

Welcome to Dialogue – the new quarterly newsletter from Tiscali Business Services

Mike Edwards - General Manager for Tiscali B2B (UK)

Expand and improve!

At Tiscali we continue as always to expand our service offering to our partners - but we also seek to continuously improve the way in which we support you as one of your key suppliers. Part of that improvement is our new quarterly newsletter Dialogue. In this publication we can take the opportunity to bring you up to date with new technological developments, with latest happenings at Tiscali and with our most exciting successes. Please do take just a few minutes to read this first issue – and we hope that as a result we can increase the two way communication, or dialogue, which we can then develop with you, our business partners.

My vision for Tiscali is that we will continue to be great innovators and to be the first to market with great new products - products which you are demanding. Our solutions are competitive both in terms of basic features and also in terms of the additional benefits which Tiscali's excellent client service delivers.

Our aim is to be genuinely different within this highly competitive and high-demand marketplace. That means bringing you competitive solutions which also provide a choice of clear upgrade strategies, ensuring future effectiveness for your customers as markets evolve. Since becoming general manager I have put a number of changes in place which I believe will prove to be of genuine benefit to you:

- **Pure channel approach.** We have taken the decision never to compete with our partners. All our efforts go into complementing your efforts and we are now almost alone in the marketplace in maintaining this approach.
- **Refocus of client services.** In line with our pure channel approach we are now developing a more focused and effective client services department which will be even more responsive to your needs. This will include dedicated client services individuals who will provide an extension of your own team within Tiscali. I believe that this will support you much more effectively in retaining and adding value to your customer base.
- **Channel-focused management structure.** Out with the old-fashioned functional management structure and in with our new client-orientated model. We have now created dedicated teams of sales, technical and account management professionals who are focused solely on individual vertical sectors. This structure enables us to provide a complete sales support function with dedicated account management, to help you identify new sales opportunities and develop existing ones.

Market update

Now, to the industry in general. It's been a much better year for many of you, with Broadband markets finally passing the 'early adopter' stage and truly achieving mass-market status for the first time. Over 13% of Internet households are now Broadband enabled, but that means that there is still another £2bn per annum of revenue out there for the taking! The market continues to follow the Tiscali lead by offering an increasingly differentiated range of products and we anticipate an Autumn which is packed with innovative developments within the Broadband market – such as higher speeds, flexible bandwidth and usage-based contracts.

We are extremely pleased with the growth of Tiscali's voice market share and we know that this is as a result of the clearly differentiated alternative which we offer. You can find out more about what's been happening in our Voice Services division by reading Sean Flood's article over the page. The UK voice market has seen some significant changes in the last year, with the wholesale line rental market finally 'coming of age' and we expect the calls market will top £7.2 billion in the UK this year. We also believe that the line rental market, which is virtually untapped by alternate operators, will reach £4.3 billion.

We expect to see a large number of new voice and Internet packages being offered to consumers as the increased profitability per customer becomes more attractive. With the Internet market in the UK now standing at 53% penetration - an increase of 3% in the last year - we are sure there will be still further growth. This will come partly as a result of improved Broadband pricing, coinciding as it has with the advent of legal music downloads, which in turn delivers more appealing benefits for previously reluctant surfers. We have upgraded our Virtual ISP platform to enable you to take advantage of this growth.

The opportunity to grab market share is here and now - and only the brave need apply!

Mike Edwards

General Manager - Tiscali B2B (UK)

The latest from Voice Services

First let me extend my own welcome to you from Dialogue - and allow me to spend just a few minutes filling you in on the latest happenings in the Voice Services division. As an Internet company we are pleased to have managed to bring some refreshing changes to the voice market. For example, the roaring success of our Carrier Pre-Select (CPS) product has been very encouraging and we have discovered that this is not just a market for the "old hands".

In July we launched our much-demanded Wholesale Line Rental (WLR) as a complement to the CPS calls service. We are taking a very different approach to many of our competitors and will offer voicemail, various call divert options and of course a range of other supplementary services which your customers may demand. All of these features can be provisioned using the on-line portal, which will make life easier for you.

