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The Magazine
of Rural Telco
Management

SPECIAL
BUYERS
GUIDE
PULLOUT

THE NETFLIX EFFECT



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THE NETFLIX EFFECT

What One Video Streaming Service Has Meant for Rural Telecom Providers, Consumers and the Programs They Watch

By Laura Withers

Streaming services like Netflix rely only on a robust broadband connection and a Wi-Fi-enabled device to open a flood of video viewing options for customers, but streaming video has been a blessing and curse for operators of rural telco networks.

ILLUSTRATION BY SAM FERRO; PHOTOS: BIGSTOCK

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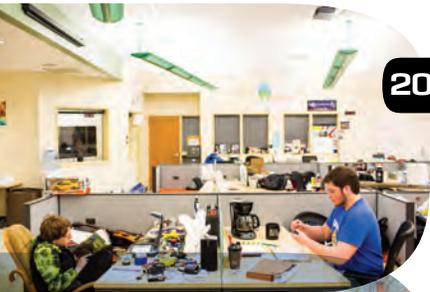
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NTCA's Mission: NTCA—The Rural Broadband Association, an association of small, rural, community-based communications providers, is dedicated to improving the quality of life in rural communities through the advocacy of broadband and other advanced communications infrastructure and services.

NTCA represents nearly 900 small, rural, locally owned and operated telephone cooperatives and commercial companies in the United States and abroad, as well as state and regional telephone associations and companies that are the suppliers of products and services to the small and rural telephone industry. Our readers are the managers, directors, attorneys and key employees of these telephone companies as well as consultants, government officials and telecommunications experts.



Features



20 **How Homegrown Tech Incubators Build Local Businesses—With Telcos' Help**

By Tara Young

When a local telco provides critical development infrastructure, you have the beginnings of a tech incubator—organizations that help new or startup companies develop by providing expertise, workspace or a combination of both.



24 **Local and Lovin' It**

By Jonah Arellano

As big companies get bigger, independent telecom providers continue to promote localism. Hear from NTCA members about how they've promoted that message in their marketing materials, and the level of success they've experienced with those campaigns.



28 **RTIME Recap**

By Hillary Crowder

NTCA—The Rural Broadband Association members basked in the Southwest sun during the Rural Telecom Industry Meeting & EXPO (RTIME) in Phoenix, Ariz. Attendees were treated to educational sessions, keynote speeches and policy updates, but the meeting also offered exciting events beyond the Phoenix Convention Center.



Buyers Guide

This year's look at the products and services your telco needs are highlighted in several categories: billing, broadband, cloud computing, engineering, equipment, financial, insurance, IPTV/video, law, network/long-distance, operations and wireless.

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The Editorial Purpose of Rural Telecom is threefold: to inform readers of public policy issues affecting the industry; to provide insight on developing businesses and technology; and to share expertise and experience on management, marketing and customer service.

Invitation to Contributors—Please email (publications@ntca.org) or fax (703-351-2088) an outline of a proposed article to the managing editor. All articles should be prepared according to our writer's guidelines, available on NTCA's website.

Statements of Opinion and Fact are the individual views of the authors and not necessarily the positions of NTCA, its officers, directors, members or staff.

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The Thrill of the Chase

Back when I worked in the newspaper business, my cohorts and I used to lament that in the time it took to write, edit and print the paper, many of the stories we had spent so much energy producing had advanced two steps. The stories we were pursuing were changing so quickly that the reports in the morning paper were overtaken by developments before the newsprint even hit newsstands. Of course, this was before Twitter, blogs and email alerts were the rage, but the point stands that chasing an ever-changing story can be thrilling but, at times, overwhelming.



Such was the case when I launched into the article in this issue exploring Netflix's impact on rural telecom. Headlines about the behemoth streaming video service were suddenly everywhere. "Netflix Main Cause of TV Ratings Drop." "Earnings Fuel Netflix Surge." And my personal favorite, "'Full House' Spinoff Headed to Netflix." (To this day I still have a huge crush on John Stamos as Uncle Jesse, and I will be among the first to

watch the sequel series.) It was clear that this story—of how one video streaming service has changed the game for video and broadband providers (as well as a host of other allied industries)—is far from over.

I'd like to thank the NTCA members who spoke candidly with me and even shared some network data showing how Netflix and other streaming services like it have affected operational and marketing tactics. As with many issues affecting rural telecom providers, no one company has the same challenges, but one emerging theme came into focus: Streaming video is growing in popularity by leaps and bounds, and broadband providers both small and large are rightly taking notice. Get ready for some more discussion of this thrilling story in the weeks and months to come.

Laura Withers
Director of Communications
lwithers@ntca.org

A Low-Program Diet

With the warmer weather comes resolutions to get trim and to de-clutter. Maybe you want to drop a few pounds so you can look good in a bathing suit this summer, or perhaps you just need an excuse to give your house a deep cleaning—followed by a yard sale to get rid of all the stuff you thought you once needed.



TV-watching is going the same direction. Customers want to de-clutter their programming and slim down the number of channels and programs that come as part of their video bundles.

Sure, some customers have always griped about the traditional video bundle: "So many channels, but so little of interest, and who has time to watch all that stuff anyway? Give me my programming a la carte! I'll make the decision about what I do—and don't—want to see."

Now the industry is starting to respond. Because of shifting consumer preferences, newer streaming technologies, and the willingness of programmers like ESPN and HBO to offer their content in new ways, consumers

are feeling liberated. What does that mean for your company and its video play? Can you fatten your customer rolls by offering a "lower-program" diet?

In this issue focused on marketing, Laura Withers investigates "the Netflix effect" and its impact on telcos' network operations, marketing and customer expectations. Jonah Arellano explores the local angle of independent-telco marketing in "Local and Lovin' It," and Tara Young examines how telcos are working with small-town inventors and entrepreneurs. We also look back at the RTIME meeting in Phoenix, and we ask NTCA PR & Marketing Conference speaker Ryan Estes about his tips for rural-telco salespeople.

From video costs to local marketing and sales, this issue of the magazine offers a multi-course meal in how to attract and retain customers. No empty calories here—just fuel for a positive future. Dig in!

Christian Hamaker
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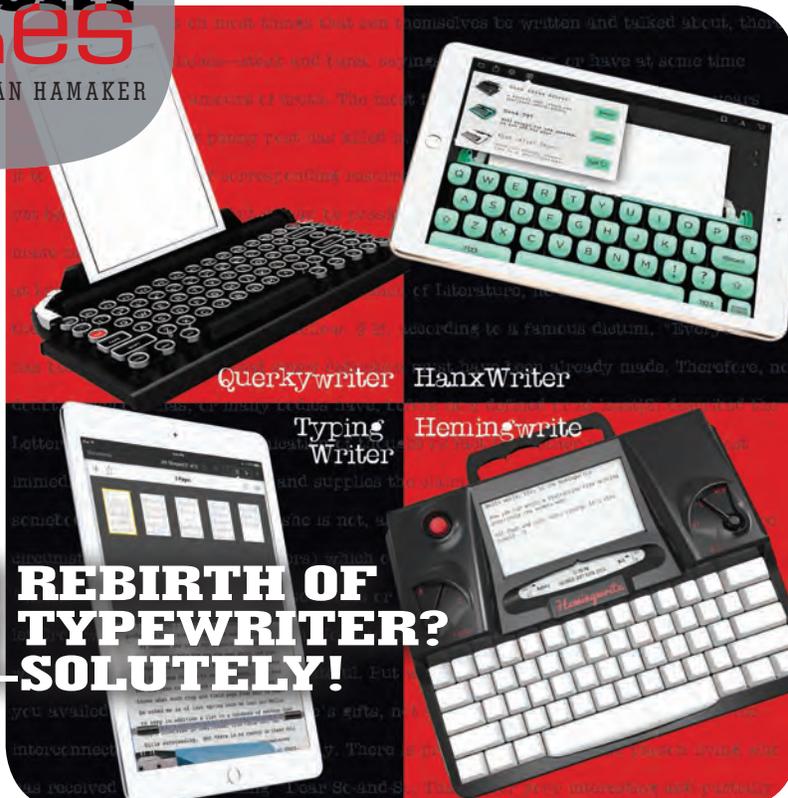
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THE REBIRTH OF THE TYPEWRITER? APP-SOLUTELY!

If you miss the clickety-clack of typewriter keys, and long to recreate it, several apps may help you scratch that itch.

▶ **Hanx Writer**—created by actor Tom Hanks—“mimics the appearance, font and sound of a typewriter, and creates PDF documents of the text,” wrote Rachel Loeff Axelbank.

▶ **Hemingwrite** is a “self-contained, highly portable digital device that offers nothing except word processing with backup to the cloud. It has a keyboard, a six-inch e-ink screen with backlight for uncompromised daylight viewing, and a projected six-week battery life,” Axelbank wrote. “It also boasts a storage capacity of 1 million pages.”

