

especially if it is included in the rent. We help you prepare for that, link your agent to our help desk, train the building’s maintenance staff to respond.

Rader: We consider bulk as steady income and we price the rate so that

customer service is free. Rental occupancy rates are up, and the apartment business has never been stronger for REITs, so they are not interested in “free” video.

Fichtner: We own the wiring, jack to headend, and take responsibility for it. Providers are crazy to never want to see residents. It mitigates a lot of the frustration you may have about bulk.

Rader: True. In all of our deals on bulk, we always win because Comcast and other MSOs don’t want to be there. They even send a cable modem by mail.

Hajjo: We don’t go after that type of property-owner customer. We are regionally based. We are in the Washington DC area, and stay there so we can allocate resources. The field guys and end users and managers see each other frequently.

Fichtner: Our providers do the back office and customer support. The niche market identification is important for any company to proceed. We do better in an ownership environment, with the customer there for 5-6 years, and where we can get density.

Cunningham: You have to get to scale quickly or you have to outsource really well. There are cable companies that will not have a property ready when customers move in. We’ve done marinas and military housing, as niches. The MSO may not offer analog any more, for instance. What happens to hospitals or senior care facilities that don’t want to spend more than 8 or 9

bucks a month?

Rader: A growing percentage of our customers is Spanish speaking. We help the owners get the satellite dishes off balconies by offering a better service to them.