



Phillips Communications aligns with ADC to provide superior customer service and responsiveness to its end users.

CASE STUDY

Phillips Communications, a major reseller of new telecommunications equipment, got its start nearly three decades ago by decommissioning central offices. Founder Harold Phillips soon transformed his Charlottesville, VA-based company into a successful value-added reseller (VAR) by gathering up, refurbishing and reselling the de-commissioned switching equipment. In the late 1990s, Phillips Communications built on its by-then substantial base of telco customers to transform itself once again, this time into a supplier of new equipment manufactured by ADC and other vendors.

In addition to providing the hardware its customers require, Phillips Communications offers pre-sales engineering and technical support services. Vice President Bobby Baine says the service opportunity opened up about 10 years ago because many of the telcos within the Phillips customer base did not have their own engineers and support staff. "Many times, we would work with our customers to fix network problems that had nothing to do with the equipment we had provided. We would help them by checking the configuration on our equipment, and when we discovered that it was set up properly, we would then go further into the network to troubleshoot. The idea was to help out regardless of whether or not the problem was ours," he explains. Phillips Communications, which employs about 35 people, also provides kitting integration or "rack and stack" services, along with inventory-management, warehousing and logistics/supply-chain services. These activities originate in eight warehouses, all located within the Charlottesville area and totalling more than 100,000 square feet.



Today, Phillips Communications serves four primary vertical markets, with independent telcos and CLECs continuing as its "bread and butter" accounts. The other two major customer sectors are utility companies and power-installation companies. Baine notes that last vertical consists of the organizations that do much of the infrastructure work for companies such as Cox Communications, Verizon and AT&T. "We provide them with everything from the installation materials, like lock washers, lacing cord, and ladder racks, to the complete 10,000-amp DC -48 volt system itself."

SUCCESSFUL FTTX DEPLOYMENTS DEMAND THE RIGHT EQUIPMENT

Telcos of all sizes currently are ramping up their FTTx deployments, and many of them are incorporating ADC fiber-management equipment within their infrastructures. According to market-research firm Ovum RHK, 1.6 million FTTx subscribers signed up in the fourth quarter of 2007, an 11-percent increase over the previous quarter's numbers. The Asia-Pacific region leads the way with 84 percent of all global FTTx installations, while North America accounts for 14 percent. Although the FTTH (fiber to the home) Council tracks only FTTH deployments, not FTTx deployments, the organization recently reported that in the United States, Tier 3 (non-RBOC) service providers are leading the FTTH charge; Verizon recently joined them. Baine says this acceleration of FTTx deployments is prompting many independents and CLECs to turn to Phillips Communications for the equipment they need.



"We still sell much of the copper-connectivity equipment, but FTTx is driving a lot of what we're doing," he says. "We're seeing companies that previously were confined to small areas of service, small telephone companies, for example, that are now branching out in different areas with fiber. Everyone is in the game to provide high bandwidth for integrated services, and fiber is one way to do that."

Some customers have already selected the equipment they want when they come to Phillips Communications, but Baine says many ask his company to help them determine the appropriate solution for their particular requirements. "Because of our pre-sales engineering and our focus on providing the right products, we typically take their details and the specs on what they're doing, and then we recommend the right product to fit their needs."

Often, the right product, in the opinion of Phillips Communications, is an ADC product. For example, Baine says one of the most popular solutions with Phillips Communications and many of its customers is ADC's FiberGuide® Optical Raceway, a fiber-management system which protects and routes fiber optic patch cords and multi-fiber cable assemblies between network elements and optical distribution frame areas.

A GOOD FIT BETWEEN DISTRIBUTOR AND MANUFACTURER

Baine says that although most customers are familiar with the ADC brand, that is by no means the only reason Phillips Communications suggests they deploy ADC products. Another crucial reason is ADC's willingness to support its products. In fact, he emphasizes that Phillips Communications always teams up with companies that are willing to provide service to Phillips Communications, so that it in turn can provide technical support services to its customers.

"Phillips Communications is not trying to be everything to everyone, but the manufacturers we align with have to have certain characteristics. The two key things are service and responsiveness. We look for manufacturers who are committed to being there for both their vendors and the end customers. If it takes a manufacturer a long time to respond to a problem, many times the customer loses confidence.



Baine has rejected potential contracts with major companies that have approached Phillips about selling their products--simply because they will not support their products. "Or," he says, "they want to charge the customer for their services, just for making a simple phone call to ask how a piece of gear works or to work through a problem."

By contrast, he says that whenever Phillips Communications or one of its customers has an ADC sales or service issue, ADC is very quick to respond. "With one phone call to my ADC sales rep, I have many resources available in a short order, from customer service to technical support. The end result is happy customers for both of us."

MAKING SURE THE CUSTOMER OBTAINS LONG-TERM BENEFITS

He acknowledges that ADC is not the only manufacturer producing the right technical solutions for today's FTTx deployments. Yet another factor contributing to ADC's success factor is that ADC also positions its solutions to meet his customers' capex and opex requirements. Today's telecommunications industry, Baine says, is all about "quality products and good prices.

"A lot of times, we'll recommend the right product for a customer, and its cost may be 50 percent higher than the next product in line," he says. "The customer simply says, 'nope, I'm on a budget, and I can't afford it.' Our customers purchase ADC because the product is solid and reasonably priced."

CASE STUDY



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