▶ **Typing Writer** is an app that encourages more writing and less editing by making deletions more difficult than do today’s computer keyboards and word-processing software.

▶ **Qwerkywriter** is “an external keyboard with USB and Bluetooth connectivity that looks just like a manual typewriter keyboard,” Axelbank wrote.

▶ **Source:** pw.org

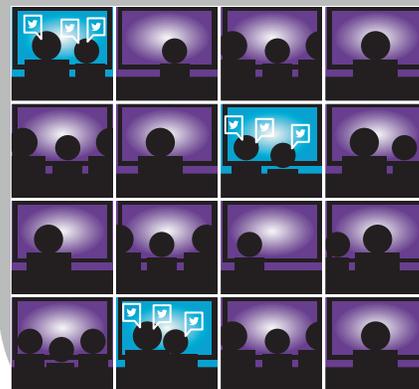
How Twitter TV Traffic Corresponds to Audience Size (Hint: It Doesn't)

Have you ever noticed your Twitter feed light up with tweets about a TV show as the program airs? Everyone must be watching, right?

Maybe not. While TV viewership ratings are usually top-heavy with CBS programs like “NCIS,” “Blue Bloods,” “Big Bang Theory” and “60 Minutes,” those programs don’t show up in Twitter TV ratings charts, said Forbes contributor Dade Hayes. Meanwhile, programs like the “American Music Awards” on ABC, while tuned in by a sizable audience, brought in nowhere near the number of viewers suggested by the Twitter frenzy the show generated.

Other tweet-fests that didn’t correspond to large numbers of viewers include a VH1 sequel to the film “Drumline” and a Lifetime biopic of singer Aaliyah.

▶ **Source:** forbes.com



Migration From Traditional TV Viewing Accelerates

The fourth-quarter 2014 total-audience report from TV ratings company Nielsen revealed that adult watching of live TV declined 13 minutes from a year earlier, down to four hours and 51 minutes of live TV per day, on average. That decline comes on top of a six-minute decline between 2012 and 2013. Cable networks were particularly hard hit during the last half of 2014, as cable viewing dropped 9%—three times the drop of a year earlier, according to Moffett Nathanson research.

Broadcast TV’s loss has been online video’s gain. Forty percent of U.S. homes now subscribe to a streaming service, Nielsen said. That’s up from 36% of U.S. homes a year earlier. And lest you think the trend is limited to younger viewers, Nielsen said viewers age 50–64 watched one hour and 12 minutes less of traditional TV between 2012 and 2014 while increasing their Internet video watching by 22 minutes.

▶ **Source:** washingtonpost.com





TOP 10 PODCASTS
DOWNLOADED FROM
THE APPLE STORE
IN 2014

PODCASTING: AN 'OVERNIGHT' SUCCESS

If you've given up on company podcasts, you may have thrown in the towel too soon.

Podcasting is having its pop-culture moment, and the influx of new audiences to the medium could show how to build—and retain—an audience for any type of podcast.

Ten years after the Guardian newspaper first used the term "podcast," the medium's renaissance has been spurred largely by "Serial" from public radio's "This American Life."

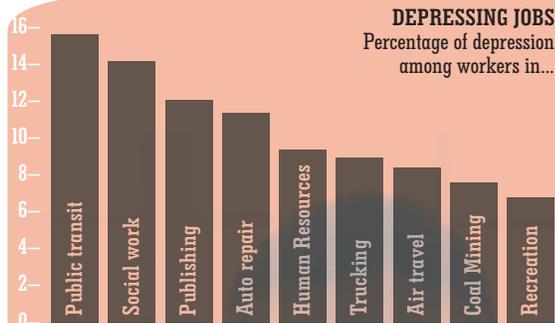
"I'll let you in on a secret," wrote Andy Bowers, executive producer of podcasts for Slate. "Podcasting is the Internet's most unsexy success story, the tortoise in a never-ending race with fresh waves of hares."

Despite the medium's resistance to "going viral," its required time commitment and its relative lack of downloads in comparison with viral videos, podcasting continues its slow, steady growth. Why?

- ▶ Podcast listeners listen to numerous podcasts.
- ▶ Podcasts are "ridiculously sticky," with listeners who "come back week after week, month after month, year after year when they like a particular show."
- ▶ "Intense audience engagement" makes podcasts attractive to advertisers.
- ▶ Podcasting is "highly addictive."

What is your telco doing to capitalize on the podcasting trend?

▶ Source: slate.com



Work Can Be Depressing—Especially for These Folks

The next time you pass someone from your human resources (HR) department, smile: He or she may need a lift.

A recent survey of industries with the highest rates of depression put HR workers in the middle of the pack—a much happier place than those who work in public transit or social work, but not as happy a field as recreation services (including sports, fitness and the performing arts) or those in coal mining.

"Jobs with the highest rates of depression tend to require frequent or difficult interactions with the public or clients' and have 'low levels of physical activity,'" wrote Joe Pinsker.

▶ Source: theatlantic.com

Arts Move Online

Is your telco—or town—making art accessible?

More Americans are skipping art museums in favor of online viewing of art on electronic devices.

The National Endowment for the Arts (NEA) surveyed public participation in the arts and found that while nearly 75% of Americans viewed art or listened to performances via electronic media in 2012, only 33% of the more than 37,000 people surveyed attended an arts event the same year, down from 41% in 1992.

"As cultural providers, we must become more relevant to our communities and go to where our audiences are as opposed to waiting for them to come to us," said Jane Chu, chairman of the NEA.

▶ Source: sacbee.com

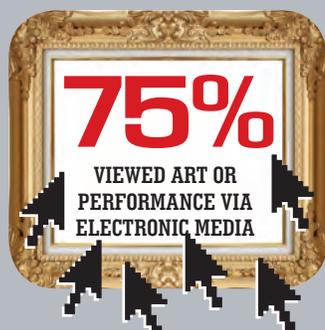


PHOTO: ALA.MY.COM

Relief in West Virginia for 'Electrosensitives'

Green Bank, W.Va., is being discovered by a growing number of "electrosensitives"—people who experience headaches, nausea and chest pains (among other ailments) from exposure to electromagnetic frequencies used for wireless communications.

The West Virginia town is a wireless-free zone—no wireless Internet, no Bluetooth, no cell service—thanks to the FCC's establishment in 1958 of a 13,000-square-mile National Radio Quiet Zone that surrounds Green Bank. Residents communicate by using landline phone service and wired Internet connections, but if you're visiting and need to make a call, there's only one option: a rusty pay phone on the north side of town.

▶ Source: Washingtonian.com

#RuralsSocial

Follow along at www.ntca.org/socialmedia



ITS Fiber

Open Internet, or Net Neutrality, has been a hot topic debate recently. Here is a video by NTCA that may help you better understand what it means for both consumers and service providers.



@IADGIOWA

@NREDAnews delegation making multi-stop Washington DC trip. Tues. visits included @NTCAconnect and Sec of Ag Vilsack.



@SITAOIKS

Oh, Hi Terry! Thanks for your 9 years of service! #NTCAPhoenix #RTIME15



@StopMegaComcast

@NTCAConnect White Paper on #ComcastTWC: "The Purported Benefits Are Illusory, the Potential Harm Substantial"



@cassidykersten

Concept by @larrywinget: Hard work and excellence make a good employee, can't have one without the other. Makes sense to me. #rtime15



@ZCorum

NTCA: #Wireless #Broadband Substitution for Landline Not Viable



@COMPTEL

We've joined with ITTA & @NTCAconnect to oppose the #ComcastTWC merger.



@mike_giffin

Check out NTCA's video on the rural #callcompletion problem: "Why Are Rural Calls Not Connecting?"



@ROCIIdaho

The Rural Opportunities Consortium of Idaho There's a link between libraries and broadband adoption in the home—but only in rural areas. More from @dailyyonder



@Dave_Arvig

@ArvigHQ should have many communities that will qualify for @NTCAconnect newly announced certification for Rural Smart Communities!



Your Telecom Information Hub



Thousands of NTCA members converged on the Phoenix Convention Center for this year's Rural Telecom Industry Meeting & EXPO (RTIME) in March to learn the latest and greatest about the telecommunications industry. Exhibitors packed the EXPO hall with innovative gadgets, and industry experts led learning forums and educational sessions to allow you to share ideas and learn from each other as well.

I know you are committed to keeping up with market trends and are dedicated to giving your customers the top-of-the-line services they have come to expect. That is why our goal here at NTCA-The Rural Broadband Association is to provide you with the resources you need to stay up to date on all things broadband.

Our top-notch education team works tirelessly to find speakers on everything from how young managers can get up to speed to case studies in making your service area a gigabit community. The slate of meetings available offers countless opportunities for every member of your team to learn what they need to know to stay on top of the game.

