

## Rates Going Up for Complaining Customers, Jokes Phone Exec

by Edward J. Barks, Special to *The New York Times*

Telephone services provider XYZ Tech is not quite running on all cylinders. Adoption of Internet telephone service is "a little slower than people had predicted," according to Jane Smith, the company's Chief Financial Officer.

"I don't know that we have any failures," continues Smith. "If I could improve something, I think I would improve our time to market with our products."

Some customers are starting to grumble about implementation issues surrounding last year's acquisition of 123 Telecomm. "Who are they? We're going to raise their rates," she cries in mock horror.

"It put a little delay in us really rolling out adoption with our customers," she says of the purchase. "Some time is spent in migrations right now rather than in new customer sales."

"In hindsight, I wish we could have made the move to the new products a little earlier," she laments. "That's the only thing I'd say I'd like to see us execute better, is our time to market with the products because we don't want to miss the adoption curve."

As for XYZ's niche, Smith describes it by launching into a jargon-laced romp: "We've been in it in the corporate space right from TTY and PC up through the current web channels." She returns to earth to explain, "We were actually the first Internet telephony service for consumers."

She depicts the firm's mission as "enabling customers to better manage their calls more conveniently through these electronic channels with a better return and at the same time trying to reduce their costs."

Smith professes little concern about main rival, Dial Me, Inc. "I don't think we're playing catch up with them," she claims. "We may be catching up to them in terms of the marketing because I think they have hyped their product a little more than we have."

"They're trying to rewrite all their product line with more standard spaced state-of-the-art technology and we're already there."

"I think people don't realize that XYZ does \$999 million in revenue, so it's actually a bigger player than any of the Dial Mes or Acme Corps and so on," she says. "We've been in this space for a number of years, since 1985."

"We have been profitable for years and years," Smith says of the company as a whole. What about the firm's Internet telephone service specifically? Conveniently, "we do not report separately."

Future trends bode well, she believes. Although XYZ has conducted no original research into the question, she cites a magazine article from an unnamed publication that predicted the service is "only going to grow by 50 percent between now and 2007. Well, 50 percent is a pretty nice growth curve in any business."

Part of that growth will stem from such factors as "a high volume consumer customer wanting access to clear voice service the way a corporation does," she concludes.

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