

The Communications Network: Partner, Not Competitor

Separating the communications network from the service provider offers freedom for developers, provides savings and satisfaction for subscribers and presents service providers with a unique opportunity.

By Caitlin Clinard ■ *Connexion Technologies*

Over the past three months, we've covered Connexion Technologies' approach to engineering, design and marketing. Now, it's time to look at the company's network model, which separates the service provider from the infrastructure.

This month, we'll see how separating the communications network from the service provider offers benefits for developers, subscribers and service providers alike. As customized fiber optic deployment continues to resonate in the real estate industry, Connexion Technologies uses its business model to support service-level agreements and take customer satisfaction and commitment to a new level.

You've been there before – stuck with a service provider who holds a monopoly in the market. The provider owns and controls the only networks serving your area. Without the threat of competitors, the provider has little incentive to provide high-quality service and is not held accountable when it doesn't. This model leaves customers frustrated and helpless, with little negotiating power.

But there's a way out of this monopoly model. The key distinction: separating the service provider from the network. Connexion Technologies can accomplish this because it is not the service provider. It builds the communications

infrastructure (in this case, cutting-edge fiber optic networks) and then rents it to providers. This model offers unique opportunities for developers, subscribers, and service providers alike.

Benefits to Developers

Developers are always looking for ways to differentiate their properties from the competition. If they're smart, they realize how critical services have become to residents. Because technology has become so commonplace in daily life, residents are starting to demand state-of-the-art services in their homes. One way for developers to guarantee the quality of those services is to take control out of the hands of the provider.

Connexion Technologies' model gives developers this opportunity by contracting and managing the service providers. This allows Connexion Technologies to offer developers more freedom while ensuring the highest level of service. Its approach offers more choice for developers and increased flexibility.

Because the provider doesn't own the network over which its services are being delivered, Connexion Technologies can manage the providers and hold them to service level agreements, tailoring

Join us next month for an in-depth look at the "Connected Home." See how Connexion Technologies serves as a customer's "one-stop shop" for technology by managing every aspect of the telecommunications experience, from network deployment and consumer electronics to in-home integration and low-voltage structured wiring.

Opportunities and Benefits of a Fiber Optic Network Model

TARGET	OPPORTUNITY	BENEFITS
Developers	<ul style="list-style-type: none"> • Manages service providers 	<ul style="list-style-type: none"> • Freedom • Flexibility • Accountability
Subscribers	<ul style="list-style-type: none"> • Bundles services and billing through community association dues • Competition 	<ul style="list-style-type: none"> • Significant savings • Convenience • High-quality services
Service Providers	<ul style="list-style-type: none"> • Provides state-of-the-art infrastructure 	<ul style="list-style-type: none"> • Fiber expertise • Strong financial backing • Triple play capacity • Reduced maintenance fees

its managed service-provider program to the needs of each community. If the current provider is not delivering, it can and will be replaced.

“I enjoy how Connexion Technologies manages the service providers at our development,” says Carl L. Wilkins, Executive Director of The Cedars of Chapel Hill, an East West Partners development. “It holds them to service-level guarantees and even switched one service provider to another one that was better suited for our development and owner’s needs.”

Benefits to Subscribers

Benefits usually trickle down from the top. If developers are benefiting from Connexion Technologies’ network model, then subscribers are, too. Because of Connexion Technologies’ unusual relationship with service providers, it can arrange to bundle services for the community, thus providing savings for residents.

“The fiber [network] is the reason I decided to buy in this community,” says a resident of Timber Run, a D.R. Horton development. “With bundled services, I have seen significant savings. All the more reason to love living in this community.”

Another benefit is convenience. Bundling services allows Connexion Technologies to bill residents through

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the Community Association dues. The base communications services package (television, phone, Internet, security) appears on one bill, alleviating the hassle of keeping up with several bill payments and due dates.

And never underestimate the power of competition. Because service providers have to rent the network over which they deliver services and don’t have to make a capital investment, they are much more likely to compete with each

Sample Service Provider Requirements:

- Service level commitments in excess of industry standards
- 24/7 customer call center availability/coverage
- Customer issues addressed in eight business hours
- Superior service

other on quality of service and price.

“At the end of the day, the fact that the service providers are being managed by a third party keeps them aggressive,” says Andrew Berkowitz, VP of Field Marketing for Connexion Technologies. “Because they know they can be replaced, they focus on quality of service, better pricing and resident issues. Plus, they don’t have to maintain the network, so they can focus all of their attention on delivering a better experience.”

“Connexion Technologies’ approach encourages partnerships with service providers but also presents a uniquely competitive environment,” says Phil Vanderwoude, president of Mebtel, the company that runs one of Connexion Technologies’ service provider partners, Madison River. “The partnerships ensure that service providers offer a very competitive bundle of services.”

Benefits to Service Providers

“The biggest challenge we have is service providers who think we’re competitors,” says Eric Fichtner, EVP of Broadband Services for Connexion Technologies. “We’re their partner. We try to stress that.”

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“Separation of cost is a huge incentive for service providers,” says Rick Alder, VP of Operations and Executive Officer for Connexion Technologies. “Having Connexion Technologies build the fiber infrastructure frees service-provider capital to be used in ways to provide better communications services. The cost for service providers to enter

certain markets is significantly reduced because Connexion Technologies assumes most of the capital outlay.”

Connexion Technologies not only

Any company rolling out cutting-edge technology in an innovative manner will experience hurdles. Most of the hurdles Connexion Technologies has faced with its network model have been related to coordinating the developer, construction crews and service providers. But Connexion Technologies has been aggressive in addressing these issues and has exceeded expectations on all playing fields.

offers service providers its fiber expertise and strong financial backing but also allows them to use the network to deliver and provide triple play services (television, phone and Internet). In today’s market, service providers that are unable to deliver triple play services are missing out on revenue opportunities. For example, there are some very large providers that have little or no experience delivering video. Connexion Technologies helps them obtain triple play capacity, creating a revenue opportunity for them without investment in costly equipment and network upgrades.

“Connexion Technologies enables service providers to leverage their existing infrastructure and personnel in markets they may not have previously been able or willing to enter in a cost-effective manner,” says Vanderwoude. “Connexion Technologies helped [Madison River] reach into selected residential and business markets in a very capital-efficient and operationally efficient manner.”

Lastly, partnering with a fiber optic

network company relieves service providers of the time, personnel needs and cost of network maintenance. This is due in part to the fact that the network provider, not the service provider, bears the responsibility of operating the network. But in part it is due to the reliability of fiber. Unlike copper, fiber does not conduct electricity and is not subject to damage from the environment.

Partnership

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The pros have outweighed the cons for all parties – and that’s a rarity. Separating the communications network from the service provider offers freedom for developers, giving them flexibility to customize their technology amenity to meet the needs of their community. It provides savings and satisfaction for subscribers, and it presents service providers with a unique opportunity.

The opportunities presented by fiber optic amenity companies for developers and service providers alike will improve the delivery of services. And that will make your subscribers happier. In the end, it’s all about customer satisfaction. **BBP**

About the Author:

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