With your crazy, busy schedules, we also know how important it is to make sure information is available at your fingertips whenever is most convenient for you. The NTCA Live Learning Center on our website allows you to pick and choose recorded sessions from association events for purchase. I was so pleased to learn more members than ever before took advantage of this resource during this year's RTIME, and I am hopeful that highlights from Phoenix will be shared with boards and staff members who were not able to attend. The association also hosts a variety of webcasts and policy talks throughout the year that members can view at anytime.

Recently our communications department has taken it a step further to compile a series of resources and tools about hot policy issues. These tools are designed to help you, your staff and, of course, your customers understand the complex issues the industry is faced with on a regular basis. First, we released a call completion package earlier this spring that explains the ongoing epidemic of long-distance calls not reaching their destinations in rural America. Second, a network neutrality package from our policy team explains exactly what an open Internet is and what it means for rural providers and their consumers. All of these materials can be found in the "advocacy issues" section of our website, and we

will work to continue creating these useful tools moving forward.

NTCA developed the Smart Rural Community (SRC) initiative because we know that you are proven solutions providers for the communities where you live and work. You're doing your part to enhance the lives of people living in rural America, so we wanted to do our part to make sure you can continue to do so. At RTIME, we announced the inaugural winners of the SRC Collaboration Challenge—a grant program for member companies to develop broadband-enabled solutions for their communities.

We also announced the rollout of our SRC gigabit-capable certification program. This is our way to publicly acknowledge and help brand NTCA members that have deployed gig-capable networks. We look forward to working with you on how this might help your economic development and marketing efforts as well.

I am very proud of the hard work and dedication all of you put into your businesses. It's truly groundbreaking. It inspires us here at NTCA and encourages us to ensure you have all the tools you need for success. ■

Shirley Bloomfield is chief executive officer of NTCA-The Rural Broadband Association. She can be reached at sbloomfield@ntca.org. You can also follow her blog at ntca.org/ceoblog.

THERE'S STRENGTH IN NUMBERS



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As the competitive and regulatory challenges intensify, you look for partnerships and alliances that will strengthen your business. We hope NRTC is one of those partners.

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We're already seeing that pay dividends. We'd love to talk to you about it and see how our solutions can work for you.



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Targeted Message Yields Greater Upgrade Response

Much like other telcos, West Carolina Rural Telephone Cooperative (Abbeville, S.C.) took a very traditional approach to marketing to our customer base. We used bill stuffers, newspaper ads and inserts, bill messages and other local venues to inform our customers of our products and services. Last year, we realized it was time to take another approach to grow our Internet revenues through upgrades. The majority of customers were on our lowest plan, 15 Mbps. We tried traditional marketing campaigns,

which produced a decent number of upgrades, but the results were less than predicted. We realized we needed to focus on the customers' experience to push them to upgrade, believing that the end result would be more revenue and far greater customer satisfaction.

We partnered with Calix to use Compass Flow Analytics to identify a group of 2,600 high-speed Internet customers who were heavy over the top (OTT) video users and gamers. Calix proposed that we interpret our broadband subscriber usage data to target the customers most likely to benefit from an increase in their bandwidth. We predicted that our customer response would be much higher than it was with our traditional marketing campaign, and that our campaign costs would be lowered dramatically by targeting only a subset of customers.

Targeted Internet 'Speed-Bump' Campaign

Together with Calix and our marketing firm, the Pivot Group, we targeted these heavy OTT and gaming users with messaging focused on how more bandwidth could improve their Internet experience. Our "speed-bump" campaign started with a personal letter from our chief executive officer announcing that we would be giving them a free month to try our 100 Mbps plan. Our thought was that they would experience the difference firsthand, and even if they settled on a plan between 15 and 100 Mbps, we'd still gain revenue. We then sent three postcards that focused on OTT and gaming. Customers who upgraded during this time received their choice of either a Roku streaming stick or a \$50 Visa gift card.

After the first letter was sent out, we received a call from a dad who said that he had been a customer for a long time and had never

upgraded his Internet service. He went on to say that his family had added no less than seven or eight devices to their network, all while using the same Internet package. He said our mailing helped him realize it was time to upgrade. After the first month, we had 77 customers call to upgrade. We then decided to extend the promotion for two more weeks. During these last two weeks, we started an incentive program for our account service representatives (ASRs). Each ASR was given a list of 100 customers who had not yet upgraded and different time slots to call these customers individually. For each customer who upgraded because of the call, the ASR received \$10.

Results

By the end of the six-week campaign, we had a total of 183 upgraded customers. Of these, 180 had been on our lowest Internet package. Just a few months prior, we had run a summer Internet campaign that had a total of 96 upgrades. Our summer campaign encompassed our entire service area and was run for a total of 10 weeks, focused on existing and potential Internet customers. We printed several newspaper ads, recorded radio ads and even ran a TV commercial, which we didn't do for the speed-bump campaign. While we used more tactics in the traditional campaign, the targeted speed-bump campaign produced more upgrades from a smaller base of targets.

Just as telecom companies have had to learn to adjust to social media, OTT video, gaming and many other technology-driven systems, we also have to make changes in the way we market to our customers in the future. Getting the most return on our investment while providing the best quality of service to customers should always be our focus, and having the right tools to help you accomplish that goal always helps. ■



Shannon Sears is director of commercial operations for West Carolina Rural Telephone Cooperative. Contact him at shannon.sears@wctel.com.



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HyperCube



BY LAURA WITHERS

THE NETFLIX EFFECT

What One Video Streaming Service Has Meant for Rural Telecom Providers, Consumers and the Programs They Watch

In a recent interview with Kevin Spacey, star of the hit Netflix original series “House of Cards,” “Today” show host Matt Lauer shared a personal anecdote about his family’s TV-watching habits that may sound familiar to operators of rural networks that support streaming video.

Lauer explained that his wife was watching an episode from the series’ third season when he walked in the room to catch the last few moments of what he later learned was the final installment, potentially spoiling the episodes he had not yet watched.

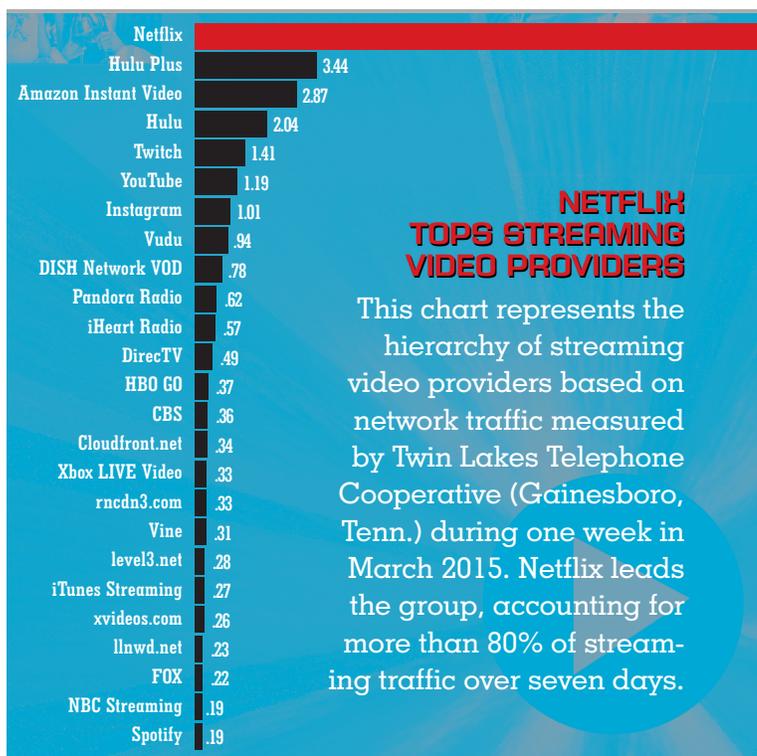
Spacey’s response to Lauer’s story is characteristic of how the country’s No. 1 video streaming service by share of audience has marketed itself to great success and, in the process, dramatically changed the way American consumers watch TV.

“Because you’re in total control, you can go back and watch the previous episodes,” Spacey said.

That “total control” over what to watch, when to watch it and how much to pay for it has given American consumers a huge edge in the push and pull of subscription video programming that has played out over the last decade. Unlike traditional cable TV services, which provide consumers with a predetermined menu of options that are broadcast at designated times, streaming services like Netflix and its closest rival, Amazon Instant Video, rely only on a robust broadband connection and a Wi-Fi-enabled device to open a flood of video viewing options—wherever and whenever possible.

The rapid rise in popularity of streaming video has proven to be both a blessing and a curse for operators of rural telecom networks. They reap the rewards of customers purchasing higher broadband tiers but must overcome the challenges of density and distance to provide reliable, high-speed connections. And all indications are that rural providers’ challenge to keep up with consumers’ growing appetites for online, on-demand video has only just begun.





