



## **Your Network Allows You to Compete Head-to-Head with the MSOs... ...Can You Say the Same of Your Business and Marketing Strategy?**

*Strategy      **Programming**      Pricing      Service      **Launch**      Installation  
Business Plan   Channel Line-Up   **Packaging**   Support   Collateral   **Up-sell***

## **The Stakes for Telcos Are High: Reputation...Customers...Business ...Let Video Catalyst Group Ensure Your Success**

### **The Challenge:**

Faced with the emergence of powerful new competitors and technologies – Time Warner, Comcast, Charter, Voice-over-IP – as well as the increasing realization that their networks are well suited to serve emerging consumer entertainment demands, traditional local exchange carriers (LECs) are expanding their service offerings to become integrated communications/entertainment service providers. From a technology perspective, embedded LEC networks and new equipment have proven to be up to the task, allowing these “*New Telcos*” to compete head-to-head with their new competitors. However, because marketing, deploying, and supporting entertainment services is completely foreign to most telcos, many lack the resources and experience to effectively compete. Success in this new competitive environment requires not only unseating entrenched incumbents in every home, but the added complexity of both convincing prospects that the *New Telco* can provide a superior bundle of communications/entertainment services, and subsequently delivering on that promise.

A daunting challenge? **Unquestionably.**  
Surmountable? **Absolutely.**

### **The Solution:**

Over the last five years, more than 70 telcos in North America have leveraged their networks to compete head-to-head, service-for-service with cable/satellite operators. From this experience, best practices and proven success recipes have emerged. By leveraging these experiences, matching comparable circumstances, and modifying proven methodologies to meet the unique needs of each telco’s individual market conditions, VCG enables LECs to confidently go to market armed with an effective battle plan to complement the robust capabilities of their networks.

**Video Catalyst Group** (VCG) was formed in 2003 to expedite and ensure the success of the rollout of bundled broadband video services by telcos. VCG’s resources have been involved with the majority (over 50) of the cable-competitive telco video deployments in North America from a business planning, strategy development, and/or tactical marketing perspective. The results – VCG resources leverage this unparalleled real world experience to consistently enable telcos to become the predominant providers integrated communications/entertainment services in their regions. VCG thoroughly understands the nature of each telco’s business, its current and emerging competitive pressures, and the operational and marketing challenges that a LEC will encounter in transforming its business. VCG takes this knowledge and accelerates the LEC’s transformation process, arming it with the skills and tools to ensure its success.

### **The Results:**

- Dramatically improved time-to-market
- A proven/executable business plan that reflects “hidden” operational/deployment costs
- An integrated strategy across technology/marketing/operations/support/finance
- Strong market penetration spurred by tailored programming/pricing/packaging strategies and powerful step-by-step tactical marketing campaigns
- Practical/validated deployment/service/support templates and techniques

**The Bottom Line:**

When rolling out integrated communications/entertainment services in today's high-stakes environment, telcos cannot afford a misstep. The battle for the consumer is already on, and poor and/or untimely execution leaves the door open for cable and satellite providers to not only capture prospects, but sever a telco's customer relationships – permanently taking existing telephone and data customers away. Leveraging VCG's expert perspective ensures that telcos can optimize the success of their deployments, retain their customers, maximize their revenues, and position their business for the future.

**Services Offered:**

Whether a telco is assessing its options, developing its business plans, or executing its marketing/business strategy, VCG can assist in a number of ways either on a community-by-community, regional, or company-wide basis:

- Assessment and development of business cases and financial models
- Development of high-level business/marketing strategy
- Competitive intelligence/analysis
- Market needs assessment
- Product/service development
- Development of go-to-market plans for launching integrated voice, video, & data bundles
  - Market segmentation
  - Whole product development
    - Programming selection/acquisition
    - Channel line-up development
    - Package development and pricing
    - Service/support definition
  - Constituent messaging and value proposition development
  - Tactical marketing and launch planning
  - Service collateral and support development
- Organizational development/training – modifying traditional telco roles to accommodate the requirements of being an integrated communications/entertainment service provider
  - Redefining customer service roles from reactive support to proactive sales/service
  - Educating marketing/management on the emerging competitive environment and the technical/business issues related to entertainment & emerging technologies
  - Expanding the responsibility of service marketing to include all areas of the company – Technology/Marketing/Operations/Support/Finance
- Market impact/marketing strategy for emerging technologies – VOD, HDTV, iTV, etc.

