Channel Partners™

ROUNDTABLE:
Cableco Channel Leaders

By Khali Henderson, Editor-in-Chief, Channel Partners

Channel Partners

Table of Contents

Introduction

Four of the top five cablecos have launched formal channel programs targeting telecom agents and VARs to sell their voice, data and, in some cases, video services to business customers.

Charter Business' David Neely, Time Warner Cable Business Class' Greg Iuzzolino, Cablevision's Joe Magliulo and Comcast Business' Craig Schlagbaum

Channel Partners invited the leaders of these channel initiatives to speak about their programs as well as the opportunities and challenges for partners selling cable telecom services in a Keynote Roundtable Aug. 24 at the Channel Partners Conference & Expo at McCormick Place in Chicago. The panelists included:

- **Greg Iuzzolino,** Director, Partner Channel, Time Warner Cable Business Class
- **Joe Magliulo**, Director, Strategic Sales, Cablevision
- **Craig Schlagbaum**, Vice President, Indirect Channel Sales, Comcast Business Services
- **David Neely,** Director, Channel Sales and National Accounts, Charter Communications

The discussion included brief updates on their respective partner programs as well as a candid question-and-answer session. Fueling the conversation were highlights from Channel Partners' new report, "Cablecos & The Channel: State of the Market 2011," as well as real-time polls of the audience about their activity selling cable business telecom services. What follows is a summary of the proceedings.

Cableco Channel Programs Status Update

Comcast Business

Channel leader: Craig Schlagbaum, Vice President of Indirect Channels

Date established: "We launched it at the Channel Partners show in March [2011] on a limited trial basis. Since then the volume has exploded so much that we have opened it up to a lot more partners."

Geographic territory partners can sell into: "We operate in 39 states — 18 of the top 20 NFL cities. I think the only major ones we are not in are LA, New York, Dallas and Green Bay. We operate in quite a bit of the U.S. marketplace."

Products partners can sell: "We sell, obviously, the coax Internet services (BCI, we call it, Business Class Internet) and voice services (POTS replacement lines). We also sell PRI and as of this morning we launched metro Ethernet fiber to this channel on an introductory basis and will certainly expand that over time. Those are our primary services along with TV services that go along with that."

Structure: "We operate through three master agents right now — Intelisys, TBI and Telarus. And, most recently, we made the announcement this morning that we signed 10 partners who primarily have their own direct sales forces and are largely focused on selling metro Ethernet as well as our other services, too."

Size: "Certainly we are at the beginning stages now, but we believe it will be a double-digit percentage of our total sales as we move through the next several years."

Charter Business

Channel leader: David Neely, Director of Channel Sales and National Accounts

Date established: "We started our program a year ago [2010] at the Channel Partners show in Vegas."

Geographic territory partners can sell into: "We are in 27 states."

Products partners can sell: "We launched our program with all products. We are supplying both fiber as well as coax. We have POTS and PRIs just like everybody else."

Structure: Charter works with master agents and direct agents.

Size: "The future is very promising for all of us and I think all of you. I think the expectation for the revenue in years to come is very high and very achievable."

Cablevision

Channel leader: Joe Magliulo, Director, Strategic Sales

Date established: "In our territory, we operate as Optimum Business for the small and midsize businesses and Optimum Lightpath for the enterprise business. We have had an agent channel for five years now. It started out in 2006 with a referral program type thing. Then, at the spring Channel Partners conference of 2007, we announced the full blown agent program with residual components added to it."

Geographic territory partners can sell into: "Our territory is the greater New York metro area with the exception of Manhattan, which is [Time Warner Cable Business Class territory]. We also operate in four Western states: Montana, Utah, Colorado, Wyoming. The program is throughout all of the territories."

Products partners can sell: "All products and services that we do sell we are encouraging the agents to sell as well."

Structure: n/a

Size: "The reason we went into the program was really to gain sales that were resistant to our direct sales efforts. So, we measure the success of the program by the type of business we are gaining, not necessarily volume. … The types of business that we are getting from the channel clearly is exactly the business we weren't getting elsewhere and still don't get, such as the more complex sales, the higher line counts, the more robust products, the greater bandwidth speeds. … With the agent program, the metrics that we are looking at is [that] out of all sales channels, the stickiest channel that has the best retention in the business happens to be the agent channel."