Effect: Network Operations

When Twin Lakes Telephone Cooperative (Gainesboro, Tenn.) began giving broadband customers a free Roku for upgrading to a higher speed, Chief Executive Officer Jonathan West gave little thought to whether streaming services like Netflix—often called over the top (OTT) video—would cannibalize its traditional TV customers.

“We are OK with the customers that are cutting the traditional cord and moving over [to OTT] because it increases the value of our broadband,” West said.

The next consideration driving Twin Lakes’ progression toward more OTT content—the impact on network operations—took more time to fully understand. It wasn’t until West discovered that traffic to Netflix alone was consuming 60% of the co-op’s bandwidth during peak times that he sought a solution to move some of that traffic off the company’s pipes—and fast. “The only other alternative was to buy bigger pipes, and bigger pipes cost more money,” he said. “We knew there was a better way.”

Twin Lakes’ experience is not uncommon for small and midsize telecom providers, said Dan Deeth, media and industry relations manager for the Ontario-based network equipment company Sandvine. The group’s most recent Internet traffic trends report found Netflix accounts for 34.9% of downstream traffic during peak evening hours on North American networks. Amazon Instant Video accounts for another 2.6% of downstream traffic, according to the report, but its share has more than doubled in the past 18 months, showing that network operators have reason to pay close attention to it, Deeth said.

“Because everything is on demand, it’s very difficult to move [consumers’] viewing habits,” he said. “It’s not the way things used to be where people might download some content and watch it later. To be able to use Netflix, you have to be in front of the TV and actually using it. So that creates a tremendous amount of challenges for operators.”

The solution for Twin Lakes did not come quickly, but after banding together with several other Internet providers in Tennessee, the company reached an agreement with Netflix to install a caching server at the telco’s central office. The co-op immediately saw savings in middle-mile bandwidth costs and also was able to deliver a much higher-quality experience for customers, who are now closer to the content they are consuming, resulting in fewer latency

issues and smaller bandwidth spikes during peak viewing hours.

The system’s true test came this winter, when storms dumped several feet of snow on parts of northeast Tennessee, keeping Twin Lakes’ customers indoors and glued to the TV.

“When you bring that solution closer to the customers, then those peaks are a lot more subtle,” said West. “People don’t change what they watch because of the weather ... but they do change how much they consume. By having the servers at our site, we are controlling how much [they consume].”

THE NETFLIX EFFECT IN NUMBERS

Ripples of the Netflix effect are being felt across a wide variety of industries, from cable providers to movie theaters and even creators of original programming. Here are some of the most impressive figures showing the streaming service’s impact.

| | | | |
|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| 4 IN 10 | \$4 BILLION | 45 PERCENT | 2 HRS. 45 MIN. |
| Number of American households with traditional TV that also now subscribe to some form of streaming service. | American consumers’ total spending on video streaming services in 2014, an increase of 26% over 2013. | Percentage of total U.S. Internet bandwidth taken up by Netflix viewing on March 1, after the launch of Season 3 of “House of Cards.” | Amount of time per day Americans with streaming services spend consuming time-shifted TV. |
| Source: Nielsen | Source: Digital Entertainment Group | Source: Sandvine | Source: Nielsen |

Effect: Marketing

If Netflix traffic is a wave that has washed over telcos’ networks, that wave may soon turn into a flood of video streaming as other services

crop up. With heavyweights like HBO and CBS planning subscription services of their own and DISH Network partnering with Sling TV to provide online access to ESPN and ESPN2 among other popular channels, the future is looking a lot friendlier to the streaming video watcher.

This increase in streaming content might be scary for small telcos, but it has created fertile ground for more players to get into the business, said Ray Carey, chief executive officer of NeoNova, the developer of YourStream TV, a service that lets telcos host as many as 20 channels on a Roku app. The key is finding what works for your company, and marketing the service in a way that will resonate with customers.

"There are people that want to spend a lot of money and have everything," Carey said. "But there is a market for 'less' or 'just what I want to pay for.'"

That's no reason for telcos to cut the cord on their traditional TV service just yet, said Bridget Watkins, vice president of sales and marketing for All West Communications (Kamas, Utah). All West has had a Netflix caching server for more than a year, but is still testing the waters on a more aggressive streaming play.

For the company, which provides fiber-based broadband to an area covering more than 21,000 people in Utah and Wyoming, the challenges with offering more online video content are mostly marketing-related. The company recently launched a Roku app that provides a small group of customers in remote communities still on copper plant access to local CBS, NBC and ABC affiliates, as well as a few other channels. It also sells traditional cable, and cannibalizing those subscribers is a big concern.

"[Our Roku app] is definitely a targeted solution for us," Watkins said. "It's on the website but we haven't done any mass marketing of this service because it's really a niche product for us. It's a good solution for our customers who can't get any other kind of video."

In the three months since All West launched its Roku app, the company has signed up a handful of customers through targeted direct mail and word of mouth. The service is proving popular among consumers who want fewer channels at a lower price point.

"We've got one person who has five Roku boxes in his house," she said. "So this was a great solution for him. He pays us one fee and gets the content over all five Roku devices."

Effect: Customer Expectations

Perhaps the greatest effect Netflix has had on rural networks and service providers is the shift in customers' expectations of their video services. In a world where more than 9,000 titles are available on demand and on multiple devices for less than \$10 a month, the stakes for ISPs to provide an enjoyable, reliable viewing experience have never been greater.

Netflix also has opened the doors for video consumers to finally receive the type, frequency and volume of content they have been seeking for years, West said.

"They've changed expectations for consumers," he said. "Consumers have always wanted fewer channels ... but Netflix is helping make that a reality."

Small telcos should take note, Carey said.

"What customers do is not up to us," he said. "We have to respond to what customers want." ■

Laura Withers is director of communications for NTCA—The Rural Broadband Association. Contact her at lwithers@ntca.org.



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HOW HOMEGROWN Tech Incubators BUILD LOCAL BUSINESSES —WITH TELCOS' HELP

BY TARA YOUNG

In

order to grow, startups and small businesses need a culture that encourages development and supports innovation. Big business knows the best ideas come from individuals and small companies, which is why entrepreneurs in urban areas have looked for support through events and co-workspaces.



Translating such an idea to rural settings can be a challenge, but the idea of supporting local businesses is one that resonates with many rural residents and telcos. Add to this a telco's position as a provider of critical development infrastructure, and you have the beginnings of a tech incubator, loosely defined as organizations or groups of companies that help new or startup companies develop—either by providing expertise, workspace or a combination of both. Many incubators center on technology, but can also provide support to businesses in other fields, thereby expanding their small-business markets.

Rural business incubators are not a new concept, but pairing them with infrastructure and expert resources can make the difference between success and failure. Dr. John Keller, professor of Landscape Architecture and Regional and Community Planning at Kansas State University, is a specialist in rural economic development and planning, and he stresses the importance of achieving what he calls "critical mass" through partnerships, resource recognition and allocation of space.

"The best incubators seem to exhibit similar characteristics: a number of small communities with a total population of 20,000 to 30,000 to draw from; a variety of partners, including regional planning or economic development corporations; and a physical space that is a good mixture of communal rooms and small offices," said Keller. "Utilities like electric companies and telecommunications providers make good partners because they provide infrastructure, but they also have relationships with other entities and businesses that support startups, like community colleges and development groups."

Keller also emphasizes the role of an incubator as a growth mechanism, and stresses patience and support through the process.

"I really see it as a two-step process," he said. "The first step is teaching and training, and providing advice on business planning and development to new business owners who are usually quite unsophisticated when it comes to business organization. The second step is ensuring the incubator has a screening system that encourages planning and success to help businesses graduate out of the incubator into the business community." 

Above and far right: Students at the iLead Charter School in Mauston, Wis.

Jim Costello, chief executive officer of Lemonweir Valley Telephone, in the area used for the Inventors and Entrepreneurs Club. >





“Utilities like electric companies and telecommunications providers make good partners because they provide infrastructure, but they also have relationships with other entities and businesses that support startups, like community colleges and development groups.”

— Dr. John Keller, Kansas State University





PHOTOS COURTESY NORTH DAKOTA TELEPHONE CO.



Maddock Economic Development Corp. Business & Technology Center offers space, funding and support for new businesses.



Growth in Practice: North Dakota Telephone Co.

Debbie Tracy, director of the Maddock Economic Development Corp. (MEDC) in Maddock, N.D., sees Keller’s words in action each day. MEDC’s Business and Technology Center gets its communications services from North Dakota Telephone Co. (NDTC; Devils Lake, N.D.), and it leverages its building as a startup hub for new businesses looking for office space, funding options and a supportive community environment.

“We have a number of businesses, including some agricultural tech businesses, health care providers and government entities, which rely heavily on our Internet services through NDTC. Being able to provide the space, along with the services and support, keeps us near building capacity at all times,” Tracy said. She also pointed to NDTC’s TV services as key for the center’s “Suite Retreat” lodging, the only hotel-type property in Maddock.