**Why Video Catalyst Group:**

VCG is the company with the most experience assisting *New Telcos* in offering bundled broadband video services. Although expertise in deploying and marketing cable TV or other communications products may be common and broadly applicable to selling video service bundles, it is insufficient for LECs. The sophistication and scope of the messaging and tactics necessary to overcome both external and internal hurdles is broad, reaching throughout the organization – Technology, Marketing, Operations, Support, Finance. For VCG, the assessment and launching of bundled video services by telcos has become a science. VCG has studied, discussed, revised, and applied its methodologies at telcos across the US with proven success. Not only can VCG guide you through these issues, but since LECs often do not have the resources to devote to these matters, it can help them to bridge these gaps and leap into this highly competitive market running.

Let the unrivaled expertise and resources of **Video Catalyst Group** provide you with the strategic and tactical guidance to ensure your success.



## **ABOUT THE VIDEO CATALYST GROUP**

The resources of the **Video Catalyst Group** have decades of experience in the areas of marketing strategy and research. Geoff Burke, Principal, served as the Director of Marketing Services at Motorola/Next Level Communications, where he developed and refined many of the business models, plans, and marketing strategies for most of the deployments of cable-competitive video services to date in North America. He is a recognized industry expert in the business and marketing issues associated with entertainment services in telecommunications, is quoted often in national and trade media (the New York Times, the Economist, Telephony, Americas Networks, XChange), and frequently is asked to speak at national, regional, and state telephone conventions (USTA, OPASTCO, NTCA, and TelcoTV). In addition to working at Motorola/Next Level Communications, Mr. Burke is a seasoned management consultant, leading strategy engagements both at Fortune 500 companies and start-ups for The McKenna Group and KPMG Consulting (now BearingPoint). At VCG, he has led marketing strategy/research engagements with both major ILECs and national trade associations. Mr. Burke holds a M.B.A in Strategy and Marketing from the Anderson School at UCLA, and a B.A. in Communications Studies from UCLA.

Depending on the scope of the engagement, VCG calls upon resources in technology, operations, and marketing with decades of experience at major access system and software vendors and hands-on experience with dozens of ILEC video deployments. Additionally, VCG has strong relationships within nearly every major North American telco video deployment. These relationships are used to accommodate the unique information and perspective needs/issues that face its clients.

Contact Information:

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## **EXAMPLE ENGAGEMENTS**

### **Major Regional ILEC – D&E Communications**

Video Catalyst Group conducted a comprehensive market analysis, business/marketing strategy, and tactical marketing plan for this 175,000+ line Pennsylvania ILEC who was rolling out video services in one of its regions. Because of VCG's vast experience in assisting in video rollouts, this ILEC's time-to-market was reduced dramatically, advancing from initial planning to service launch in less than four months.

#### Highlights:

- Overall competitive market assessment
- Customer survey – focused on market needs, service gaps, price points, value proposition definition
- Market segmentation
- Programming selection and channel line-up definition
- Whole product definition
- Pricing, packaging, and promotion recommendations
- Business modeling
- Tactical marketing strategy
  - Launch tactics
  - Competitive positioning
  - Constituent messaging
  - Promotion definition/scheduling
  - Collateral definition
- Support material development (FAQs, User Guides, Web, CSR Scripting)

### **National Trade Association**

Video Catalyst Group conducted an examination of an emerging video technology/service for a national lobbying body that represents the interests of local exchange carriers, developing a technology primer, vendor and ecosystem analysis, and demand forecast. By leveraging VCG's unique and deep understanding of ILEC/CLEC deployments and issues, as well as its relationships with industry vendors, accurate sizing, forecasting, and projections were developed which mapped to the unique interests of this association.

#### Highlights:

- Assessment of competitive issues influencing demand for this technology/service
- Assessment of implications and opportunities for local exchange carriers
- Detailed description of the technology
- Description of the industry ecosystem that enables this technology/service
- Profiles of the vendors involved with this technology/service
- The business case for this technology/service for local exchange carriers
- The deployment implications for local exchange carriers in their networks
- A comprehensive marketing sizing and forecast of this technology/service

**Additional examples and references are available on request.**