Time Warner Cable Business Class

Channel leader: Greg Iuzzolino, Director — Partner Channel

Date established: "We started the program back in March 2008."

Geographic territory partners can sell into: "We operate in six regions, 31 plus markets. We just purchased the assets of the organization Insight in the Midwest as well as a company called New Wave, so we are expanding our footprint through acquisition as well as organically of course."

Products partners can sell: "Our sweet spot is Ethernet, high-speed data connections, the triple-play type products. We are expanding our portfolio as well as we speak in other areas."

Structure: TWCBC has focused on master agents, but also has direct relationships.

Size: The channel accounts for 4 percent of sales, which is expected to double in 2011.

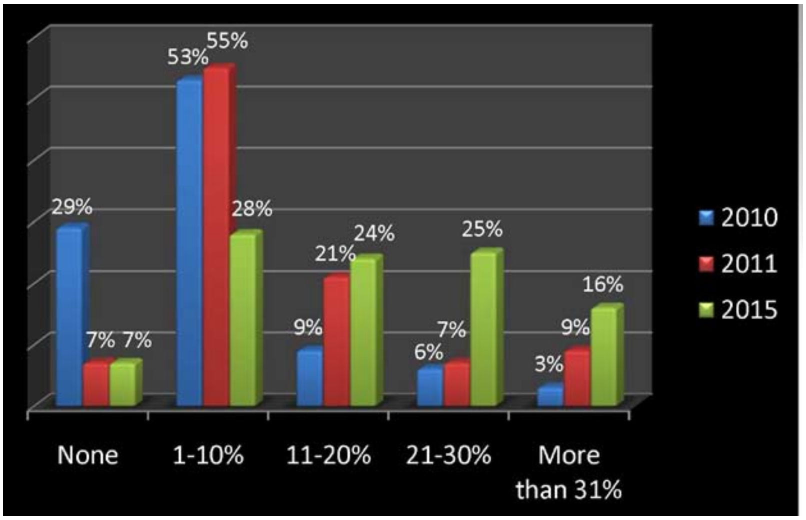
Cablecos & the Channel: State of the Market

Highlights From the Exclusive Channel Partners Survey

Channel Partners fielded a survey in the summer of 2011 to ascertain channel partners' interest in, adoption of and challenges with selling cableco telecommunications services to businesses. The report "Cablecos & the Channel State of the Market 2011" can be downloaded from the Resource Center at www.channelpartnersonline.com.

The report cites secondary data from Insight Research and New Paradigm Resource Group, which both have pegged cable revenue from the sale of business telecommunications services to reach $9.5 billion by 2015. While this seems like a fairly large number, it's about 6.5 percent of total business telecom spend. That said, the cable companies are making some inroads, especially with the SOHO and small and medium businesses, earning high customer satisfaction ratings for their data services delivery. J.D. Powers and Associates recent research results proves this out.

What Percent of Your Company's Revenue Came From (or Will Come From) Selling Cable Business Telecommunications Services?



Channel Partners' "Cablecos & The Channel: State of the Market 2011," August 2011

Among the Channel Partners' survey's most interesting data points is the trending on how much revenue partners expect from the sales of cable telecommunications services. The revenue share shifts dramatically upward from 2010 to 2011. Extending the forecast period to 2015 shows even greater gains. One in six agents said that cable would account for more than 30 percent of their revenue by 2015.

So why are you adding cable services? Channel Partners posed this question open-ended, without possible responses. These were the top answers:

- lower price, cost savings or value to the customer
- the customer bandwidth or speed requirements — obviously increasing
- they were losing business or needed to diversify their portfolios
- their customers simply demanded it
- their customers were looking for more disaster recovery and redundancy options

When questioned about their perceptions of cablecos as business telecommunications providers, a majority of the channel (92 percent) described them as Internet access providers, one of several suggested descriptions. The next most selected option was "low-cost providers." And, the third was "diverse and redundant backup providers." The big takeaway from these results is that partners did not describe cablecos as "primary providers," which happens to be one of the challenges for cablecos serving the business telecom market.

