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Achieve Transformative Revenue Growth Using "Location Intelligence"

How Location-Based Insight Will Surface Hidden Revenue Opportunities and Improve Win Rates

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Achieve Transformative Revenue Growth Using "Location Intelligence":

How Location-Based Insight Will Surface Hidden Revenue Opportunities and Improve Win Rates

Summary:
The telecoms industry needs professional partners to provide location intelligence so that sales and marketing personnel can be released from the thankless task of stitching together patchwork information. They can instead focus on what they are paid to do: making good use of deep, location-based insight to deliver value to their customers as well as optimize the organization's sales and marketing activities and investments to drive significant revenue growth.

Challenges facing network operators' growth ambitions

When fiber networks were first introduced, network operators were mainly concerned with coverage, rolling out connections as broad and as fast as they possibly could. Inevitably, the land-grabbing strategy produced diminishing returns as more and more buildings were connected to the grid and "lighting up" new buildings became costlier, ultimately squeezing profit. This sentiment of low return on investment is also reflected in the last Telecoms.com annual industry survey, where 48% of respondents voiced their hesitation to expand ultra-broadband networks (defined as fixed-line service delivering 100 Mbit/s and above to subscribers) due to high cost. On the other side of the same coin, 30% of respondents cited weak ROI as a key factor that dampens their enthusiasm for expansion.

High costs can come in different forms. To start with, there is the sunk cost of connecting new locations and new buildings. According to recent research in the US market, the cost of extending fiber network to a new building can potentially run up to $40,000. With cost of this magnitude, operators need to be sure that they can make a profit out of the expansion before committing to it.

Costs can also spike due to more sophisticated demands from clients, especially corporate clients. Increasingly, business operations are becoming more complex because workforces, which traditionally have been located in one building or on one campus, are being dispersed geographically. This is a result of lifestyle change as well as of new business practices. Working hours are more flexible, more companies are adopting gig economy modes of operation, etc. Fortunately, technological development has enabled remote work, including the introduction of broadband connection, fast internet, VPN, enterprise-level VoIP, software that enables real-time remote collaboration, etc. Ultimately, a one-size-fits-all offer from the service providers will not fit all corporate clients' demands for connectivity given the significant variety in operations, which in turn could increase the costs to serve these organizations.

While it is clear that it is not possible for network providers to espouse the strategy of simply building out connectivity everywhere and in the same form to spark growth due to the aforementioned cost considerations, there is another, equally significant growth challenge that network providers face which, if solved, can yield transformative revenue impact. ›

About Connected2Fiber:

Connected2Fiber empowers network operators to create, standardize, enhance and share location serviceability, accelerating leads through the funnel and unleashing growth. Connected2Fiber's visual interface allows sales teams and B2B marketers to target the best locations with the full perspective of serviceability, demand and competitive dynamics. Seamlessly integrated with the rest of their sales and marketing technology stack, B2B commercial teams gain critical insights to better allocate their sales and marketing resources and increase participation with their prospects in The Connected World.

That challenge is the efficacy of their go-to-market insight, specifically sales and marketing's efforts in identifying and executing on high priority, profitable opportunities. High quality sales and marketing resources are often being deployed to inefficiently prospect which buildings and tenants to target for growth. Even when data is manually piecemealed together in order to identify potential targets, network providers often lack the depth of knowledge regarding the technological stack at a particular location that drives connectivity demand as well as competitive insight regarding serviceability of those needs – ultimately making it very difficult to position and appropriately quote offerings for a profitable win.

To overcome this hurdle and unlock revenue potential, network providers will need building-specific, marketplace data that is both timely and accurate to make critical growth decisions that could have a material impact on revenue. These operators could purchase datasets related to target locations, but often these datasets would only give a broad overview of a tenant's business and miss critical aspects that would be needed as well, such as the networks that are already serving that location.

To fix the heart of this growth issue for network providers, they will need to rethink their go-to-market strategy and how to acquire the location-specific insights that support it to ensure they are maximizing their qualified prospect count, bidding competitively on potential deals, and quoting to optimize profitability. Only then can they start to turn the tide from selectively participating in a small amount of deals to unlocking transformative revenue growth.

Location intelligence to the rescue

In order to get the data and information needed to transform an a network provider's go-to-market strategy, it is important to first recognize that purchased datasets are typically not an incredibly helpful tool and, secondly, that likely a large amount of time is currently being invested by sales and marketing teams to gather needed information from all sorts of sources to make decisions regarding whether or not to market and sell into a location as well as determine how to best position an offering to profitably win a bid. While these decisions are critical, gathering the information in a timely manner and from a trusted source is extremely difficult. Data manually gathered from these teams is often not reconciled, not up to date, and not detailed enough. What is probably worse than spending long hours ploughing through data on a building of interest in order to determine how profitable connecting this building could be is to discover that it is ultimately not profitable after all. This illustrates one reason why fixing location intelligence should be at the center of network providers' sales, marketing, planning and implementation activities.

