



Ledcor / Comspan Communications

Marketing in a Brown Field FTTP CLEC

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CHARTING THE COURSE TO A NEW IP WORLD

Overview of Ledcor

LTS is part of the Ledcor Group of Companies, a leading North American development, construction and maintenance conglomerate with over 60 years of industry experience and annual revenues exceeding \$3B

US Head Office: San Diego, California
Other U.S. Offices: Chicago, Dallas, Honolulu, Las Vegas, Napa, Orlando, Reno, Seattle, Atlanta and Roseburg.

Canadian Head Office: Vancouver, BC
Other Canadian Offices: Calgary, Edmonton, Kelowna, Ottawa, and Toronto

80% of our business comes from repeat clients, a testament to the quality and value we have been delivering to our clients for over 60 years.

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BUILDING



PROPERTIES



PIPELINE



INDUSTRIAL



SPECIAL PROJECTS



HIGHWAYS



TECHNICAL SERVICES

Overview of LTS

Ledcor Technical
Services
(LTS)

LTS was founded in September of 2003 and currently has in excess of 600 employees and annualized revenues just over \$100 million.

Managed
Services Group
(MSG)

Infrastructure
Services Group
(ISG)

Residential
I&R Group

Comspan

MSG – First Line Maintenance (FLM) , Installation and Network Commissioning (INC) and Sparring.

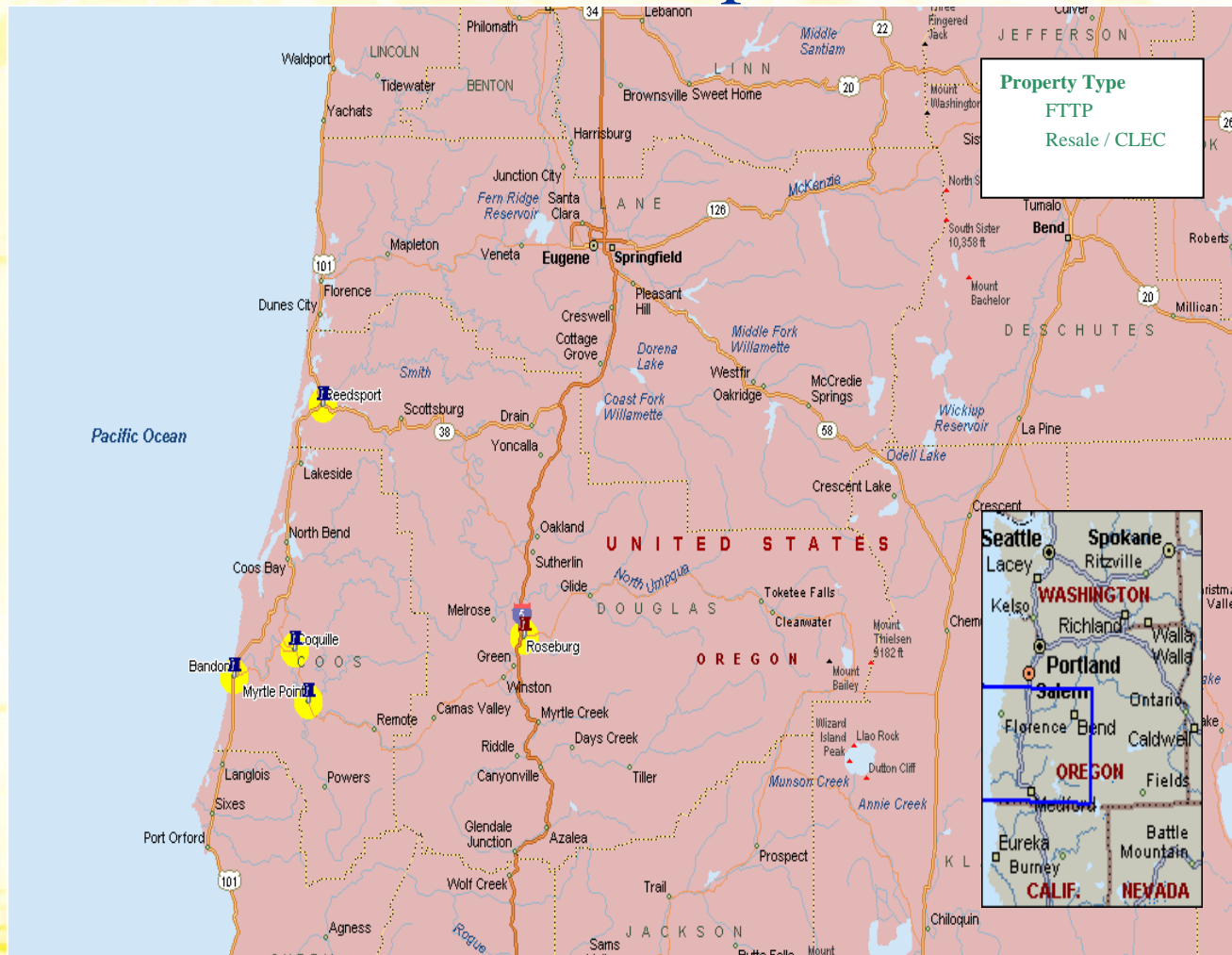
ISG – Construction and Outside Plant.