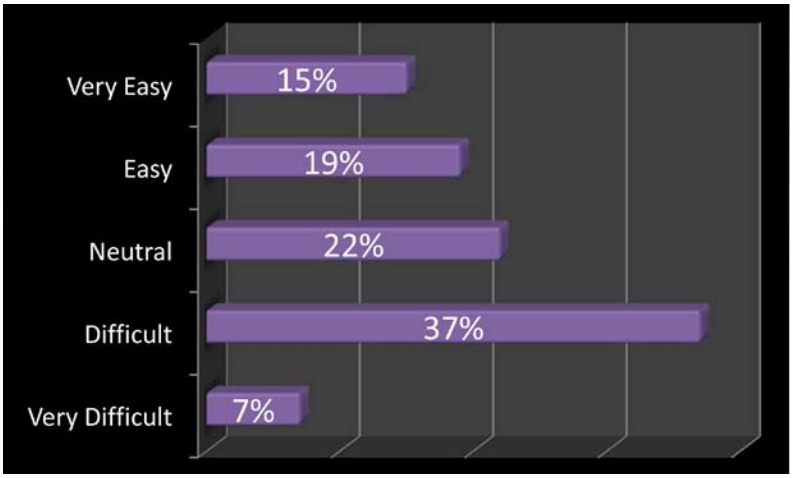
What were the biggest challenges for the channel in selling cableco services? A major reason was the lack of SLAs. (Note: Lack of SLAs is true only of cable coax-based products.) However, on a 2:1 basis the respondents said that low prices or high speeds compensated for the lack of SLAs.

Channel Partners Conference Attendee Activity With Cablecos

Results of Real-Time Interactive Audience Polling

Using a real-time text-to-vote platform, Channel Partners queried agents and VARs attending the Keynote Roundtable about their present activity selling cable business telecommunications services.

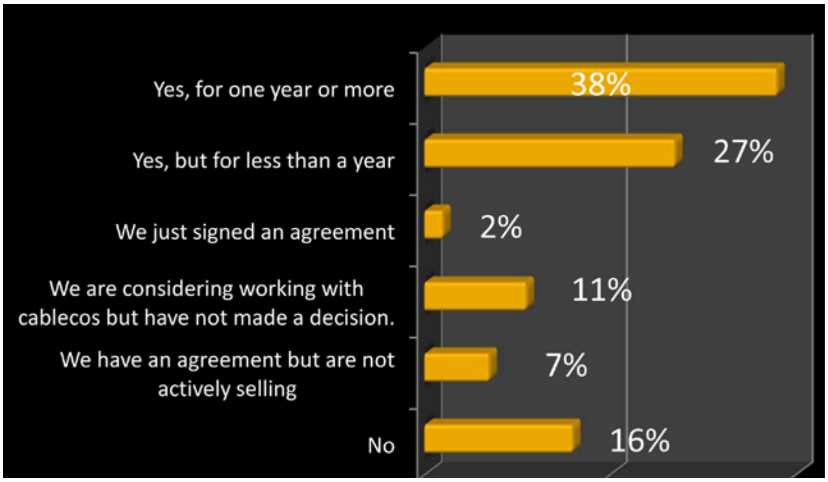
What Is the Ease of Doing Business With Cablecos?



Source: Channel Partners Conference & Expo, Keynote Roundtable, Audience Poll, Aug. 24, 2011.

Nearly half (44 percent) of respondents at the Channel Partners Conference & Expo Keynote Roundtable said that cablecos were "difficult" or "very difficult" to work with. However, more than one-third (34 percent) said cablecos were "easy" or "very easy" to work with. Those that said they were "very easy" outnumbered those who said they were "very difficult" by two to one.