To define location intelligence more clearly, we mean the data and information needed by network operators to make a decision as to if and how they can profitably sell into a particular building or account.

Typically, there are three types of buildings in the eyes of a network operator:

- The first type is a building that is already connected by the operator's fiber, or an "on-net" building. These are the buildings where the operator has already invested the sunk cost to build and therefore the focus of growth should be on maximising the client base within the building to increase revenue.
- The second type is a building that is not connected by the operator's fiber network but is in close proximity to the existing network, or an "near-net" building. When building fiber networks, operators will select locations in which they'd leave additional coils that can be leveraged to expand the network when needed and at a reasonable cost. These near-net buildings can be potential sources of revenue if for a service provider if they decide to target the locations themselves or via a partnership with a network aggregator.
- The third type is a building that is not connected by the operator's own fiber network and is not in vicinity of its network. These "off-net" locations are ripe partnership opportunities for network operators when seeking to service a large account where they don't currently have any on-net or near-net capabilities.

In order to effectively support a network provider's go-to-market planning and implementation processes, location intelligence is needed in all three groups of buildings and include, among other items, information on specific tenants in a building, competitive intelligence on other operators providing connectivity to the building or having networks in the vicinity, and partner networks that can potentially be leveraged for cases outside of one's own coverage. ›

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Specifically, location intelligence should cover these key angles:

- Identification of on-net and near-net opportunities - including location information of current buildings being serviced and those that can easily be serviced so that the network provider and partner sales teams can identify leads and serviceability status early. This should also include information about the ownership and management of the building, their contacts, office floor size, etc.

- Information on tenants inside of the buildings - including what companies reside there, how big the organisations are, the technologies that they use, etc. Related to this will be information on tenant branch offices in other locations, as corporations often prefer signing service provision agreements with one operator, and the operator needs to find solutions for the diverse operations and locations for a single client.

- Up to date connectivity status – including which network operators are connecting to the building, to which floors, the technical specs (bandwidth, speed, services to run through, other value-added services such as private leased line, security services, etc.), and price levels.

While incumbent operators may find location intelligence valuable in their daily operation, new entrants to a market, without local knowledge, will find it to be indispensable. A recent trend has seen regional operators going national. There are more than 2,500 network providers in the US alone, some of them are aggressively expanding out of their home territory to gain economies of scale. Successful expansion will require trusted, accurate, and rapid insight related to the new competitive marketplaces.

In either case, location intelligence will be vital to strategic choices for any network provider, including their strategy around:

- Identifying Total Addressable Market: Armed with deep insight on on-net and near-net opportunities, network providers can identify and communicate to partners their total addressable market.

- Prospecting Locations and Buildings: Because network operators can see how well a building is connected to their network and have deep insight into tenants and competitive networks, network providers can drastically enhance their prospecting capabilities. For instance, if a building is on or close to an operator's network and only being served by one other operator, it may prove to be a good target to attack; however, if it is already well connected by multiple operators, it may not be a priority for growth. In another scenario, tenants within that building may not have a need for a certain operators' services based on their size, technology stack, or other factors of tenant data.

- Partnership Development: Before deciding to roll out their own network, especially in locations prohibitively expensive to building another network, a network provider can use location intelligence to find partners with the right offers at the right price level and serving the right locations that it can work with on client bids. The operator may, for instance, use location intelligence to identify the best partner(s) to work with and buy their capacity in a "virtual operator" model. ›

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In addition to network operators, who will reap the most direct benefits from location intelligence, at least two other groups will also find this intelligence valuable when pursuing growth initiatives: network aggregators and network infrastructure providers.

- When putting a proposal together to pitch to clients, network aggregators need to have detailed and updated location data, including information on both the demand side, e.g. the building or facility to be connected, the clients in the facility, etc. and the supply side, e.g. the network operators who already supply connection to the building, or those providers whose networks are close enough to extend the connection. They also need to understand the price level of the network operators' offerings to quickly put together a compelling case.

- Network infrastructure providers, such as data centers and towers, need location-based intelligence for use cases such as site selection. This market segment needs to acquire information such as the amount and type of companies nearby, the technology stack at their locations, and the layout of the existing networks in the area.

How to select a location intelligence solution

To get the best out of location intelligence, network operators and other users should only select solutions that can meet these demands:

- Trusted: the data and information should be robust, accurate, and continuously updated.

