The Power and Promise of the Network:
Helping Canadian business be more productive and competitive
November 20, 2012

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Check Against Delivery
Hello everyone.

It’s great to be back in Calgary, and an honour to speak here today.

Calgary is my hometown -- where I was born and raised and earned my first degree at the University of Calgary. I still have family living here, my parents and brother's family. So I visit whenever I can, and make a point of being here every year for the Stampede.

You might say I am partial to the idea that you can take the boy out of Alberta….if not Alberta out of the boy.

I really do take pride in the power of the new West inside and beyond Canada. It’s an economic force that goes much deeper than the obvious: the resources – the energy -- in the ground.

It’s the energy to compete – to innovate – to drive productivity into a range of industries that are key to your and to Canada’s prosperity.

Productivity, innovation, competition – these very big words, and how they connect, have fueled a debate in Canada for a generation now.

It’s a debate that goes through phases – some better than others. For a time, you might recall, it was nearly considered a crime for Canada to depend too much on natural resources for competitive advantage. As if Canada were Singapore – or Monaco. As if we didn’t have a long history of working the wealth in this huge land mass we live in.

I am oversimplifying– but my point is: these debates have nuances and should be approached with a healthy disrespect for the simplistic.

Today I want to focus on one nuance – or theme – in the changing story around what it takes to make Canada competitive.

And it’s rooted in my experience in the telecommunications sector – the world of networks – and especially in the belief that competition really is a good thing that we need to embrace – not run from.
The context we all know:

Canada has arguably weathered the financial storms in recent years better than most countries. But we still lag – and lag the U.S. – in productivity which is key to how every country competes.

To put a very fine point on it, Canadian business, today, also lags the U.S. in the adoption of advanced network technology, a disturbing and accelerating trend. This is no trivial matter.

The network is a key ingredient – a foundational element -- in how companies and countries alike compete in a global economy. Having access to an advanced network helps you do three things:

- connect
- communicate
- collaborate

In other words, the network is the great enabler to building strong relationships between your people, partners and your customers.

Customers.

There’s a word that often gets overlooked in the debate.

Productivity – for example – isn’t just about the hard metrics of faster, bigger, more cost-efficient. Although of course these are all important.

It’s also something that sounds softer but is very real: relationships you build with real people who buy what you're selling.

Your customers.

What does your productivity look like from their point of view?

That is the real question – the nuance – I’m interested in.

And the story here pivots around a single word that a customer will truly appreciate – a word that gets my own competitive spirit going:
Promise

Promise, of course, is the potential for good things to come. Like the potential of the network to improve your business.

But, to promise something means much more to a customer.

It’s about accountability, the commitment to deliver.

What customers want today is a declaration – a guarantee – that you will serve them like they want to be served. And if you break that promise – they will expect something in return.

We’ve all heard things like this --

*Thirty minutes or the pizza is free* –

*The package delivered before noon – or it’s free*

*The flight more than 30 minutes late – 50% off on your next flight*

*If you’re not satisfied, your money will be cheerfully refunded* --

Think of the technology, the systems, the networks, the investments involved in making – and keeping! -- these promises with customers.

To meet these rising expectations, and meet them better than the competition – you need to connect, communicate and collaborate.

You need – we need – leading-edge networks.

The issue is: how are you applying the network in your business to be more productive – not just in your eyes – but in your customers’?

Here’s my answer:

- Invest in the network to build stronger relationships among everyone who counts in your business – especially your customers.
- Invest in the network as a platform to create a sustainable advantage.
• Invest in the network to be more productive – and innovative.
• Invest in the network to compete – and compete globally.

It’s understandable why I believe this.

Allstream is in the business of networks – the business of making communications and collaboration, in all its forms, a strength for companies like yours, and over 50,000 customers all across Canada.

At the core of our business is a 30,000-kilometre fibre IP network that goes coast to coast in connecting our customers. And that network connects into other networks in over 70 countries.