I&R - Residential I&R of POTS, DSL and IPTV.

Comspan – Rural based FTTP CLEC in Oregon offering Triple Play Services.

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Overview of Comspan



- 1) Four Brown Field FTTP assets.
- 2) Deployed triple play services against existing incumbents.

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FTTP Economics and Drivers => Creates Marketing Strategy

Architecture, Design & Technology

Integration => CAPEX

(Objective of HP of \$2K and HC of \$1.2K)

**Drives
Architecture & Design**

**Community
Selection:
Demographics,
Targets passed,
Competition & Local
Receptiveness =>
Penetration Rates
(Objective > 30%)**

**Business Plan
that generates
required IRR**

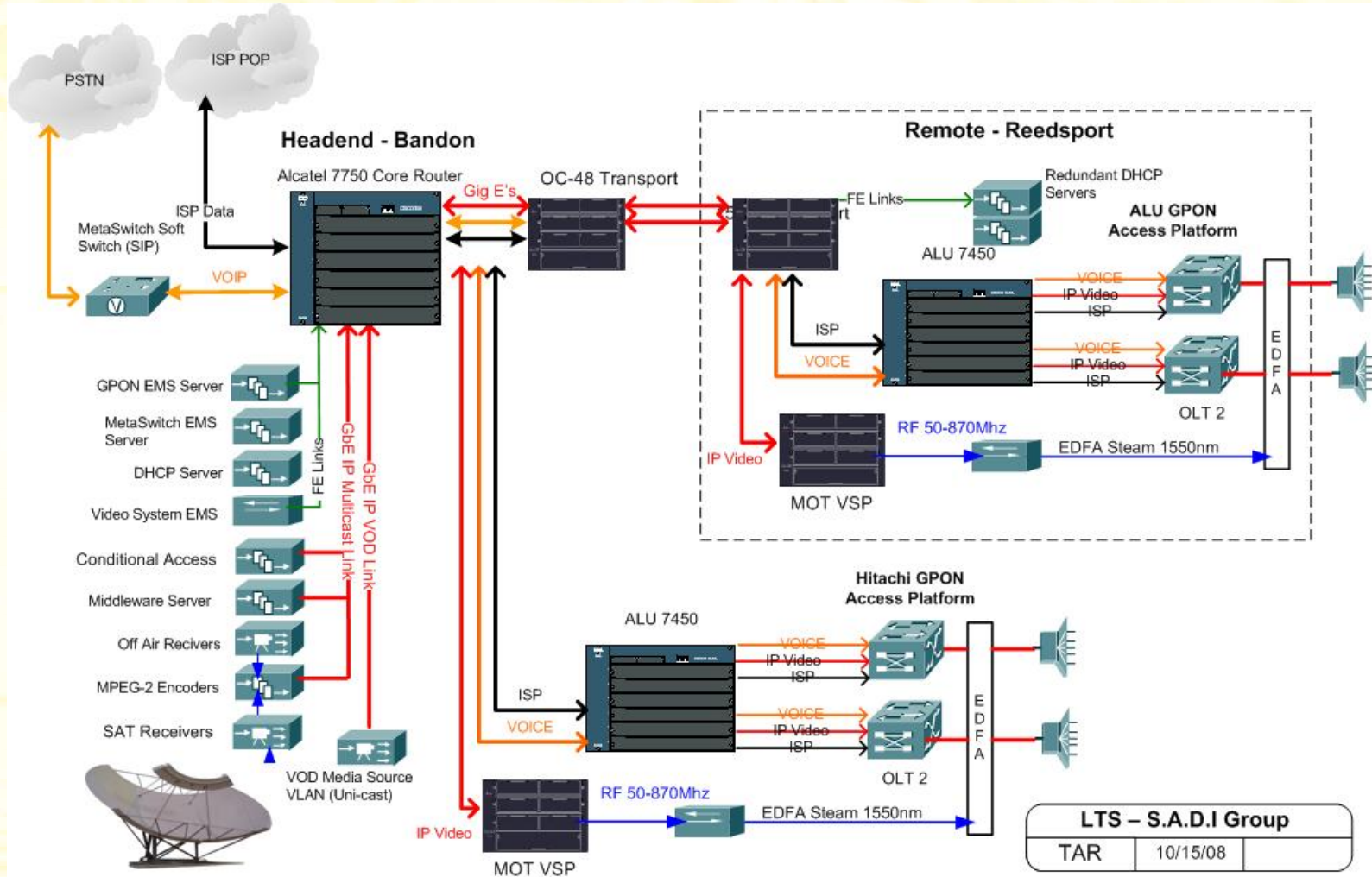
**Triple Play Product
Set Definition:
Pricing, Features,
Bundling, Term
Discounts => ARPU
(Objective of \$110)**

**Drives
OPEX**

**COGS (Content, Peering, Interconnection, LD etc) +
SG&As (Billing, CSC, NOC, Field Services, Provisioning etc)
=>OPEX (Objective of 33% EBITDA Margin)**

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Network Architecture



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Competitive Landscape

	ILEC	Cable Cos	DBS
Bandon	Verizon	Charter	Dish / Direct TV
Coquille	Verizon	Charter	Dish / Direct TV
Myrtle Point	Verizon	Charter	Dish / Direct TV
Reedsport	Verizon	Charter	Dish / Direct TV
Roseburg	Qwest	Charter	Dish / Direct TV

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Product Offerings

	Platform	HSI	POTs	IPTV	RF Video
Bandon	FTTP	Yes	Yes	Yes	Yes
Coquille	FTTP	Yes	Yes	Yes	Yes
Myrtle Point	FTTP	Yes	Yes	Yes	Yes
Reedsport	FTTP	Yes	Yes	Yes	Yes
Roseburg	Facilities Based / ILEC Resale	Yes	Yes	No	No

FTTP Services Description:

HSI – Speeds offered between 2Mbps and 10Mbps

POTS – Digital Voice plus 35 Features

IPTV – 200 plus channels, VOD , DVR and HD capability (7 Channels)

RF Video – 70 channels

Facilities Based / ILEC Resale Services Description:

