Provider Perspective

Make 2011 a Successful Year

Success doesn't happen without a plan – you've got to be proactive.

By Bryan Rader Bandwidth Consulting LLC

he new year offers many great possibilities for the private cable industry. Operators who want to take advantage of these possibilities must be assertive and proactive. We must build a plan to make this a successful year.

Here are five suggestions to make 2011 the most successful year yet:

1. Cast a wider net. Look beyond the multiple-dwelling-unit market for opportunities to expand. Several years ago, large franchise cable companies began expanding from residential to commercial centers. Why? They wanted a piece of the small-business market, which was then controlled by telephone providers. Today, Cox, Comcast and Time Warner Cable have commercial businesses that exceed \$1 billion per year and have 20 percent growth rates.

PCOs should target this market, too. Our customized video, voice and broadband packages can be very attractive for small businesses in highrises or office parks. Our technology works well in those buildings, too. To make this a part of your business development plan, target commercial properties in your current footprint.

In addition, operators should look at the hospitality space. Hotels have expressed dissatisfaction with their current options for a long time. Although the satellite guys play in this space, they don't bring the broadband solutions that hotel guests crave. This market can be a huge win for PCOs, and a few operators are already doing quite well in it.

2. Look at Tier 2 and Tier 3 cities. Thirty years ago, Southwest Airlines chose to stay in smaller airports and cover routes the big airlines didn't want. This strategy was hugely suc-



The Broadband Properties Summit multifamily program will explore more options for providers that serve MDUs.

cessful. PCOs should also look at second-tier markets with high-quality MDUs. The only likely competitor in these markets will be a sleepy franchise cable operator. We should take advantage of this opportunity by bringing specialized packages to MDU markets that have been largely overlooked by others.

- 3. Embrace over-the-top video. It should be obvious that consumers love watching free or low-cost video through Hulu, YouTube, Netflix and Apple TV. The cable guys are combating this trend with TV Everywhere, which allows paying, authenticated subscribers to watch TV shows over broadband connections. Let's look for ways to be a part of this trend. Our industry needs a TV Everywhere solution and a video Web portal for content. We should lean on our partners - DIRECTV, DISH Network and others - to develop this solution in 2011.
- 4. Launch a new PCO. With so many opportunities in our markets virtually untapped, we should encourage

new entrants to our business. I talk to potential start-up PCOs all the time. They come from every part of our business - vendors, providers, MDU owners. Help them get started. Encourage the newbies to get in and get going. There are many big MDU clusters looking for a little competition for the local cable company. Let's find ways to encourage start-ups to take hold this year.

5. Consolidate PCOs. Many operators experienced rapid growth several years ago, either organically or through acquisition. Some are doing quite well; others are struggling to get to the next level or even to survive. Running in place is not healthy for our industry. Perhaps this year, PCOs will join forces to increase scale and generate better economic returns for their investors and improve service levels for clients.

There are many ways to make 2011 successful for PCOs. I hope these suggestions generate ideas and strategies to guide your success, and I wish you the best of luck in 2011! BBP

About the Author

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