The message here is, we’re all part of a global trend to leverage the network to make the world more productive, innovative and ultimately a place where competition can flourish.

Look around --

Every day the world – and businesses everywhere – become more connected. Better connected. 1 billion Facebook fans can’t be wrong.

Think about those screens around which we orchestrate our lives.

Your phone (can we still call them that?). Laptop. Tablet.

Every day, you can do more with these devices in making your business stronger.

Behind the power and simplicity of your screens, there is a very complex environment of innovation and investment on a global scale.

Behind those screens, there are multiple networks and many technologies, all working together.

Hundreds of billions have been invested in this global platform.
And that investment continues today in trends like cloud computing, BYOD (bring your own device to work), and the global mass deployment of IP Technology – the brain of today’s advanced networks, including the Allstream network.

Looking ahead --

I believe we will see even more investment in networks in Canada.

And I want to pause here for a minute because you may not be familiar with some recent news that will have a big impact on your access to the best in networks today and in the future.

Recent legislative changes made by the federal government have now put us on a path, as a country, to make the power of the network more accessible to more Canadian businesses.

Telecom, like the oil and gas industry, is capital intensive. Despite the billions invested in the Allstream network– we must keep investing more. But for the past 20 years we’ve been restricted to only Canadian investment. This change in legislation, which recently went into effect, lifts restrictions on foreign investment in our sector for companies of our size. It now allows companies like Allstream to have access to more risk capital from outside the country in order to expand our network.

Again, as we have seen in the oil and gas industry, the influx of international capital doesn’t make our businesses any less Canadian. It just helps us be more competitive in a global economy.

For more than a century, telecommunications was a regulated monopoly. It isn’t any longer, but some advantages are still there for those who once held the monopoly – the telcos we call incumbents. One advantage was that – in decades past – they had access to foreign capital to build their networks, which was not allowed to new competitors when the sector opened up.

And that has changed – for the benefit of all Canadians.
Now, while these changes are welcomed and indeed necessary, we’re not all the way there yet with the policies to promote the most effective investments in the networks to serve Canada for tomorrow. Today competitors like Allstream still don’t have what we call “mandated access” to the high-capacity Ethernet pipes that the incumbents control through networks they built in the days of monopoly regulation. Changes are long overdue.

For those of you who are not network experts, Ethernet service has a kind of equivalent importance in the 21st century as local telephone service did in a previous era. It’s a basic but vital network commodity, if you like.

And here, the incumbents control most of the local loop for Ethernet service -- the so-called last mile -- into millions of Canadian businesses and homes.

No investor would fund a duplication of the entire incumbent network. More than a dozen competitors have tried and, well they went bankrupt in the process. Instead, we believe the sector and all Canadians would be better served -- and investment in networks better directed -- if mandated access to this local Ethernet loop were made available at fair wholesale rates. This would level the playing field and allow us to direct capital to the next generation of value-added services, which is how we’ll really be of service to Canadian business.

At the end of the day, it’s all about improving competition. And that’s good for Canadian business and all Canadians. Because competition drives innovation. By having strong competitors investing in leading-edge networks, we will see more innovation – faster. And that will empower Canadian businesses to compete more strongly in the global digital economy.

As important as these changes in policy are – as important as the network is in Canada’s drive to productivity – it’s not just the network itself, the ‘physical thing’ in isolation that is impressive.

It’s the power of what you do with and on our network that counts.
Here’s the real heart of the competition argument built on networking:

- Enable your people to work, collaborate and communicate anytime, anywhere – on any device that fits the situation.
- Manage, move, and protect the data that every business runs on today and without which you don’t have a business.
- Business continuity – or disaster recovery -- ensure your business is connected to your customers in any disruptive situation.
- And -- maximize every dollar on networking – including the new low-cost, high-leverage network models like cloud computing.