- Accessible: instead of downloading static copies of the data, operators (or network aggregators, etc.) should be able to view the real-time data and information through visualisation tools like dashboards or a SaaS application.

- Versatile: network operators should be able to link to their customer's system through APIs to show their own network locations, product availability, pricing offers, etc. as well as enable customer queries.

- Ethical and legal: data and information should be gathered in ethical and legal manners. An example of this would be collecting publicly available data or gathering location data through agreements with participants.

Going forward: Cloud, IoT, and 5G

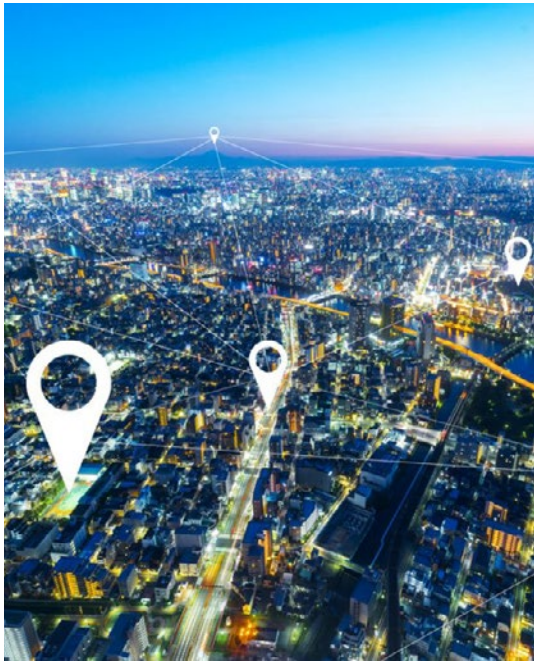
Some key mega-trends in the market will also be generating tailwinds for location intelligence capabilities. A recent trend in corporate practices is that employees and applications are not necessarily co-located. For example, some companies are setting up offices close to key clients' locations. Or in cases pertaining to software development, some companies will constantly dispatch teams to work on client premises. This will require organizations to shift aggressively to secure cloud services including cloud-based applications. A recent research showed that, on average, an American enterprise uses 1,427 different cloud services. Location-based intelligence will play a considerable role in this as companies need to identify how to architect an increasingly private connection to the cloud from their multitude of offices. There is significant growth upside for network providers who can intelligently pitch their offerings to these accounts in a way that is specific to them.

Demand for new location intelligence will also arise when network providers are to support massive IoT deployment. Those locations, for example smart metres and surveillance networks, are not typical destinations for fiber networks. Accurate location data will be critical for operators to analyse and identify connectivity feasibilities and partnership options. Finally, moving beyond corporate use cases, the upcoming 5G rollout will create new challenges for network operators as it pertains to how to optimise their network deployment. More RAN will be needed on 5G to achieve similar coverage as on 4G. Better location intelligence, for instance by identifying specific antenna locations and determining their serviceability, will be needed to efficiently and effectively compete for business.

Re-cap

Pressured by difficult economics and a sub-optimal go-to-market strategy, network providers need detailed and dynamic location intelligence to plan and implement novel and effective go-to-market strategies to expand their networks and grow their businesses. However, data and information needed for this purpose is hard to come by, and resources have been misplaced to gather them with disappointing results. Instead, industry players like network providers, network aggregators, and network infrastructure providers should look to professional partners to provide location intelligence. Sales and marketing personnel can then be released from the thankless task of stitching together patchwork information. They can instead focus on what they are paid to do: making good use of the location intelligence to deliver value to their customers as well as optimize the organization's sales and marketing activities and investments to drive significant revenue growth. ■

> "Location intelligence will be vital to strategic choices for any network provider, including their strategy around identifying their total addressable market, prospecting locations and buildings, and developing partnerships."



Sponsor's Comment

The connectivity space has evolved to a point where participants – from network service providers to aggregators – need to rethink their go-to-market strategy. In an increasingly fragmented marketplace, it will be essential for these players to gain deep, trusted insight into specific customer locations in order to most efficiently and effectively prospect the account, position the right products, and price the deal. To invest in manually-collected, coarse insight that does not quickly drive down into critical location-level attributes will cause money to be left on the table.

Location needs to be front of mind when architecting a winning go-to-market strategy. Market players should invest in location-specific insight that gives their sales and marketing teams the data they need to be most productive. This will become increasingly required as trends such as 5G and hybrid cloud continue to accelerate, and locations matter even more. Connected2Fiber's platform provides the most trusted, robust location-based insight to the connectivity industry so clients can gain the deepest level of visibility into elements such as networks, tenants, and entity types for any given location.

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