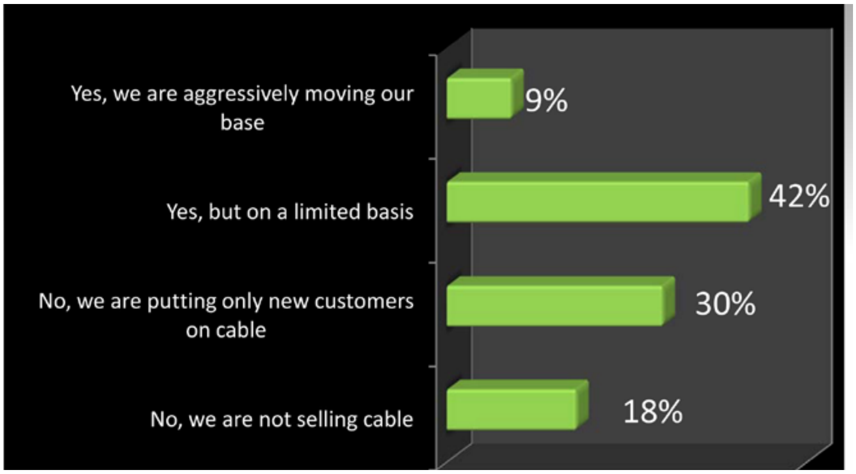
Are You Actively Working With Cablecos?



Source: Channel Partners Conference & Expo, Keynote Roundtable, Audience Poll, Aug. 24, 2011.

Nearly two-thirds (65 percent) of the channel partners in the audience at the Channel Partners Conference & Expo said they were selling cableco telecommunications services. Of those, more than half had been selling cable services for more than a year. Sixteen percent are not selling cable services and 11 percent are on the fence.

Are You Moving Existing Customers to Cablecos?



Source: Channel Partners Conference & Expo, Keynote Roundtable, Audience Poll, Aug. 24, 2011.

The greatest number of respondents (42 percent) said they were moving customers from telco networks to cable networks on a limited basis. Only one in 10 said they were doing so aggressively. Nearly one-third (30 percent) said they were putting only new business on cable networks.

Cableco Channel Leaders Roundtable

Questions & Answers From the Channel Partners Conference

The Keynote Roundtable included a question-and-answer period moderated by Khali Henderson, editor-in-chief of Channel Partners, followed by questions from the audience. What follows is an edited transcript of the discussion.

Khali Henderson, Channel Partners: As Channel Partners' survey of the channel found, cablecos are perceived primarily as backup providers. Is that a fair assessment? And, what are you doing to change that perception?

Dave Neely, Charter Business: "I think it's pretty reflective of myself, Charter and the newness of the cable companies being in the agent community. I think it's a reflection of trust and trust with those customers. Once we iron out some of our back office and some of our potential service delivery issues and a variety of others, I think it's a matter of building trust within the agent community and an understanding some of the products that are available and the services. That's what I hear is the biggest problem from the field: 'We are not quite there yet, but we'll take a baby step in and maybe put you as a backup and a DR.' Those agents and those customers over the last 18 months have found that once it's in, it's very reliable; it doesn't go down as some other suppliers."

Greg Iuzzolino, Time Warner Cable Business Class: "In the beginning, to David's point, that was indeed the case. Our partners were out there trying our services, getting a feel for our services, realizing rather quickly how reliable they are relative to DSL. Then, we have also seen them move a lot of their customers from a high-speed data connection to Ethernet, which has SLAs, and which is used as a primary circuit. … It's a great question and it's a fair question. However, I feel that over the last three years since we have had a channel, we've gone from, 'Let's test these guys, see how they perform and start giving them more business as we proceed.'"

Khali Henderson, Channel Partners: "So that's interesting; there seems to be a proving out period. Joe, you have been doing this with a channel longer than all of these guys. What has been your experience?"

Joe Magliulo, Cablevision: "You say, is it a fair question? It's a real question. It's how they feel. We've been operating as cable companies for 30 years. People have come to know us as cable home, a consumer product. It's a perception issue as well. We are out there. As you see a lot of people in this room are not engaged with us yet. They have been busy selling against us because they are not familiar with it. Once the agents become more comfortable dealing with us, they will see that it is a business-class product and they will get the confidence and it will extend further from there. With our experience, it's proven exactly what David and Greg said. Get them to try it, get them to see the value, and from there, we win their hearts."

Khali Henderson, Channel Partners: "Craig, you recently came from the telco side of the business and are new to the cable business. What are you seeing?"