That’s really a functional analysis of the business case for investing in the network. Where things really come together for me is with our customers and how, working with us, they serve their customers better and make their businesses stronger as a result.

At Starbucks – for years we have partnered with Starbucks and supplied connectivity to their Canadian locations.

We recently put in place a comprehensive network solution that connects into approximately 900 Starbucks across Canada.

It’s a solution for keeping their point of sales terminals up and running at all times…and totally secure for millions of transactions every year.

We support the provision of Wi-Fi for customers who need Internet access while they get caffeinated – and let’s face it, that’s everybody.

Here in Calgary – we are working with one of Canada’s leading recruitment firms, the David Aplin Group.

It’s the kind of entrepreneurial business we really love to work with – big enough to be national, with multi-site requirements, yet small enough to be mostly employee-owned and led by the founders.
They chose Allstream for all their telecom and data networking solutions to connect offices across the country. The recruitment and HR business is – of course – about connecting people.

And here, we are not only connecting their people and data better, we give the business greater scale, reliability, and operational efficiency to compete against the largest global players in their field.

**The Allstream story**

Let me tell you a bit about our customer service journey.

Here again, it starts with the competitive instincts baked into our DNA as a business.

As you may know, Allstream first came into existence as a competitor to the incumbents. While we know that competition is tough, it usually leads to good things for us and our customers. So when it comes to customer service, we saw an opportunity here to change the game – to change the competitive dynamics in our sector.

And like most opportunities, it presented first as a problem: We know our customers want the experience of working with their provider to be easy, personalized and predictable.

But here’s the problem: the telecom industry is not known for excellence in customer service.

Why? You could point to several reasons.

For example – The provision of network services to the business customer is complex and always changing. It’s complicated by the need to combine technologies that are maintained across vast distances, in a harsh climate, serving tens of thousands of customers at once. In other words: we’re doing the best we can under the circumstances.

It’s easy to find excuses – and anyway, I know we can do better.

The net of it was – our industry became known for being difficult to deal with.
Let me be clear.

Our industry has been very successful in serving Canadian business. It has been an integral part of Canada’s growth and development into a modern economy.

But it was long overdue to put the customer at the centre of our business. So what did we do?

We started by taking our own medicine.

To remake our customer service approach, we leveraged our own network solutions we provide to our customers.

It’s like the cobbler finally woke up and gave his own kids new shoes.

We rewired our process – how people communicate, internally and externally.

In practical terms, we set up integrated teams we brought together based on the total needs of the customer – not any particular product or technology.

We now connect – and integrate -- our people today better in every sense.

We also make more of an effort to measure how well we’re doing, how satisfied our customers are. We have made, in a sense, a religion out of getting dynamic, continuous and critical feedback from our customers.

In general, we focus more on providing personalized and consistent communication to our customers – more humanized interactions -- at each stage and within each hand-off in our process.

And by doing all that, we were confident enough to come out with something that we call the Allstream Service Guarantee.

In essence, if we fall down on any commitment we make to a customer, we’ll give them free service – a month’s free service, which isn’t trivial when you have 50,000 customers to keep happy.
Look, we’re not nearly at the finish line here. Allstream is in the early stages of a journey that will go on for years, where the bar will be constantly raised – if not by ourselves, then by our customers.

In closing, and very briefly –

I started talking about the changing story – or debate -- of what it takes to make Canada more competitive.

I guess what I am also talking about is a shift in perspective – or certainly a need for one.

Yes, Canada has productivity challenges – and so does every business if you look closely enough. But every challenge is just the flip side to a new opportunity. The glass isn’t half-empty. It’s half full.

Here’s what I’d encourage you to do.

Look at your networking and IT strategy with fresh eyes.

See not just the challenge – but the opportunity.

See how the network can help you make and keep promises to your customers – promises that are the true definition of productivity as valued by your customers.

Will this help your business grow and compete?

It will.

I promise.

Thank you for your time today.