

## **The Sky Is Falling...Or Is It?**

### **Stop Thinking Like Chicken Little and Play to Win**

This Article first appeared in OUTSIDE PLANT Magazine May 2002

---

by: Dan Clark

What is happening? Are the analysts making us think like Chicken Little? The smart providers are not thinking that way. How will the service provider survive in this new, less-than-stellar economy? We read these questions in almost every trade magazine across our industry. I'm with the smart providers and don't believe the sky is falling. It may be cloudy with a little rain, but the sun can shine through. And, that sky is also not likely to fall anytime soon if you'll embrace some strategies to break from the way things were in the past. Here are some ideas to help make your life as a service provider a heck of a lot easier.

#### **Too Many Chicken Littles?**

For the better part of the last decade, providers and carriers (including ILECs, RBOCs, CLECs, BLECs, IXCs, and wireless companies) have been driving at breakneck speed to connect every carrier hotel and as many ILEC central offices as possible.

When we reached the fail point year of 2001, everything slowed to a crawl. Today, long haul is out, and there is little budget left for the "last mile". On the flip side, research tells us that advanced optical communications equipment will increase the capacity of networks eight times by 2005. And who most needs access to the network? You guessed it – commercial buildings, government offices, schools, and the like. So here you sit, with many underutilized carrier hotels and untold central offices connected to each other, and a good portion of the connectivity stranded and not fully utilized. Just what are you going to do? Act like Chicken Little?

Instead, there are ways to develop a win/win scenario between the customer, the building owners, and provider. Many statistics show the total number of buildings in this country with 50,000 square feet to be about 800,000. Of these 800,000 or so, only about 3-8% have availability to competitive fiber. On the high end, that means 64,000 buildings in the U.S. are fibered for more than one provider with the latest and greatest digit pushers: GigE, Ethernet, and others. That leaves about 756,000 buildings that need to make their way to sorely underutilized carrier hotels.

Then there's the issue of wireless connectivity to the high-speed highway. We hear about the coming of 2.5G /3G in Japan and Europe, but when will this technology really come to the U.S.? If you believe in the viability of wireless access to data by PDA, cell phones, and wireless Internet access, you believe it is coming soon. Are you ready?

Soon, cell sites may be overloaded with digit streams. What follows is the next logical question: can multiple T1s effectively transport this data? More than likely, the sites are going to need fiber connectivity and, in some instances, digital microwave or maybe even wireless fiber. In my opinion, fiber to the buildings and to the cell sites of our cities must occur - the sooner the better. This will offer motivated customers the opportunity to trade their T1s for GigE services and get our industry back on track.

#### **Preventing Analysis Paralysis**

The reality, however, is that providers are finding it hard to accomplish any of this in a cost-effective manner and remain competitive at the same time. To fully utilize the existing network, I would argue that you as a service provider must stop lamenting about the way things used to be and break ground on new strategies to enable the transition to wireless and last mile connectivity. Let me help re-orient your thinking by sharing just a few suggestions to prevent some of the analyst-induced Chicken Little syndrome:

- Utilize the well-trained telecommunication work force that has been developed over recent years. Consider total scope outsourcing. In this market, providers should carefully choose the engineering firms with reasonable margin requirements and sterling track records.
- Explore new non-disruptive technologies such as micro conduit and fiber networks.
- Investigate collaborative program management tools that will finitely track progress and expenditures.

**Outsourcing:** During the last decade, many fine minds have entered the contracting business. So why not outsource more of the work? Today the people resources in the telecom industry far outstrip the need. Prices to you are fair, and the contractors' ability to meet deadlines is even better. A trained work force is waiting to go to work, and there are full-scope firms waiting to put their people into play. It makes sense for providers to utilize the economics of full-scope outsourcing.

When utilizing full-scope outsourcing, overhead is greatly reduced and work fluctuation challenges are eliminated. To do this, begin by generating a list of qualified, full-scope contractors to use for a variety of different projects. Of course, there may be multiple firms in the same area. This competition between outsourcing firms is not a bad thing. You can pick the best and move forward together. Just remember to hold the firm you choose responsible for the total scope of the project – concept to turnover. If they don't perform on the simple tasks, whether it's drawing up multiple estimates or returning your phone calls, get them off the qualified list. It's that simple. Doing this will allow you to fine-tune your qualified list of contracting firms and get on with capturing your fair share of the digit business.

**Non-Disruptive Technology:** Traditionally, providers place a 4-inch PVC into a building equipped with three 1 1/2 HDPE SDR11 innerduct and a .4 diameter 48-count fiber optic cable in one of the innerduct. Why? Today, less intrusive technology is available that can accomplish the same task with a smaller profile. Micro technology has been evolving in Europe over the past five years and is now fully developed. In fact, it's the preferred method for deployment of subtending rings and laterals in many major cities in Europe. It's time for micro technology to become popular in the U.S.

Micro technology saves the provider money. There are companies in the U.S. offering this service on a turnkey basis, and service providers should seek out these companies to explore this technology. There can be a cost savings of some 25% - 30% on the installation alone. The benefits are as follows:

- Using a smaller bore
- Eliminating back reaming and the associated danger to existing plant in the area
- Increasing the opportunities for overbuild
- Reducing the need for building penetration in the first place by sharing an existing building entrance

**Collaborative Program Management:** How do you stay informed? There are plenty of highly developed (and user-friendly) program management tools specifically designed for the telecommunications industry. These map-centric software applications provide secure web access for all stakeholders and can be easily updated by all program participants as often as needed. The progress of each individual project activity can be tracked on a real-time basis. This includes: engineering/design, permitting, building/cell site access, material status, and any other element of the deployment process. This tool will give you information that was not easily accessible in the past.

In addition, there is software available for collaboration of technologies to drastically improve the review-and-approval cycle during your engineering/design process. Electronic review, approval, and distribution of design record sets of documents can save tremendous time during the design cycle, and reduce countless errors through real-time document collaboration.

### **The Sky's the Limit – It's Not Going Anywhere**

Profits are not pie-in-the-sky for providers who can economically accomplish connecting building and cell

sites to existing rings and backbones – even with ubiquitous coverage. To accomplish this, you must prudently select properly priced sole-source engineering firms that can handle your business from soup to nuts. In addition, providers must throw away the old ideas of infrastructure deployment and accept new micro technology. And you must manage this new build via the latest Internet-enabled program management tools. When you couple all of this together with prudent joint-builds and superb cooperation with building owners, you will produce a winning formula for getting our industry back on track.

Sure, it's not simple and it's definitely not without financial risk. At the same time, we who refuse to be Chicken Littles also know that the most rewarding efforts are never easy.

Dan Clark is VP - Business Development for Byers Engineering. He has more than 35 years experience in building national and international fiber networks. For more information, call 404.497.1943, email: dan.clark@byers.com, or visit: www.byers.com.

---

go back  
home

How Will YOU Make it Work? November 12-13, 2003 • Denver, CO

**osp expo**  
The Infrastructure Solutions Show

---