NDTC Chief Executive Officer (CEO) and General Manager Dave Dircks saw the benefit an incubator like the MEDC tech center could provide when it started more than 15 years ago. NDTC was a key partner from inception, working to create connectivity and flexibility within the building’s infrastructure and out into the network.

“When the center first opened as an incubator, a T-1 connection was used for Internet,” Dircks said. “We provided the labor and materials to get it wired. Today the center is on our fiber network, and we work with the center’s management to regulate the distribution of service so it provides a quality connection for all users.”

Grow More Than Businesses: Lemonweir Valley Telephone

When Lemonweir Valley Telephone (LVT; Camp Douglas,

Wis.) built its new headquarters building several years ago, it added a public meeting space to the plan. The space was meant to encourage community members to interact with the company, but it ended up becoming the home of some of Juneau County’s most creative business minds.

Terry Whipple, executive director of the Juneau County Economic Development Corp. (JCEDC), started an Inventors and Entrepreneurs (I&E) Club in 2002. Looking for a place to hold monthly meetings and occasional presentations, he reached out to LVT CEO Jim Costello.

“It was a great fit,” Costello said. “Our job as the phone company was to help create the atmosphere they needed to be successful. Just getting the physical space was a huge step, because they regularly attract between 90 and 100 attendees.”

The I&E Club functions like a combination of a “maker’s space” (a physical space where creators and their associates can work on and perfect physical inventions) and an incubator, relying on the creative community of members to provide the “maker culture” needed to foster innovation. Members meet regularly to discuss topics like patents, business organization, sales/marketing, market research, investments and more, as well as to provide insight and feedback on other members’ current projects. A number of successful entrepreneurs, cottage industries and small businesses have found their start at an I&E Club meeting.

“Rural areas can be tough on inventors and entrepreneurs because, due to the smaller population and the interconnectedness of the communities, their failures are much more exposed.”

—Terry Whipple, Juneau County Economic Development Corp.

“The club really excels at providing a safe place for experimentation, iteration and failure,” Whipple said. “That idea is common in places like Silicon Valley but harder to find in the Midwest. Rural areas can be tough on inventors and entrepreneurs because, due to the smaller population and the interconnectedness of the communities, their failures are much more exposed. The I&E Club creates a corridor of support and encouragement, allowing inventors and entrepreneurs to try and fail as they learn and iterate.”

The club also provides support in more concrete ways. The original Juneau County I&E Club grew so large that it spun off smaller clubs in surrounding counties to help the



members maintain the hands-on feeling of meetings and presentations. But the I&E Club's impact doesn't end with more club developments.

Four years ago, after discussions with several stakeholders that included JCEDC, LVT and the Mauston School District, the first iLEAD Charter School was started as a combined program of the I&E Club and the Mauston schools. Using teachers as life coaches who supervise student-inventors in self-guided learning and members of the I&E Club as resources and mentors, the iLEAD Charter School helps students develop projects that are tied to businesses or inventions. Past students have explored custom-made guitars, organic candy manufacturing and marketing, geomedicine, nanotechnology and computer-aided design.

LVT's gigabit fiber provides the infrastructure for the iLEAD school and for the entire Mauston School District, and the company sees avid use of bandwidth and connectivity as an indicator of things to come.

"We want the kids at the charter school and within the Mauston School District to be our future customers," Costello said. "The kids at iLEAD use the bandwidth and leverage it to learn, build businesses and market them-

selves to the world, just like established businesses do. By supporting their efforts, we hope we're building the funnel for future services."

Make Yours Homegrown

The first steps toward growing a business-friendly environment don't have to be big. Even small things like meetings with economic development or regional planning representatives can help facilitate relationships and identify opportunities. As Keller said, the process starts with patience and organization of resources to best meet the needs of the communities that an incubator will affect.

"I regularly encourage other telcos to make the most of extra space they have for programs like this," Costello said. "If you have a CO [central office] building you only use part of, or if you built a new office and still have some available office space in an old building, look at partnering with people in your communities who are committed to building businesses. As those businesses grow and succeed, you'll benefit in the long run."

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LOCAL AND LOVIN'

IT



BY JONAH ARELLANO

“SUPPORT LOCAL” MOVEMENTS HAVE BEEN EMBRACED NATIONWIDE

by consumers who recognize that money spent on local businesses generates economic value by creating jobs and putting money back into the community. But for small, independent telecom service providers, local public relations and marketing play an even more crucial role. Such messaging builds brand awareness, establishes and maintains customer relationships, and attracts and retains businesses. Localism extends as well to accountability for delivering great services to telecom customers who often are neighbors rather than people who only interact with the telco and its employees over the phone.

Telecom service providers are enhancing their local connections by employing local public relations and marketing tactics—customized direct mail, targeted ads, dedicated local TV content, participation in community events and sponsorship of local sports teams—that allow telcos to be top-of-mind with their customers and community.

Local Attraction

Providers know that to attract locals, you have to be local, know local and talk local. Investing time and effort to promote localism can attract customers who might otherwise look elsewhere for a telecom provider.

Providers like Blackfoot Telephone Cooperative (Missoula, Mont.) know the key role a local connection continues to play with customers. Images used on the telco’s website reflect the beauty of Montana—something the state’s residents know, love and appreciate.

“Folks who live here chose to live here,” said Joel Block, vice president of customer operations, product management and marketing for Blackfoot Telephone Cooperative. “Our customers have a strong commitment to place, and it is reflected in our messaging. We put people first. We’re reliable, accessible and accountable. And we weave those messages with our customers into our overall messaging in our campaigns.”



Promos That Stress 'Local'

Supporting community activities, from blood drives to bull rides.

Voice: Give us a call. We'll be on our way.

Data: Upgrade or add-on. We'll be on our way.

Business: Build your business on the region's fastest fiber optic network.

Residential: Customer support that got a 90% approval rating 3 years in a row.

Breakthroughs Made to Order

at Blackfoot Telephone Cooperative

at Santel Communications Cooperative

Trusted like a neighbor,

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MEET JAY. He is your local expert at installing Fiber Optic, High Speed Internet, and other services. Give us a call today and get up to \$100 off your service at your home.

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Offer 3 - Internet deal: 10 Mbps internet at 6 months then 10 Mbps for the first 6 months of 1 year service agreement.

ComSouth

Santel Communications Cooperative (Woonsocket, S.D.) competes with cellular, satellite, wireless and cable providers, some of which are large national chains. The telco also competes with a small, local company on monitoring/security services. Santel knows having headquarters and employees in the area is a critical piece to its local public relations and marketing strategy.

"It is difficult to be price competitive with the national chains, but we [Santel Communications] are part of the community and are the go-to resource for customers' communications service needs," said Pam Kopfmann, customer service manager at Santel.

Santel's marketing campaign featuring a local technician assisting community members states, "trusted like a neighbor because he is one," while another campaign for installation services showcases its employees, who are local residents.

A Good Neighbor

ComSouth Telecommunications (Hawkinsville, Ga.) competes with large companies and has rolled out a "neighbors serving neighbors" campaign directly targeting apartment complexes where they compete with a national cable provider. ComSouth also places ads strategically in its competitive local exchange carrier (CLEC) markets. The campaign highlights that quality services and state-of-the-art technology enhance a community's growth and success, and that ComSouth keeps its neighbors in mind because, in the words of Michael R. Penn, vice president of sales and marketing at ComSouth, "Community is our biggest investment."

Being a good neighbor isn't just a widely embraced attitude—it's a local public relations strategy and an important part of a company's success in attracting and retaining customers. Local providers know that they are an essential part of helping to build a better future for their communities.

ComSouth has been serving its community for 100 years. The recent marketing tagline underscores the company's commitment and involvement in the community it serves. The telco has found that the local community is

supportive and appreciative of the company's efforts and generosity.

"We hire local residents and purchase products and services locally whenever possible," Penn said. "We are involved in many civic and community organizations and the chamber of commerce. ComSouth encourages all employees to get involved in community events."

The company is also actively involved in giving back to the community. It sponsors and supports a variety of local events, schools and nonprofits. "We are giving back right here where we live, work and play," Penn said.

Santel's newsletter highlights its employees' different types of community involvement. "Our employees are involved in local organizations such as churches, town councils, school communities and coaching local teams, to name a few," Kopfmann said. The telco also promotes its local scholarship, which is not provided by its competitors.

A good neighbor also knows when to help and collaborate with area businesses to help them flourish and extend services to the community. Blackfoot rolled out its campaign, "Breakthroughs Made to Order," to help solve technology challenges that local businesses face. "With this campaign, we wanted to feature our business customers and how we worked with them to solve their challenges," Block said. The campaign shared the story of a local health care provider, an insurance company and the Missoula International Airport.

Benefit of Others

Finding solutions to allow locals to access health care and connect with educational resources reaps great rewards beyond business, public relations and marketing strategies. It gives your customers a chance to identify with your values and your impact on their community. It keeps local telecom providers top-of-mind as consumers make their purchasing decisions.