Craig Schlagbaum, Comcast Business: "I think the thing is, the word 'cable' isn't the whole story because that assumes coax, but as Greg mentioned, there is also fiber. Every time we pull cable, we pull fiber, so the conduit physical layer is not all cable. I'm finding that people are putting it in as primary as well as a backup circuit. I think a lot of this comes down to being easy to do business with, which is most common theme of all. We have put a lot of things in place to do service availability through extranets automatically. I know my peers have as well. It's basically putting in place things that you expect from the other suppliers that you have been working with for years, for us to have the same tools in place. Once we get there and more customers have a comfort level, we are going to see that light up pretty quickly."

Khali Henderson, Channel Partners: "You spoke about being easy to do business with as a challenge that cablecos have, and it bore out in the survey that we did and in the poll today. Let's talk about what you'd like to share with partners about what is different about working with cablecos or conversely what you are doing to improve their abilities to work with you."

Craig Schlagbaum, Comcast Business: "What's different? Ultimately what's different is we own everything to the last mile. There is no local loop ever, never. That's good and bad. That implies that every time we have to check if a customer is serviceable, we had to do a service availability check, which is an unusual model. It's something that once people get used to it and the turnaround time is quick, this really isn't a big, different process. Then, when you are provisioning, it's relatively quick compared to what you would experience with an ILEC or CLEC at least with coax circuits. It's different on fiber because that's usually a build out for us because we don't have footprint everywhere. We are putting fiber everywhere, but it's taking time obviously. Those things are fundamentally different in our world. That service availability piece is just a reality; if you are going to sell these services, you need to know that that is part of the game."

Joe Magliulo, Cablevision: "The service availability was a very obvious hurdle early on. ... I happen to enjoy a footprint that is very dense so we overcame [the service availability issue] by providing a hotline for the agents. They call in, they get real-time service availability checks if they call in, or they use our Web portal. They can put in an address and get immediate turnaround on the serviceability. If it comes back where it's a 'red light,' or a hold, or a 'yellow light,' meaning we have to survey it, we generally turn the surveys around quickly — within five business days. We've actually made aggressive efforts early on to make sure the serviceability was not a hurdle for us and we have achieved results there."

Greg Iuzzolino, Time Warner Cable Business Class: "I would just add a couple more things to that. It's the same thing with us. It's the same theme and I am sure David has something similar. Three years ago, we recognized right away that service availability was a challenge. We need to empower you to know right away exactly where our fiber or our coax is so you can go sell it, right? You need to tell your customer the price and sign on the dotted line so to speak. We've got a few ways that we have tackled this beast, and it is a beast sometimes. We have an 800 number similar to Joe's that's manned [11 hours a day, five days a week]. We have a portal you can go to and put in an address for service availability lookup. And, we have also added a number of channel managers that sit in your footprint, that sit in your backyard to help support and help out if things get stuck as well. That's how we've handled the service availability question at Time Warner Cable."

David Neely, Charter Business: "The first thing I did when we launched the program in March of 2010 was to create a portal that provided you all with serviceability. It was the No. 1 thing everyone said they needed. To piggyback on what Craig was talking about, my focus 100 percent of the time is how to make it easier to do business with us. It's learning from each one of these guys. It's learning from you guys and how do we get your mind share as we compete with some of the ILECs and CLECs out there. How do we make it easy for your to process those orders but then also how do we make it easy for service delivery?

"To answer your second question, what are we going to be doing? We are moving in a direction to allow the agent to draft his own contracts, to write up his own quotes and contracts. We will have a QC department behind the scenes, dotting the i's and crossing the t's and making sure it's right, but it allows the agent to be much more nimble and serve that end-customer and not be the last one on the table because of serviceability or waiting for that site survey, but being first on the table because we are so quick with the information being provided. That is my ultimate goal — to make you guys much more competitive as we compete against the other telecommunications companies.

"I think these guys would agree, we don't perceive ourselves as cable companies. We are trying to become a communications company and trying to get rid of that label. We want to move in the direction of supplying those communications and have the customer understand that. We don't compete head to head. We don't have the value of educating the end-customers where as some of the ILECs and CLECs do by the other competitors educating. We have our own franchises and territories, so it's usually one cable company in that market, so it takes a while for that customer base to understand cable."

