

In Cable's Business

By Martin Villaboy

If there is any doubt that cable company executives envision some significant shifts in their business models, it's not among the vendors and suppliers that spend most of their time servicing and supporting cable network operators.

"We have been seeing some interesting trends during the last couple of years," says Lindsay Smith, director, services marketing and business development, Motorola - Connected Home Solutions. Among those trends, says Smith, is a clear desire to be more "telco-like" in terms of service reliability.

"Their interest is quite high in providing five 9s of reliability," says Smith.

A desire for more "robust and reliable networks" also has cable network operators asking Motorola for service maintenance agreements, including the usual metrics around response time, diagnostics and problem resolution and restoration times. "Those things are typical in the telco world and in IT-type networks, but it has been creeping into the cable space," says Smith.

Certainly, this is partly a matter of cable companies finding themselves in head-to-head matches with telcos, which have long touted the reliability of their networks, for consumer voice and high-speed Internet access. But things likely don't stop there.

Smith, for example, senses an expectation among cable network operators of late that video is about more than just entertainment. "It has become an information source," he says. "They want to serve that customer need for information."

One also has to wonder if desires for increased reliability don't suggest intentions to become more active in the business and enterprise markets, where reliability clearly is a more important buying point than it is

with consumer entertainment services.

Recent news from Cox Communications seems to support such notions. Last month, for example, Cox Business Services received the highest honors in a J.D. Powers and Associates business telecommunications services study, the first year in which the provider participated in a survey rating its commercial services, say analysts at Current Analysis. "The participation and award may signal a shift in strategy for the carrier to place increasing emphasis on service quality over steeply discounted promotions for business subscribers," say analysts at Current Analysis.

Also this year, Cox expects to leverage

Business in areas of the country and in commercial centers where Cox lacks a deep footprint or must lease access from incumbent telecom carriers.

Arguably a leader amongst its peers in terms of business services, Cox Business accounted for 6 percent of its parent company's \$7.22 billion in revenue in 2005, showing year-to-year business growth of about 20 percent.

Also not to be ignored are issues of network neutrality and a potential ability to monitor and manage higher tiers of services that can better support real-time applications and services, discussions that up to this point have been dominated by traditional telecom companies. Of course, this is not entirely unfamiliar territory for cable providers, some of which already have franchise agreements with local governments that stipulate if there is a service outage, end users receive a credit on their bill, Smith points out.

Back at Motorola - Connected Home Solutions, efforts to fulfill requests by its customers to boost service and support includes a recent deployment of NextNine's Service Automation Platform. Along with providing Motorola support personnel with advanced customer relationship management tools, NextNine's solution supplies proactive monitoring capabilities that live inside the network and can predict when a problem might occur. "In some cases, it can go a step further than that to prevent the problem altogether," says Smith.

Again, these types of support capabilities tend to be somewhat common to telcos, particularly those providing enterprise and carrier services. But this appears to be one more area where telcos and cablecos increasingly will find similarities. **VBN**

Who Small and Mid-Sized Businesses View as Business VoIP Providers

Non-traditional telcos	25%
Telecom equipment providers	17%
ISP, communications providers	16%
Traditional telcos	13%
No one	14%
Cable companies	13%
Other	2%

Source: Savatar, 2005

its partnership with Sprint to add wireless services to its bundle for a full quadruple play option. According to Current Analysis, Cox and its business services division have eyes on wireless video and introducing a new generation of co-branded wireless devices. Besides retail, the partnership with Sprint "includes plans jointly to develop wireless business service in the 2.5 GHz spectrum," says the research firm.

Also of note, Current Analysis reports that Cox Business has tested and certified for deployment technology gear from Arcwave, a provider of broadband extensions using fixed wireless. Such a capability could prove key for Cox