Helping local businesses and area anchor institutions thrive with the technology they need to deliver products and services to local, national and international customers positively affects the local economy.

In its campaign and quest to serve its neighbors, Com-

South provided a dedicated broadband path to Taylor Regional Hospital to use for its telemedicine services. "The hospital realized a tenfold increase in bandwidth, improved reliability and immediate annual savings," Penn said. He added that the technology has helped the hospital's productivity and patient care by enabling the hospital to decrease turnaround times; increase the amount of services provided and the availability of expert diagnoses and second opinions; and facilitate compliance with physicians' orders.

The broadband provided to Taylor Regional Hospital also aids in recruitment and education efforts. "Business customers are a relatively small portion of our total customer base, but are definitely an area where we see potential growth," Penn said.

ComSouth also serves innovative anchor institutions like Central Georgia Technical College (CGTC), which partnered with ComSouth to build a fiber-based 1 Gbps backbone to meet the growing needs of the college. The partnership and technology have allowed CGTC to expand its distance-based learning programs globally and have provided local, rural students with the opportunity to take classes from their home, office, at CGTC sites or anywhere there is Internet access.

The Local Video Advantage

In an effort to reach the younger generation and impress upon them the importance of the company's local roots and long-standing dedication to the community, Santel provides a local TV channel for every school in its territory. The TV channel promotes the schools' concerts, ball games, media clubs and more.

"Our number one local solution is our efforts with the schools," Kopfmann said. "No one else has the content or has committed to that level of support like we have."

Keeping the community even more connected has brought Santel many new TV customers, including the local hospital, nursing home and assisted living centers.

By leveraging their knowledge and passion to serve and connect locals, rural telcos can develop strategies for brand and product awareness, and thereby build and maintain customer relationships while attracting and retaining business. They compete for customer attention by meeting community needs.

In short, independent telcos support local—and it shows. ■

Jonah Arellano is NTCA's communications specialist. Contact her at jarellano@ntca.org.

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Rural Telecom Industry Meeting & EXPO

PHOENIX, ARIZONA

RTI



BY HILLARY CROWDER

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HE 2015 RURAL TELECOM INDUSTRY MEETING & EXPO (RTIME) IN PHOENIX

got underway March 8 as more than 2,100 NTCA–The Rural Broadband Association members registered at the Phoenix Convention Center for an exciting day of activities, including a desert river float and a tour of Sedona.

The meeting's first full day kicked off with a Fun Run, after which telco executives and chief executive officers gathered for a policy discussion of a number of hot topics, including the recently issued FCC order regarding network neutrality rules and Universal Service Fund (USF) reform.

The day also featured a number of educational sessions and NTCA committee meetings. During concurrent sessions, participants heard about strategies for moving a company forward throughout the IP transition, customer service and ways to innovate broadband solutions for agriculture, home and health care.

The day wrapped up with a Welcome Reception where NTCA members came together to network and discuss the opening day of the conference. Attendees enjoyed

appetizers and dancing, with the Arizona sunset as a backdrop.

The second full day of RTIME started with NTCA Past President Terry Force passing the torch to 2015 President James M. Dauby during the Opening General Session. The other board officers also were introduced. NTCA Chief Executive Officer Shirley Bloomfield spoke about the importance of regulatory cer-

tainty and collaboration and evolving culture when it comes to ensuring a bright broadband future.

The U.S. Department of Agriculture's Rural Utilities Service Acting Administrator Jasper Schneider discussed the agency's ongoing efforts to invest in rural America. Keynote speaker Larry Winget had the audience laughing out loud as he described the cold, hard and ugly truth about success. The session wrapped up with a panel discussion about NTCA's Smart Rural Community (SRC) initiative. The inaugural winners of the SRC Collaboration Challenge grants also were announced.

Day two continued with more educational sessions on topics like network neutrality rules, cybersecurity and succession planning for commercial and cooperative telcos. The day also featured telco peer-to-peer roundtables and an associate member session focused on creating a customer experience.

The afternoon was packed with committee meetings, and the EXPO hall officially opened with a ribbon-cutting ceremony. Hundreds of attendees checked out the latest technologies and heard about industry trends at each of the EXPO booths.

The day wrapped up with the Foundation for Rural Ser-



ME

Delivering



vice's (FRS) "High Octane Fun With FRS" fundraising event. Attendees hit the racetrack and put their driving skills to the test.

A continental breakfast and regional caucuses started the third day of RTIME. Attendees had a chance to hear from cooperative and commercial board representatives and to get an update from FRS and the Telecommunications Education Committee Organization (TECO).

NTCA Senior Vice President of Policy Michael Romano kicked off the Second General Session with member company representatives who outlined key regulatory and industry topics, including the recently adopted FCC network neutrality rules, USF reform and newly updated broadband speed requirements. Bloomfield moderated a panel discussion about gigabit communities.

Conference attendees then took part in educational sessions on industry mergers and business combinations, Wi-Fi hotspot deployment and social media. Up next were learning forums where participants were invited to share ideas, successes and challenges on rural youth engagement, company culture and creating synergy.

Managers, telco executives and owners had a chance to enjoy a luncheon and to tour the EXPO hall, where they

heard about hot technologies and industry trends. Ninety-six companies exhibited across 105 EXPO booths. Five exhibitors—Calix, Innovative Systems, Mapcom Systems, NetSapiens and Telesphere—comprised this year's Hot

Technology section of the EXPO, where some of the most innovative products and services were on display.

The day closed with a TECO fundraising event at the Corona Ranch and Rodeo Grounds. Attendees enjoyed a mariachi band, bull riding, trick roping and a three-course fiesta dinner.

The final full day of RTIME featured a business session, juggling, and a country music concert and banquet.

The Closing General Session got underway with an announcement from newly elected Vice President of FRS Steve Meltzer regarding the dissolution of the Foundation for Rural Education and Development and a \$2 million donation to FRS. He also announced that the FRS 2015 Congressional Tour will be to Tennessee and Kentucky. Attendees also received an update from leaders on the association's financial status and growing educational opportunities during the business session.

Next, author Dan Thurmon, president of Motivation Works, discussed the importance of always being at your best because every moment counts. He demonstrated this point by juggling everything from bowling balls to axes, sometimes even atop a unicycle.

The meeting wrapped up with a banquet dinner during which several NTCA members received national awards. Broadway star and country singer Laura Bell Bundy brought the house down with her hit, "Giddy on Up."



Annual Meeting Awards Recipients



THE OUTSTANDING ASSOCIATE MEMBER ACHIEVEMENT AWARD went to Larry Thompson, chief executive officer (CEO) of Vantage Point Solutions in Mitchell, S.D.

Thompson has worked in the telecommunications industry for over 25 years. During that time, he has assisted many companies in their transition from legacy networks to broadband IP networks, and is familiar with the technical and business challenges associated with deploying both wireless and wireline networks.

Through his role at Vantage Point Solutions, Thompson has been a valuable leader on behalf of the rural telecommunications industry. For years, he has been active with NTCA and the Foundation for Rural Service, contributing his valuable expertise to assist with key advocacy and educational efforts. He has authored several important white papers, including two for FRS and one for NTCA analyzing satellite-based telecommunications and broadband services.

Thompson was an original member of the small rural group helping formulate regulatory strategy.

THE KEY EMPLOYEE AWARD went to Jordan Rutherford, supervisor—eastern division for Southwest Texas Telephone Co. in Rocksprings, Texas.

Rutherford has spent his entire career with Southwest Texas Telephone. He started with the company following his high-school graduation in 1961. For the first two decades, Rutherford was the company's only representative in Utopia and D'hanis, Texas. Although officially an outside plant technician, he performed the additional roles in those communities of public relations, media relations, engineering and procurement.

In the 1980s Rutherford began taking on more management responsibility, eventually taking charge of the company's eastern division when it reorganized in the mid-1990s.

He is also a key member of his community, performing such roles as fire chief for the Utopia Volunteer Fire Department, paramedic and EMS volunteer, school board president, Little League baseball coach and county commissioner.



This year's **MANAGEMENT ACHIEVEMENT AWARD** went to Brian Thomason, CEO and general manager (GM) of Blue Valley Tele-Communications (BVTC) in Home, Kan.

Under Thomason's leadership, BVTC built a state-of-the-art colocation and data center, which opened last year. He also spearheaded a project to upgrade the company's fiber electronics.

He has been a vital leader within the rural telecommunications industry as a whole, testifying on behalf of the industry and advocating for the elimination of the FCC's quantile regression analysis. He serves on numerous industry boards and committees, including NTCA's Innovation and Business Opportunity Committee.





This year's **SPECIAL ACHIEVEMENT AWARD** went to Jim Walker, director of corporate relations for Chariton Valley Telephone Corp. in Macon, Mo.