Many of you have commented that you don't really see the benefit of offering line rental and maintenance to your customers and that this is best left to BT. Our view however is that there is value in having control of the billing relationship with your customer - and in addition, there is the lock-in value of the line itself. These factors will put you in a controlling position and will also reduce churn on CPS minutes. The numerous fixed price and 'free' calls deals which are now available will carry on growing, as consumers want an ever-increasing level of control over their monthly telephone bill. Having the line under your control as well gives you the opportunity to provide them with even greater price-plan flexibility.

WLR offers you the opportunity to compete with BT and other large companies on an equal footing feature for feature. It will allow you to cut the 'billing cord' that still ties your customers to BT and will also enable you to take complete control of the telephone bill, meaning that your logo and your marketing messages can be put in front of your customers every month.

Following feedback from our channel partners, we have introduced CPS with feature line and are currently in beta trial phase. As soon as the service is ready to go live we will contact all of our CPS resellers to provide full details of service availability and functionality. We can now also offer parallel provisioning for your CPS and WLR requirements, which will reduce provisioning timescales by up to 10 days and will allow you to offer one bill for these services, which will further cement your relationship with your customers.

Finally may I take this opportunity to thank all of you that came to see us at Comms Channel Expo in Birmingham in April. We found it to be a great event and it was truly encouraging to see so many of you take strong interest in our voice update and in the launch of our SDSL solution. I look forward to welcoming you there next year.

Sean Flood

Wholesale Sales Director

Virtual Internet Service Provision (VISP)

Tiscali's Virtual Internet Service Provider product is a full white-label solution offering an administration system which allows you to keep a finger on the pulse every minute of the day if you so wish. You can sell directly to consumers, or you can set up mini-VISPs, interest groups or on-line clubs and so on for your customers to access. Our technology – your choice.

We have been very pleased to see a noticeable resurgence of demand for VISP in recent months, a situation which has been driven by two key changes in the marketplace:

- CPS resellers are moving into Internet – as if you want to control your customer's telecommunications bill you need a foot in both the voice and the Internet camps.
- Broadband migration - ISPs are responding to the demands of their narrowband users to move to Broadband.

The choice we offer with VISP also extends through to front-end branding and enables you to integrate this product into your own front office systems. You can then neatly and professionally package your ISP services with any others which you are offering to the same end users. There are two main branding options offered:

- Gold Standard - our Application Programming Interface allows you to fully integrate the Tiscali Virtual ISP platform into your own order management and customer database systems. You have complete control over the appearance of the service and Tiscali remain invisibly in the background.
- Silver Standard - a low-cost quick-start option, which allows you to define your own branding in terms of colours, logos and layout, but does not require you to own and operate any sophisticated systems in-house. This is a simple resale option – just add your logo and go!

You need to introduce your customers to the world of Broadband before someone else does – and if they have a large narrowband end-user base already you'll be pleased to know that we now have integrated ordering of Broadband, which will give you the ability to migrate these end-users much more easily. You can of course, still offer pay-as-you-go, dial or FRIACO access. The choice as ever is yours.

Branded Broadband packages for SMEs

Small businesses have an ever-increasing requirement to gain a practical and affordable but also credible communications presence. To meet this need, Tiscali have developed DSL Pro, a small business package that offers much more than just an aDSL connection.

DSL Pro is available for you to resell for one simple, affordable monthly charge - offering your SME customers business grade aDSL, web space, email hosting, domain name, anti virus and anti spam filtering from just £22.99 per month. With competitive referral fees, full account management and marketing support, it's a great revenue opportunity for your business.

The process is simple. With our support, you identify the opportunity and make the sale - but because we handle all the associated provisioning and first line support, retaining the ultimate 'ownership' of the customer, you are left with the time to concentrate on your core business activity.