Khali Henderson, Channel Partners: "You bring up the point that you guys aren't competitive with each other. In fact you talk quite often about channel-related issues and are meeting tomorrow to discuss some things on the table and some new initiatives. I want to talk about how you are working together to improve support for the channel. I think it's Time Warner and Comcast primarily that are encouraging these meetings. Do either of you want to start?"

Craig Schlagbaum, Comcast Business: "Certainly we want to share best practices because at the end of the day, we want to make it easy to do business with the whole space because we don't compete with each other. To the extent that we can help each other learn from some of the things we have done, we want to make sure we share that information so we can help the channel at large. Ultimately we don't overlap in footprint, so we are not really competing with each other. The more we can provide a better experience, the better it will be for all of us to drive your satisfaction."

Khali Henderson, Channel Partners: "Is there anything specific you can point to that has been a result of these conversations?"

Craig Schlagbaum, Comcast Business: "Well, Joe [Cablevision] has helped us a lot with tools they have put in place because they have been out there for a while. They have shared some insights about what they have built and how they have done it and how we could emulate it and replicate it for us as well. [It's the] same with Time Warner and Charter as well. That's one of the things I can point to that we've learned from each other."

Greg Iuzzolino, Time Warner Cable Business Class: "We [TWCBC and Cablevision] may have tripped and [fallen] a couple of times. We want to make sure that Comcast and all of us here don't make the same mistakes, so that when you do go to Comcast for services, it's a very good experience across the board. I don't say 'easy to do business' with anymore, I say 'easier to do business with.' At the end of the day, I haven't found any provider out there — CLEC, ILEC or whatever — to be 'easy to do business with.' That's what our goals are."

Khali Henderson, Channel Partners: "Our survey did compare telcos and cablecos, and Greg is right: The telcos still struggle with supporting you in the ways you prefer. The statistics are in the report, so you can download that and see how they compare.

"The last question I'd like to ask before we open it up to the floor: 'Low-cost provider' kept coming up in the survey as one of the main attributes for cablecos. Your pricing is extremely disruptive to the marketplace and also can impact partner revenues, particularly if we are talking about migrating their bases. My question to you is, why should they think about moving their bases to your services?"

Joe Magliulo, Cablevision: "What I would say goes into one of the other survey responses, which is the customer is asking for it. We are a company that really does a tremendous job marketing. The customer cannot avoid knowing about us. We are very aggressive in our messaging. The agents are faced with in some cases maybe a dilemma when they go to the customer. You are their advocate. You are faced with a decision: What is in the best interests of the customer and yourself? But what you don't want is another agent walking into the customer and saying, ' I am a cable agent and I can get you that circuit where your present agent is not doing that.' I hate to say it's a defensive posture. It's a phenomenal product; it's best-in-class service. So in moving them to us, it's because it's in the best interests of all parties."

Greg Iuzzolino, Time Warner Cable Business Class: "I will add to that. If you sell a standalone circuit for $80-90, that's low cost — very low. But if you factor in four or five POTS lines and cable TV on top of that, which the competition doesn't have, if you add that all together, at the end of the day, you are looking at a $400, $500, $600 price tag. Of course, everyone is looking for more bandwidth and more bandwidth and more bandwidth, and we would lead with our Ethernet product. It does add up."

Craig Schlagbaum, Comcast Business: "It is disruptive obviously and people are buying it. You are seeing a lot of consolidation in the industry. You are putting your business behind multibillion-dollar companies. In our case, we are a $52 billion company. As the channel continues to consolidate, you can grow your business with companies that want to embrace the channel or not. It's an opportunity to bring more base to companies that are devoted to the channel and focused on it, companies that are financially stable and companies that are generating demand at the end-user level that you have the opportunity to provide the service for. I think it's a unique opportunity in time."

David Neely, Charter Business: " I think it's important to understand that we don't just have coax; we have five products that have SLAs with those, so it actually provides you options to provide to those end customers. If they seek that product that is a 16x2 or whatever, they can go after that product. If they would like to pursue a fiber product, they have those options. It just basically gives you more options, more arrows in your quiver as an al a carte menu to that end-customer."