As the head of the cooperative's new corporate relations department, Chariton Valley established "Connected," a quarterly customer newsletter that has won NTCA's Telechoice Award for best customer newsletter six times in the last 10 years. Walker's redesigned annual report for the cooperative has also twice received the Telechoice Award for best annual report.

The most significant public relations change for Chariton Valley came from Walker's creation and heading of

CVTV—Chariton Valley's local-content television station. Walker created CVTV from a concept to a station that rapidly became one of the most popular selections in Chariton Valley's extensive channel lineup.

Thanks in large part to Walker's efforts, Chariton Valley has been twice named business of the year in its competitive local exchange carrier area since his public relations efforts began.

After a very successful career, Walker will be retiring from Chariton Valley this year.

The **LIFE ACHIEVEMENT—MANAGER AWARD** went to Larry Sevier, the now-retired CEO and GM of Nex-Tech in Lenora, Kan.

In 1986, following a distinguished career with the Rural Electrification Administration (now the Rural Utilities Service), Sevier became the CEO and GM of Rural Telephone. Larry's vast knowledge, vision and foresight have been instrumental in the company's phenomenal growth, including job creation; community development; the formation of a competitive subsidiary, Nex-Tech; and the formation of a wireless company, Nex-Tech Wireless. During his 28-year tenure as CEO of Rural Telephone/Nex-Tech, Sevier navigated a small local telephone cooperative into a multifaceted communications and broadband powerhouse serving more than 9,300 square miles in western and central Kansas.

He served on NTCA's Financing Committee and Industry Committee, as president of the State Independent Telephone Association of Kansas, and as president of WTA.

Sevier was awarded NTCA's 2002 Management Achievement Award and Economic Developer of the Year Award the same year.



The **LIFE ACHIEVEMENT—DIRECTOR AWARD** went to Mike Foster, former president and CEO of Twin Valley Telephone in Miltonvale, Kan., who passed away in October 2014.

Mike grew up with a strong family history and personal interest in telecommunications—a passion that became his life's work throughout his more than 40 years with Twin Valley.

In high school and in college, he worked at Twin Valley during the summers to help in any way he could. In 1971, he took a full-time position with Twin Valley as an outside plant technician. After transitioning to a leadership role in 1977, Foster took over for his father as Twin Valley's president and CEO in 1994.

In 2005, Foster negotiated and closed the acquisition of 13 former Sprint exchanges—approximately 5,200 access lines—resulting in Twin Valley tripling the size of the company and

becoming the largest privately owned rural local exchange carrier in the state of Kansas.

Foster's also was a board member of the Kansas Telecommunications Industry Association and a member of the National Exchange Carrier Association's rate development task force.

Accepting Foster's award were his wife, Jackie, and Foster's son and successor, current president & CEO of Twin Valley, Ben Foster.



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Rock-Star Sales Strategies



Ryan Estes, a sales veteran and entrepreneur, recently spoke to attendees of the 2015 NTCA PR & Marketing Conference about how to engage in “rock-star sales” in the new economy. In this Q&A, Estes lays out his vision for how rural telcos can transform their sales to capitalize on the transformation in consumer tastes and telecom technology.

Q. What tips do you have for companies that are just building a sales force?

A. If you’re building from the ground up and you’re building a sales force, I cannot emphasize enough assessment and selection of the right people.

Selling is a team sport. It’s not for solo players. The entire organization is going to be impacted. When you’re talking about a small team, one or two hires can have an impact on the culture.

The second piece is strategy. I always say the two best ways to make your sales today are getting referred and getting found. If you’re not getting referred and found, then you’re going to be relying on more traditional interruption-based sales techniques that, in the future, are going to prove less and less effective. Building a way to generate referrals, advocacy, evangelism and word of mouth, and creating content people can consume—that really is the evolution of what I consider a more integrated approach to sales and marketing.

Q. Do you see more risks from upstart salespeople who might be a little misguided, or are you more worried about sales veterans who might be slower to embrace new strategies?

A. Both have challenges. The world is changing so fast. We’re going to see more change and transformation in the next five years than we’ve probably seen in the last 100 years. For the veterans among us, I think a critical idea is that you have to embrace continuous learning. You have to stay a student of your industry, of your customer, of emerging trends or technology, and really be willing to take new ideas, put them into practice and be constantly improving.

A great question for any veteran to ask themselves, a great self-assessment, is, “Am I getting a little bit better today? Am I making forward progress?” You’re either getting better in a 2015 economy, or you’re retreat-

ing. A lot of what was good enough in terms of growth strategy and customer relationships isn’t going to translate into the kind of growth we want between now and 2020. It’s changing too fast!

Typically a new employee comes in with that desire to learn and develop skills, where oftentimes someone who’s been successful for a decade gets a little complacent or stuck in the status quo. That is a dangerous place to live in 2015. A trend that I see is that customers are changing faster than most sales organizations. And that becomes a challenge.

Q. What can salespeople at rural telcos do soon to change their culture and performance?

A. Technology is important. The way we connect and communicate is changing. What are you doing on LinkedIn and Twitter? What’s the impact at the individual level?

I’m also big into self-auditing your daily practice and habits. Every touch point with a customer is a chance to advance a relationship and ultimately move toward earning a commitment. But you have to be auditing those touch points for impact. Every call you make, ask yourself, “Was the call successful?” “Knowing what I know now, would I do anything differently?” “Did I earn a commitment?” and “Why?” Getting into the habit of self-auditing will begin to reveal opportunities for self-improvement. ➤

“I always say the two best ways to make your sales today are getting referred and getting found.”

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It's also important to have stories of success. Leverage case studies, customer testimonials, opportunities where you added value and had impact. That's really important.

Q. You've said that customers today are more exacting and demanding than ever before. How?

A. They're more informed. We can have as much information in the palm of our hand about products and solutions as the service provider. The expectation is higher. You need to understand my universe as the customer and then be able to clearly articulate or demonstrate with proof of concept how what you have to offer is going to make my world better.

The other reality on the retail side is that people are busy today. Everyone is overwhelmed, exhausted. Getting access to tell your story is certainly the new challenge.

A third big trend is that customers have more choices. There's so much more

competition. That's not going to change.

The net is that customer expectations have never been higher. The onus is on us to step up and meet customers where they are.

Q. What is one message you wanted all of your audience members to walk away with?

A. To be a small-business owner in rural America today is challenging, but I think

for individuals, organizations and entrepreneurs that can embrace change and meet customers where they are, the next five years can be an exciting time to be in business. If you have an appetite and hunger for change, it's a great time to own a business in rural America. ■

Christian Hamaker is editor of Rural Telecom. Contact him at chamaker@ntca.org.

"We chose CoBank because of its understanding of small rural community businesses, experience in the regional wireless space, and its reputation in the industry."

Slayton Stewart, Chief Executive Officer, Carolina West Wireless



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• **Partnering With Your Electric Utility: Threat or Opportunity?**

• **The New Rules for Net Neutrality**

• **The Cost of Equipment Returns**

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Ryan Atkins Hits the Racetrack While Representing #ruraliscool

By Tennille Shields, NTCA-The Rural Broadband Association Senior Content Specialist

For years, Ryan Atkins stood on the sidelines of his father's professional dirt-track racing team. Week after week, he would watch dirt-track races with increasing ambitions of someday driving a car of his own. So, in 2007, when the opportunity presented itself for Atkins to slide into the driver's seat, he couldn't resist.

"I had never raced before, so there were a lot of learning curves and struggles early on," he said. But learn he did—and fast.

In just a few years' time, Atkins made a name for himself in the dirt-track circuit, securing several victories in 2010, 2011 and 2012. He called 2013 his "breakout year" after being recognized as the National Dirt Racing Association (NDRA) Crate Late Model Skyler Trull Memorial Champion and taking first place at the NDRA Circle K Showdown at the Dirt Track at Charlotte.

He credits his father, Joe Atkins—board director for Surry Telephone Membership Corp. (Dobson, N.C.)—for supporting him and his racing endeavors. He also is thankful for the more experienced drivers who have shared their knowledge and expertise, he said.



Small Alaska Co-Op Raises Big Funds for Wounded Vet

By Cathy Long, Cordova Telephone Marketing & Public Relations

To some, Cordova Telephone Cooperative (CTC; Cordova, Alaska) and its subsidiary Cordova Wireless (CWC; Cordova, Alaska) may be considered small, but the generosity and kindness of those who work and live in their service territory cannot be matched.

For one year, the small, member-owned telephone cooperative in Cordova (population 2,300) worked to raise \$15,000 for a local veteran through contributions from staff, community members and local businesses. One hundred percent of the funds raised during the campaign went toward buying an all-terrain track wheelchair for Nansen Olson, a wounded Alaska Air Force veteran.