To find out more about DSL Pro, take a look at www.tiscali-business.co.uk/broadband, or email channelpartners@uk.tiscali.com. One of our Channel Managers will get in touch to discuss this opportunity with you in more depth.

Magic Broadband download speeds!

It's been a great year for Broadband at Tiscali. We have continued to be a 'doorbusting' leader, launching services such as our Datastream-based Broadband which enables us to offer a far greater range of speeds than the competition. This in turn has enabled us to close that sometimes off-putting price gap between narrow and Broadband access. But now we are planning some new products and services that will top even that!

We're strengthening our Broadband offer by increasing the choice of quality levels and technologies available. Our current Asymmetric Broadband offer comes in a range of speeds from 150kbps to 2Mbps, and with a choice of consumer grade or business grade – and with our new offerings there is, as usual, a choice on offer:

- a fully managed service where Tiscali provides RADIUS authentication and the IP Transit needed for access to the worldwide web.
- a connectivity-only service where you provide your own authentication and IP Transit if that suits you better. This service has L2TP handover allowing you to create your own IP-Sec VPNs.

Tiscali Broadband offers you a choice of DataStream (where enabled) or IPStream-based services. With IPStream we are dependent on BT, but with DataStream-based services, speed and contention upgrades are not dependent on BT – and we also control the quality of the line. It's worth pointing out here that a Tiscali upgrade to DataStream is just that, an upgrade, not a 'cease and re-provide' which can often create administrative hassles and even put potential customers off altogether. All in all, we're sure that your customers will be much happier with our low-hassle DataStream based services where changes take minutes and there is no dependence on BT.

We have recently re-priced our Broadband offering to give you the option of being more price competitive. Almost uniquely, we have kept our products uncapped, preferring to differentiate on speed and quality. This ensures that we all avoid subsequent complaints from customers, such as those who are cut off after downloading three quarters of a movie when they unexpectedly reach their download limit for that month! Not only is their evening ruined but they have to pay for what they have downloaded all over again when they try the next time. Not good for customer service – which is why we intend to remain uncapped.

Watch this space for the next ADSL 'doorbuster'!

Magic uploads too . . .

Symmetric Broadband or SDSL is one of the most exciting things to happen in the UK market for quite some time, but it's launch was quiet and somewhat overlooked. Which is odd when you think that with SDSL your customers can now do practically anything that they could do with a leased line. Using their 512kbps, 1Mbps or 2Mbps service, uploading can now be achieved at the same speed as downloading.

SDSL is a great choice when it comes to creating a private network, with nothing virtual about it! With 1:1 contention, your customers get the same throughput as a comparable leased line, but at a fraction of the cost. If they need a LAN interconnect to enable inter-office file sharing, or a high-bandwidth low-cost way of keeping their web site content up to date, this could be just the solution they are looking for.

SDSL offers shorter provisioning time as well as lower install costs – which are in the £100s not the £1000s – making it a much better option for fast-growing or temporary organizations. In addition, SDSL offers uniform pricing across the country meaning that the preparation of quotes for national organizations is a lot easier for you. Lastly, the cheaper CPE required for terminating SDSL provides you with a ready up-sell opportunity.

Tiscali, ahead of the game as usual, has already launched Symmetric DSL and it will shortly be available from 300 exchanges UK wide, allowing you to target those smaller businesses that may have a requirement for just this type of service.

Introducing a new suite of tele-working VPN services

Forecasts by IDC indicate that tele-working in the UK is likely to expand alarmingly over the next three years, with an expected growth of 1.3 million occasional remote workers and new home workers. As the graph below indicates it is these 'occasional remote workers' who are contributing heavily to that expectation.

- insert graph -

The market for remote access capability is still maturing and businesses today have a wide variety of requirements. We have identified a need to launch a whole suite of connectivity solutions targeted at both the dedicated and occasional home worker, predominantly utilising the benefits of Broadband.

