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Telecom Channel Growth Remains Strong Amidst Industry Changes

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Nearly 20 years ago, the Telecommunications Act of 1996 spawned an industry of competition and innovation that has enabled the creation of an incredible array of communications services for businesses and other customers. The act was clear in its requirement of incumbent providers to provide open access to the existing network infrastructure to spur market competition. At the time, most of those networks were traditional copper-based networks.



Nearly 20 years later, as networks are increasingly being upgraded to TCP/IP technologies, the Federal Communication Commission (FCC) has again addressed competition and access issues. The FCC's recent order requires telecom providers to offer wholesale telecom services to competitors at reasonably comparable rates, terms and conditions during the transition from traditional copper to newer IP-based networks.

While this is great news for business and other customers, because it maintains the competitive landscape, what does it mean for channel partners? For starters, it ensures that channel partners will continue to be able to offer enterprise customers lower-cost telecom alternatives in partnership with competitive providers in the future. In such a competitive market, business customers will continue to have multiple choices in their service providers, can expect lower and predictable prices, and receive the improved and reliable service that competition fosters.

The channel has always been a strong conduit for telecom services, and this will remain the case, even as the industry continues to evolve. However, these recent changes make it even more imperative for channel partners to understand the inherent strengths each of their partners brings to the table. With this knowledge, channel partners will be able to connect business customers to the competitive provider that best meets their needs and provides the strongest value proposition. This knowledge of what differentiates competitive providers and their solutions will also help channel partners develop strong relationships with their customers.

For example, when looking for the appropriate partner for a large enterprise customer with a nationwide footprint, channel partners need to be familiar with the comparatively few competitors that can provide a comprehensive and broad solution nationwide. For a smaller customer with a regional footprint, channel partners can bring a larger portfolio of competitors' solutions to the table, i.e., those with footprints covering the required region(s).

Understanding the features and capabilities that enterprises are increasingly demanding, and partnering with providers that offer such capabilities, will position channel partners for success. Generally, as telecom networks transition to IP-based services from copper, businesses are looking for ways to streamline their communications services and reduce their telecom costs. Channel partners can look to foster relationships with competitors that offer solutions that address enterprise customers' desire to optimize efficiencies while bringing cost savings.

When channel partners have a good understanding of the myriad solutions and competitive providers in the industry and can properly match provider with customer, the benefit to customers is huge. A channel partner that works with large multisite enterprise customers, for example, can partner with a competitive provider that can provide a one-stop-shop communications solution offering uniform savings; instead of with a series of individual providers that offer disparate regional solutions. Here, the savings on telecom management and other internal operating costs, such as the impact of streamlined billing, that a nationwide solution provides should be emphasized to the large business customer.

The Telecommunications Act is nearly 20 years old and, with the recent FCC ruling, the market remains competitive. Channel partners will be able to work with telecom competitors well into the future to provide enterprise customers with solutions that meet their needs, while maintaining and augmenting partners' revenue base.

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