This specially crafted, rugged wheelchair gives the user the freedom of mobility to go hunting, hiking and fishing, to the beach or almost anywhere he or she wants. Alaskans know better than most that this world is made up of much more than concrete and flat surfaces. With a tool like this, users have the ability to get closer to a life before disability.

"CTC management came up with the idea in November 2013 to offer a



Ryan Atkins

from page 39



With the 2015 racing season soon underway, he's also appreciative of NTCA-The Rural Broadband Association for sponsoring the #ruraliscool wrap that will adorn his car trailer this year.

"Racing isn't a city-lifestyle pastime," he said. "Most races take place in rural areas, so it'll be great to take the #ruraliscool campaign into the heart of rural America. ... I'm thankful for NTCA's support and to represent them. I think it will be a win-win for everyone." ☰



Alaska Co-Op

from page 39



chance for Cordovans to get back into the true holiday spirit," said David Allison, board president of CTC and CWC. "We believe in this cause and are all really excited to be a part of it."

Fundraising for the campaign started with CTC and CWC employees, who number less than 20, raising almost \$2,000 out of their own pockets. The companies then began collecting donations from the community at their offices, during their holiday shopping events and via a PayPal link on their websites. Several individuals and local businesses also stepped up with cash donations and matching funds.

During a press event held December 12, 2014, CTC and CWC announced that they had reached their \$15,000 goal and were working with the non-profit organization the Independence Fund to award the chair to a worthy Alaska veteran. ☰

The Challenge

The companies' efforts were featured on the evening news of the local CBS affiliate KTVA, and stories appeared in local area newspapers. "If we can do it, anyone can do it," said Cordova Telephone Cooperative Chief Executive Officer Paul Kelly, of raising the money. "We want to challenge more companies and organizations in Alaska to start their own fundraising campaign for this worthy cause. There is a great need for this in our state and not much capital yet."

To date, only one other Alaska veteran has been awarded an all-terrain wheelchair. This spring, the Alaska Telephone Association (ATA) announced plans to accept the co-op's challenge. ATA will hold a silent auction during its annual meeting in May, with all proceeds going toward the purchase of another all-terrain wheelchair through the Independence Fund. Cordova Telephone is planning to boost donations to the fund by offering up an additional \$1,000 challenge during the event.

The Independence Fund has been assisting severely disabled veterans since 2007 and, among other projects, has awarded more than 750 all-terrain wheelchairs to wounded veterans across the United States. ☰

Ben Lomand Reconnects Van Buren County After Fire

By Karen Wilson, Ben Lomand Connect Public Relations Supervisor

A devastating fire broke out January 7 at the Van Buren County Administrative Building, and Ben Lomand Connect (McMinnville, Tenn.) was quickly on the scene. The telco's crew had phone lines and Internet connections established before lunch the next day.

The offices of the mayor, property assessor, election commission, historical society, trustee, register of deeds and county clerk were relocated to the Civic Center so business could resume as quickly as possible for the citizens of Van Buren County.

"Ben Lomand was eager to do what we could to help Van Buren County during this devastating loss," said Ben Lomand Connect General Manager/

Ben Lomand Connect responds quickly to get Van Buren County administrative offices back up and running following a fire.

Ben Lomand Connect General Manager/Chief Executive Officer Ray Cantrell presents a \$2,500 check for rebuilding efforts to the Van Buren County Historical Society president.



Chief Executive Officer Ray Cantrell. "We understood that establishing their lines of communication was top on their priority list. The crews worked quickly to get them up and going. We are also proud that in cooperation with a CoBank grant we were able to give a monetary contribution to the historical society to help in their restoration efforts." ☐

Ritter and iRis Interconnect

By Jane Marie Woodruff, Ritter Communications Marketing Director

In a move designed to fulfill consumer demand and maintain a competitive edge, Ritter Communications (Jonesboro, Ark.) and iRis Networks announced in March that they have joined forces to establish a fiber Ethernet interconnection that combines the capabilities and reach of both networks.

The combined network allows for fiber-based broadband connectivity to over 100 rural markets in Arkansas, Alabama, Kentucky, Oklahoma and Tennessee. Additionally, this interconnect allows for broadband connections to key regional locations, as well as direct and diverse connectivity to several national locations.

"This interconnect will allow our customers to expand their connectivity and geographic reach," said Steve Smith, vice president of sales at Ritter Communications. "Broadband is the commercial accelerator of the 21st century, so creating this network means many of our customers, especially multisite businesses, will see more capacity to more locations."

This interconnect adds value for both companies by:

- > Bringing end-to-end broadband speeds from 1 Mbps to 10 Gbps to over 100 rural and urban markets along unique routes.
- > Enabling incumbent local exchange carriers (LECs), competitive LECs and cable providers to connect their infrastructure, access cost-effective Internet, and partner on national and regional connectivity projects.
- > Expanding the broadband footprint for anchor institutions such as health care, financial institutions and higher education across Oklahoma, Arkansas, Tennessee, Kentucky and Alabama.
- > Enhancing the resiliency and reach of the national and regional fiber-to-the-cell projects that are currently taking place.

"Ritter and iRis are equally committed to continually investing in rural to urban connectivity," said Smith. "The further we can extend fiber into our communities, the more opportunity is created for better economic development." ☐

SHARE YOUR STORY

NTCA-The Rural Broadband Association seeks to spotlight the efforts of member companies across the country. Exchange is a great place to share your company's success stories on economic development, community outreach, technology rollouts, and state and regional collaborative projects. To share your story, contact Tennille Shields, NTCA senior content specialist, at 703-351-2097 or tshields@ntca.org.

ASSOCIATE
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SPOTLIGHT

RDS



In this department, NTCA-The Rural Broadband Association periodically spotlights an associate member, defined as a supplier of goods and services to the communications industry. For a comprehensive listing of associate members, check out the NTCA membership directory or click on "Rural Telecom Solutions Providers" at www.ntca.org. To submit an associate member spotlight, email ts Shields@ntca.org.

Responses submitted by Brian Folkes, RDS Strategic Visionary

How long has your company been in existence? And how long has it been an NTCA associate member?

RDS (Recovery & Distribution Services), LLC was started 12 years ago as a spinoff from a company I sold called RAMCO Distribution Services. I really enjoyed the telecommunication equipment sales side of the business and wanted to devote my full attention to growing that niche. We've been NTCA members since 2004.

What are your core areas of business?

Telcos and businesses have come to rely on RDS' ability to provide high-quality legacy network spare parts and to suggest alternatives and options to keep those old networks delivering traffic. But it's not all about the past, either. We distribute fiber optic transceivers, splitters, media converters and cables for the emerging markets.

How has your company adjusted to our evolving industry?

As a distributor of telecommunications and networking products, we are always educating ourselves on next-gen equipment while supporting legacy networks. Our fiber optic product lines are a prime example of that. As customers moved from copper-based topologies, we expanded our reach to the newly developing market. We also have added testing and repair services to further extend the life of no-longer-supported switching and network equipment.

In what ways will your company (and staff) evolve to address your customers' changing needs?

I tell the RDS team that the most important tool we have to serve our customers' requirements is

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our ears. By listening to their wants and needs, we can adjust to better serve our partners. A real-world example of that is when one of our government value-added resellers lamented over the problems it experienced with getting network spares quickly to the field techs in emergency situations. We were able to maintain network spares in regional facilities and were able to deliver same-day service to the downed site.

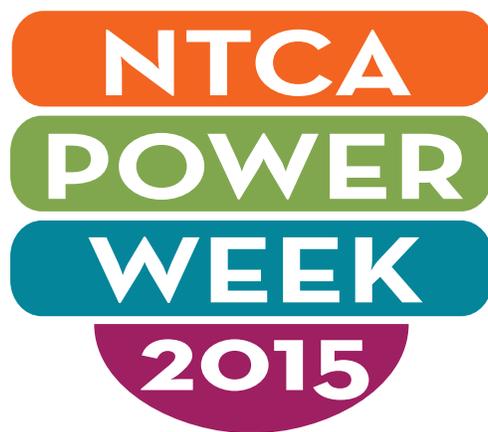
Complete this sentence: In five years, I see Recovery & Distribution Services ...

...anticipating our customers' needs instead of reacting to them, by creating automated data mining and producing predictive algorithms based on customer feedback. We will be able to accomplish this goal by interpreting the curve of need and cost predictions over the lifespan of the network and by obtaining data on the equipment in our partners' installed base, along with failure rates, repairs and purchases.

I also see RDS being the outsourced solution for our customers in the realms of engineering, furnish and install solutions, sparing and logistic services, and expanding platform support for repairs and design services that adapt to an ever-changing legacy marketplace that was once considered bleeding edge.

Most importantly, I see RDS accomplishing our social responsibility goals of developing strong personal relationships within our local community in Tucson, Ariz., via our local food bank. We also want to support the rural telecom community through scholarships and regional relief services. We are blessed by our customers and feel a strong commitment to stand with them as much as they stand by RDS. ☰

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