The tele-working market is often seen as a simple one, but in reality remote working requirements are often as diverse as the requirements of the corporate WAN market - and we have identified that the options available today do not meet all of the requirements which your customers may have. Dial-up remote access servers and encrypted Internet solutions provide only 'vanilla' offerings that cannot meet the demands of new corporate IP applications and converged voice and data opportunities.

Whilst 99% of today's remote workers utilise an infrastructure which is completely separate from the main corporate one, the introduction of DSL access and MPLS core networks offer a solution that is very cost effective and inherently secure. Our strategy when deciding to offer multiple alternative tele-working solutions was to be able to introduce a structure that offers you and your customers a simple migration path to more 'value-added' services:

- **DSL Access**

To meet the current mass-market requirement for simple Internet VPN connectivity we are giving you the ability to offer simple DSL connectivity to the Internet, enabling you to build in your own value-added security services such as Firewalls and IPSec or SSL encryption solutions. With pricing starting from just £17 per calendar month, this really does offer a competitive mass-market entry level solution.

- **MPLS VPNs**

Alternatively, Tiscali are now offering you the ability to extend the benefits of a private MPLS IP network to your customer's remote users. Currently, both the public and private sector see MPLS IP network solutions as the alternative to legacy solutions such as Frame Relay or ATM – and as a result, the perception is that MPLS IP is only a solution for large and medium site connectivity.

Our new entry level costs, which start at just £36 per calendar month for a 512k, 50:1 tele-worker DSL connection, mean that MPLS should now be seen as an opportunity to extend the private IP User base to all workers. From a channel perspective we believe that this new MPLS remote working solution offers you not only the ability to generate a new monthly revenue stream, but also the ability to cost-justify new IP investment to your customers, especially in Thin client and voice & video applications.

By supplementing our product range to offer a complete solution for tele-workers, we are also offering you the ability to bundle low cost CPS voice services and WLR when new telephone lines are required, but without a lengthy 12 month minimum contract.

Nathan Francis

General Manager - Product and Commercial

Our new-look Client Services department!

We have completely re-focused our client services department to ensure that we can support you more effectively:

- **Welcome process**

When you become a Tiscali partner for the first time, we manage your initiation with us as if it were a mini project in itself. We'll take you through everything we've promised and provide you with the tick list so you can see for yourself that it has been done.

- **Understanding the product**

We offer pre-sales training to enable you to understand our product USPs and technical constraints, wherever we are in the lifecycle of a product when you join us. This will be especially beneficial for sales, marketing and operational people in your organisation

- **Portal user training**

This jump start is beneficial to the people who handle ordering within your organisation. And for those 'DIY' enthusiasts, or those who just cannot find the time to make a trip to London, we provide step-by-step user guides if you prefer.

- **First line customer support**

Most of our partners prefer to provide their own first line customer support. However, to make things easier when you first join us - and to get things up and running more speedily, all of our products come with self-help ordering, diagnostics and fault reporting toolkits.

- **Service Delivery Manager**

For complex products we provide a dedicated Service Delivery Manager. This person is key in leading you through the training and toolkits available - and their involvement will help you through the early stages of starting to sell a new product. Service Delivery Managers are also tasked with project management and training for larger accounts and complex products.

- **Technical issues**

Direct B2B technical escalation points are available for resolving technical problems so that you can get straight through to our 'wizards' when you need them. We also continue to provide email notifications of planned outages and faults, as many of you say that you find this approach very useful.

When you become a Tiscali partner - or if you already are a partner, as many reading this newsletter will be - you can be sure that the pooled resources of our Client Delivery Teams will be there to support you every step of the way from contract signature onwards!

Goodbye for now

We hope you found the first issue of Dialogue interesting and informative. As I said at the start, we want to engage in more two-way 'dialogue' with you, our partners - so please do contact us with any feedback you have or any ideas for future issues. Please email dialogue@tiscali.co.uk (or whatever) or call 0870 xxx xxxx. I look forward to speaking to you again in our next issue

Mike Edwards

General Manager for Tiscali B2B (UK)