Questions From the Audience

Jim Safran, GreenAppx: "How do you feel about being perceived as the low-cost option? Was that calculated as you entered the market to grab market share. And, who is more innovative — carriers or you? If it's you, are there examples?"

Craig Schlagbaum, Comcast Business: "Ultimately, we are innovating. We continue to offer new services all the time. We didn't have fiber services a year and a half ago. We didn't have PRI as well. We were essentially coax only. We've already changed at the baseline level. As you look at things like the cloud, you got to have a pathway to the cloud and what's most viable. We feel certainly that we've got that capability and are uniquely positioned to get there. We are positioning that not only to this audience but to the VAR community as well. There clients are asking what is the most secure pathway to the cloud. We believe we are. Why? We own the last mile end-to-end — every one of us. That's something that's unique to this world. It's not common in the CLEC/ILEC world. It's always the case in our world. Yes, the pricing is somewhat disruptive, but I think there is innovation going on. I think you will see more and more product introductions over time that will demonstrate that. I know my colleagues have capabilities with that as well."

Greg Iuzzolino, Time Warner Cable Business Class: "I would just add to what Craig said. We just purchased six months ago a company called Navisite. I don't know if many of you heard or know of them. They are a cloud company. We are actually meeting with them this week to discuss how to infuse their model into the channel. They are very bullish on the channel and we have conveyed that this is a wonderful area that we can leverage to drive services there as well. That is coming down the pike very soon and we are excited about that as well."

Mordie Weintraub, Tel-Affinity Corp.: "Does Comcast plan to open up to the channel the opportunity to sell to hotels and other businesses that are currently off limits? And for Craig and the others as well, I have personally found the service availability tools to be rather inaccurate probably 50 percent of the time one way or another. What is being done to make that more accurate?"

Craig Schlagbaum, Comcast Business: "I will take the first one on the tool. Ultimately, it is a database and it has inaccuracies. We think it's in the mid-90 percent accuracy. I would disagree with the 50 percent, but I am not going to dispute the personal experience. We have, like Greg [TWCBC], hired eight partner sales managers to support partners, to validate it. Many of them know where the local footprint is in the market, so they support you. The database is only as good as the data in it certainly, so we always have to improve on that. That's probably one of our biggest Achilles' heels we have to continue to deal with.

"As far as the niche areas, we are looking at all kinds of new ways. Our channel is relatively new. What I have most enjoyed in terms of launching this channel is seeing the volume of growth in sales and the little channel conflict that we are seeing. The opportunity we think is enormous to grow market share because even with the sales we are experiencing today, we are not see a lot of conflict, which means this channel is finding net new business. I think we are going to find a lot more in areas you just talked about in hotels and others. Stay tuned for more details."

Jeremy Kerth, Wired Networks: "In order to improve your reach, have you all considered building NNIs to each other and the LECs."

David Neely, Charter Business: "We are actively involved in those discussions right now to form those relationships. Charter is in 27 states. There is a desire by the end customer … because I represent also national accounts in those cross-state kinds of requests, I see the value in exactly that. As we want to serve that full suite of corporate headquarters to the satellite offices around the country, we need to work together better. We have put in place some tools so that some of those regional or national accounts, Fortune 1000 companies can come to us. Because we are opening the lines of communications between us, we are sharing in that business. Saying 'Hey, of the 1,200 locations that this company came to us with, 800 are in your footprint, 300 are in ours.' We need to work better together and also with the CLECs and ILECs."

Joe Magliulo, Cablevision: "I run both the agent and the enterprise, or strategic channels as we call it. We do speak. All of us have counterparts like David's group and my group. When we speak with someone that has a national concern, we do speak about it and make referrals to each other. Beyond that, like having a single contract, that's not the business we are in. We all have separate businesses that we operate."

Andrew Pryfogle, Terrapin Solutions: "Jeremy, great question. I think most of the people in the room would encourage you guys to figure that out. Being able to utilize your last mile from a variety of you as a single network for a customer would be a tremendous value-add.

"Somewhat related, when it comes to cloud, are you doing any innovation around providing additional levels of quality of service or classes of service in your network for real-time applications that are sensitive to latency and loss — whether it be hosted voice and streaming audio/video?"