HSI – Speeds between dial up and 7Mbps

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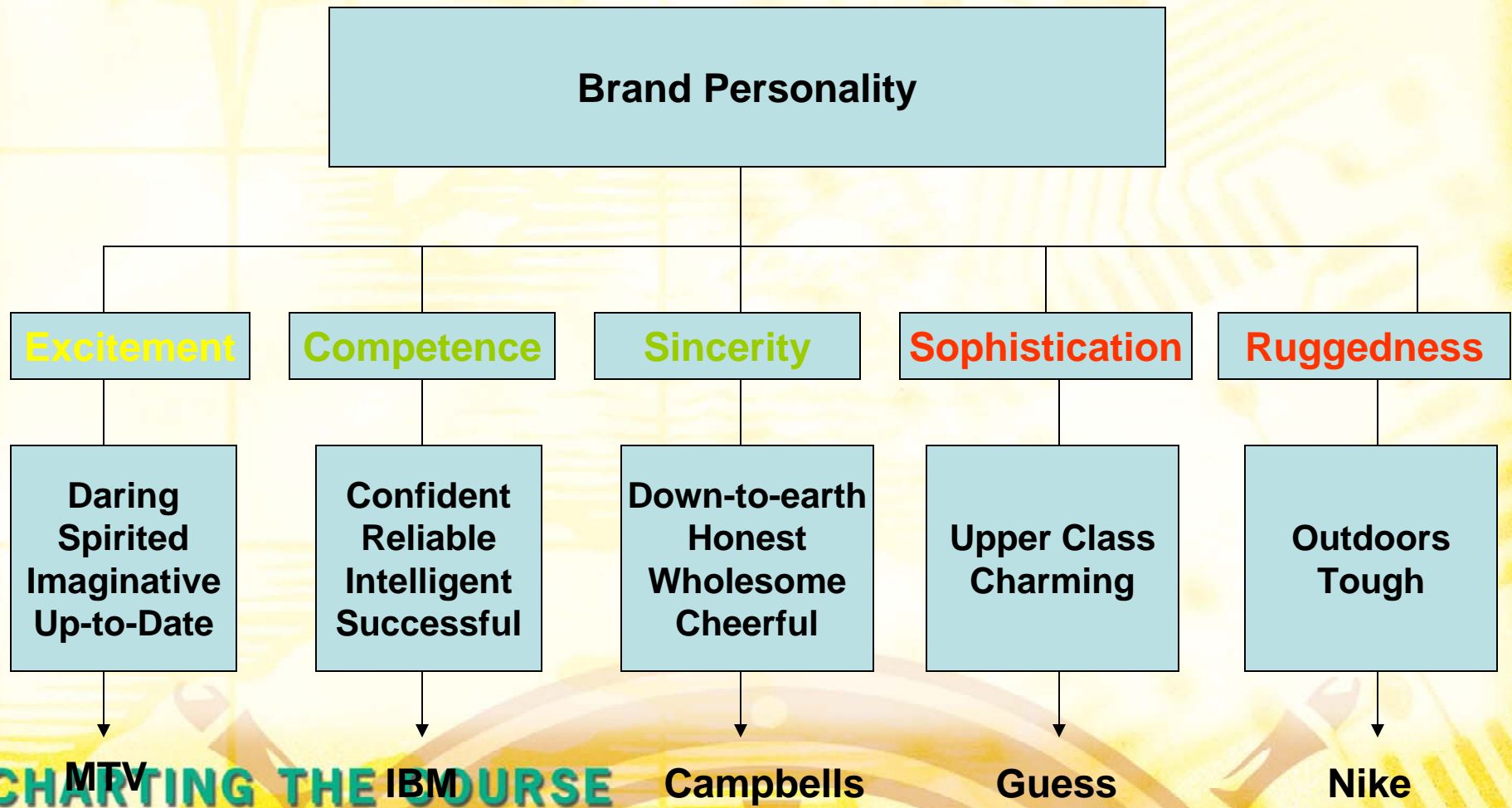
Key Operating Metrics

	Sales Launch Date	# of Premises Passed	# of Customers	# of Res Customer	# of Bus Customers	Overall Penetration Rate
Bandon	Nov 2005	2,153	879	712	167	41%
Coquille	Mar 2007	2,124	403	325	78	19%
Myrtle Point	Sept 2007	1,169	411	354	57	35%
Reedsport	Mar 2008	697	62	54	8	9%
TOTALs		6,143	1,755	1,445	310	29%

