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New Paradigm Resources Group Offers New Studies – and Executive Seminars – on Success Strategies and Survivors in Competitive Telecom

Studies Provide Analysis of Winning Tactics, and In-Depth CLEC Performance Evaluation

Executive Briefings Address Company-Specific Strategic Planning

CHICAGO, AUGUST 13, 2001 – New Paradigm Resources Group (NPRG), the leading analyst organization of the competitive telecom industry, today issued two studies that, respectively, provide an objective analysis of the winning and losing strategies of the CLEC industry, and examine the companies most likely to survive, go public, be acquired – or go under – in the current market climate. Concurrently, NPRG launched a series of executive seminars designed to provide tailor-made consulting services and strategic direction for individual companies.

“Many CLECs have reached the eye of the storm – a relative calm created by cutting costs, scaling back expansion plans, and improving fundamental business operations,” said Terry Barnich, President of NPRG. “Staying afloat through the next storm cycle will require intense dedication to deploying business strategies with proven success metrics, and an unerring course toward reliable market opportunities with demonstrated revenue potential.”

“The new studies review the strategies needed for success and the companies that are implementing them, while our exclusive seminars provide the insight companies need to redirect and fine tune their business strategy,” said Craig Clausen, Senior Vice President, NPRG. “At a time when the market is totally unforgiving of error, it is critical that competitive providers – as well as their vendors and investors – know the strategies that work, and avoid the missteps of companies that have stepped off the brink.”

Identifying & Evaluating Competitive Telecom Strategies

NPRG’s report, *Identifying & Evaluating Competitive Telecom Strategies*, provides an examination of the business strategies that have led to the success of selected CLECs,

and the failure of others. The report analyzes five areas of competitive telecommunications strategies: Market, Product Portfolio, Operations and Technology, OSS, and Financial. Successful – and unsuccessful – strategies, for example, total service resale and “product only” DSL, are examined, and illustrated with case study examples from among the CLECs.

Among the findings, the study points to the following market opportunities:

- Broadband. Notwithstanding reports of a national bandwidth glut, at the local level demand remains high for broadband services;
- Small is Beautiful. The RBOCs’ strategy of focusing on their largest customers, and de-emphasizing sales to small and medium sized businesses, continues to provide a significant market opportunity.
- SOHO. Small home offices, as well as residential customers, represent pent-up demand for high-speed connectivity.

The Competitive Telecommunications Survivor Report

A second NPRG study, *The Competitive Telecommunications Survivor Report*, offers a detailed examination of 51 CLECs from the operational results standpoint, and forecasts winners vs. losers.

The study assesses future prospects for each company and assigns a ranking as: long term player, potential long term player, IPO candidate, acquisition candidate, challenged company, or company in need of immediate cash infusion.

Dismissing “facile explanations” for the CLECs’s trials – such as the failure of the Telecommunications Act or intransigence of the Bell monopolies – the study hones in on business practices and economic forces behind the industry slump, including: a legacy of non-operating strategy; over-investment and over-capacity; slowing revenue; and the general economic downturn.

“For most companies, there is no alternative other than successful operation through a prolonged period of difficulty,” said Barnich. “Operational efficiency, cash conservation, and realistic long term planning will be critical.”

Executive Seminars

To aid industry analysts and providers in their strategic planning, NPRG is complementing the studies with a new series of exclusive confidential executive seminars offering in-depth analysis of the current state of the industry and its future direction. In partnership with highly influential telecommunications lawyer Andrew D. Lipman of Swidler Berlin, NPRG’s seminars will help CLEC executives chart a course for the future by providing industry analysis, discussing business strategies and operational issues, forecasting market consolidation and reviewing important regulatory issues.

“The opportunity to speak frankly with top industry analysts in a confidential and exclusive setting will be an invaluable asset to CLECs who are planning for the future,” said Clausen. “NPRG brings a wealth of experience to the table, and we look forward to sharing our insights and success strategies with the CLEC industry.”

Identifying & Evaluating Competitive Telecom Strategies is available from NPRG for \$3,850, and *The Competitive Telecommunications Survivor Report* for \$3,850, by calling 312-980-4796, or by ordering through NPRG's e-commerce site at <http://ecom.nprg.com>. Confidential seminar programs can be arranged by calling Craig Clausen at NPRG, 312-980-7848.

About New Paradigm Resources Group

New Paradigm Resources Group, Inc. is a research and consulting firm monitoring and analyzing developments in the competitive telecommunications industry. NPRG maintains an extensive array of proprietary databases that support our foundational industry reports, which, in turn, fuel our client-specific expert consulting work. NPRG publishes the *CLEC Report*[™], a biannual multi-volume review of the state, trends and future of the competitive local telecom industry, as well as the *Gig-E/MAN Report*[™], *ISP Report*[™], *DSL Report*[™], *ASP Report*[™], *Utilities in Telecom Report*[™] and the *BLEC Report*[™].