David Neely, Charter Business: "We just launched a five-year strategic plan and it was a very big component piece of the next five years of integrating the cloud into our future products. We will be launching before the end of the year SIP in our markets. 2012 looks to have a number of additional items put into our product suite. Hopefully, we will be able to announce some of that stuff in March of next year. There is a lot of very progressive thinking taking place within Charter in terms of moving the ball forward."

Craig Schlagbaum, Comcast Business: "We do have SLAs — [on] coax no, but fiber absolutely [and on] PRI soon. It's not true that we don't have SLAs. That's a misconception depending on the product. No specific cloud-based SLAs. One of our executives is speaking on a panel and can speak more to those issues than I can."

Greg Iuzzolino, Time Warner Cable Business Class: "There's nothing definitive yet. Speaking with my colleagues at Navisite, we are in the process of working with them and our product management team to offer a small to midsize business cloud play. What that entails, I do not know yet."

Joe Magliulo, Cablevision: "From the HFC side, there are no SLAs. Clearly, on the Optimum Lightpath side, there are SLAs on the fiber side."

Khali Henderson, Channel Partners: "You mentioned Optimum Lightpath, that's a separate division, right? Their channel program is separate from yours?"

Joe Magliulo, Cablevision: "It is, but we work very closely together on all of the agents; we kind of cross-pollinate."

Audience Member: "Do any of you offer hosted phone systems and if you don't, do you have plans to in the future?"

Craig Schlagbaum, Comcast Business: "We have it through some acquisitions we have done, but it's not a Comcast product yet, probably will be. ... We are beta testing that in some markets. Eventually, yes, we will have that available down the road in the channel."

Joe Magliulo, Cablevision: "In our Western markets we do — Montana, Colorado, Wyoming and Utah. We acquired that system. As a product offering we are looking at it potentially for 2012."

Greg Iuzzolino, Time Warner Cable Business Class: "Nothing yet at Time Warner Cable today."

David Neely, Charter Business: "We are actually moving very aggressively in that direction, so Cisco UC 300s and moving in with other companies in that direction."

Jana Beck, Concierge Communications: "Can you address the uneven playing field with the direct team?"

David Neely, Charter Business: "It's really simple for us. It's the relationship wins and the ink wins. But to get to that point it's got to be a level playing field. And that is price parity. ... As soon as we uncover that there is a direct quote or a conversation, we communicate to the direct side to make sure the solution is exactly the same and there is price parity. Typically, we find that the agents win 90 percent of that business because they have got the relationship where the direct side is competing on price."

Greg Iuzzolino, Time Warner Cable Business Class: “It’s no different at Time Warner Cable. The philosophy is the 'ink wins' mentality. When we do compete with the direct team it’s not very often, but when we do it’s usually on the fiber products. When we do, we do our best to make sure that our contracts are the same. I think that’s a fair way. I would go a step higher — it’s 99 out of 100 times the partner wins.”

Craig Schlagbaum, Comcast Business: “The beauty of our model is the price is always the same; it never varies so you never have that problem. … We don’t see a lot of conflict though. In the cases where we do, on the SMB side, it’s ink wins. I tend to see the channel winning most of those. On the fiber side, there is a different policy. We call it solution proposal accepted. When the customer signs off on a budgetary proposal from a partner, that account is off limits to the direct team for 90 days unless the agent closes it. The same is true in reverse.”

Joe Magliulo, Cablevision: “The same is true for our program; there’s price parity. It’s all posted on the website. There are no secrets. But we are getting different business from the channel; we are seeing a more sophisticated sale coming in than from our direct sales effort. We see minimal channel conflict because of that as well.”

About

The Author

Khali Henderson is editor-in-chief of Channel Partners magazine, which is part of VIRGO's Communications Network. Henderson has been contributing to Channel Partners as an editor, reporter and contributor since 1988 and has been its editor-in-chief since 1998. Henderson's career also includes seven years in public relations during which time her client list included the Telecommunications Resellers Association (now COMPTEL). Henderson has a bachelor's degree from Arizona State University's Walter Cronkite School of Journalism.

Channel Partners

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