	RES ARPU	RES RGU	BUS ARPU	BUS RGU
Bandon		1,622		313
Coquille		812		138
Myrtle Point		883		100
Reedsport		127		22
Averages – Services	104		289	
Averages - USF and CABs	39		67	

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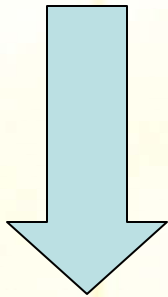
Dimensions of Brand Personality – Where does Comspan fit in?



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What is our positioning Statement?

- To customers who are (Target Summary)
- Our product offers (State what the product does from the consumer's point of view)
- Relative to (competitive alternatives)



Quality – Fiber to the Home => Crisp, Clear, Fast and Reliable.

Service – Local Company => We care about you and your community.

Price – Give more for the same => We are competitive but you get more value for the same spend.

Message that needs to be communicated consistently in the advertising campaign to the target customer base

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Overall Strategy

- *Inform* : 4-6 weeks prior to Sales Launch – Build Brand Awareness in Community
- *Persuade* : Launch Sales Campaign (3-5 months) + On-going Sales Campaign after launch.
- *Remind* : On-going Brand building in the community.

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Sales Tactics

- Door to Door
- Telemarketing
- Direct Mail
- Alternate Points:
 - Kiosk
- Walk-ins
- Pull Events
 - BBQ
 - Free computer training
- School and or Hospital Drives
 - Donations to institutions.
 - Limited Windows.

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Brand Awareness Building

- Ad Campaign
 - Printed Media
 - Radio / TV
- Direct Mail prior to Sales Campaign
- Signage
 - Yard Signs
 - Trucks
- Chamber of Commerce Meetings
- Endorsement of Community Leaders

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Residential Campaign

4 - 6 weeks

Phase 1 : Residential
Sales Campaign
6 weeks

Phase 2 : Residential
Sales Campaign
8-14 weeks

Brand Building

Objective in this phase is to inform community of our arrival and convey our value proposition

- 1) Chamber of Commerce Meetings
- 2) Ad Campaign
 - 1) Radio
 - 2) Printed
 - 3) 1st Round of Direct Mailings
- 3) Endorsement of Community Leaders

Sales Campaign

Residential:

- 1) Target selling to response from 1st Direct Mailing campaign.
- 2) Telemarketing campaign to set up appointments.
- 3) Door to Door only for pre-arranged meetings.
- 4) Walk-ins to Sales Office.
- 5) Kiosks.
- 6) Pull events:
 - 1) BBQs
 - 2) Computer Labs

Sales Campaign

Residential:

- 1) Walk-ins.
- 2) Door to Door Selling.
- 3) Target selling to response from 2nd Direct Mailing Campaign.
- 4) School Drive

On-going Brand Awareness Campaign

- 1) Weekly newspaper ads.
- 2) Radio Spots.
- 3) Truck Signage.
- 4) Yard Signs

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Keeping our Customers

- Stay in constant touch:
 - Phone
 - Mailers
 - Bill Stuffers
 - Community events
- Be consistent with the message.
- Combat ILEC promotions with real information and focus on keeping price points constant but increasing value => More channels, Higher Speed Internet, additional DVRs etc.
- Be pro-active for loyal customers who are sending signals about economic hardships.

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Customer Retention Techniques

- Churn Caused by:
 - Defection to competitors : 25% => Win Back
 - Bad Debt : 25% => Collections Issue
 - Disconnects due to economy : 25% => Flexible Payment
 - Disconnects due to moves out of area: 25% => Market to Premise due to existing CAPEX
- Win-back campaigns
- Flexible payment plans for loyal customers with good credit history
- Door Hangars and targeted mailing campaigns to premises with former customers that moved.

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