

How Carriers Can Make Money By Saving Money

FON Talks With Sequil's Jeff Conley About The New Consultant's Role

Cost containment may not be the Number One concern of today's fiber carriers and service providers, but it probably is somewhere close to the top of the list. Instead of planning for expensive network enhancements, many companies are deciding to make do with what they have while looking for guidance on boosting revenue streams. Jeff Conley, managing partner/founder of consulting firm **Sequil Systems Inc.** in Boca Raton, Fla., traded in a lucrative project-management career — which took him to such exotic sites as Malaysia, Hong Kong, Beijing, Shanghai, Mexico City and Cairo — for a startup in southern Florida aimed at helping carriers do just that.

Conley, an architectural engineer with years of experience designing voice and data networks, and cabling systems for high-end highrise commercial buildings — including the Petronas Towers in Kuala Lumpur, currently the tallest building in the world — was introduced to the commercial telecom world via a stint with **Pacer International**, a designer of single- and multi-site telecom networks and switching systems.

Conley's startup Sequil began its life trying to raise the capital to market its dynamic wavelength multiple access (DWMA) technology, for which a patent is pending, but he admits the timing in 2001 wasn't exactly right for garnering capital. As a result, he's put DWMA on the shelf for a later, more conducive time, and he's again concentrating on communications infrastructure planning and implementation.

"Sequil provides its corporate and enterprise clientele with a unique set of strategic and tactical services designed to enhance their ability to communicate and collaborate in a highly flexible, cost-effective manner," Conley says. "Sequil's mission is to take an advisory role in adapting technology for the needs of the enterprise; we do not resell equipment, therefore, we maintain objectivity through the entire design process."

Fiber Optics News talked with Conley

about Sequil and some of the unique value propositions a consultant can bring to a going fiber concern.

FON: The basic premise of Sequil is to help companies and carriers do better with the networks they have. How do you do what you do?

Conley: What a lot of carriers and service providers have learned is that it's hard to differentiate yourself when you offer the same kinds of services as everyone else does. They need to offer some unique services, and my background in engineering allows me to help them do this. I'm extending the



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Sequil brand into something I have a lot of experience in: the design, strategy and planning for point-to-point telecommunications services.

We're negotiating with a municipal client right now who has a fiber-optic network in Florida. This client initially wanted to sell wholesale dark fiber, but there aren't any customers for dark fiber anymore, so they decided they wanted to sell lit capacity. But the wholesale market has been struggling for the past two years, and now they are looking for some help in rethinking their business model and in redeveloping their network into something different.

FON: Why should carriers use a consultant when they begin to evaluate their networks, rather than just using the expertise they have in house or depending on their vendors?

Conley: I've always been a believer in a consultant's role in any kind of complicated project that has high-budget hard-

ware and systems that need to be integrated. Most of the vendors out there have expertise in house, but it's focused on their products only. What we bring to the table is an independent approach that allows us to look at what a customer has and what else is out there. We also advise the customer on how it can better utilize what it has and how to determine if the next deployment or upgrade will use the same type of equipment from the current manufacturer. There might be better, faster, cheaper, more cost-effective ways to expand a network rather than just continuing with the current stuff being used in the network today.

The cost of a consultant is small compared to the value one brings regarding providing a better sense of what's out there and the strategies that can be used. A lot of companies' in-house teams are focused on one particular vertical market, and there's a lot more out there in the broadband world. Through rethinking customers' strategies, we can help them reach outside the box they're in now.

FON: What kind of cost-saving can result?

Conley: In some cases, the savings are quite substantial immediately. One of our clients is building a network from scratch in the Southeast, which is unusual in this environment, but they are using equipment we are finding for them from auction houses. They don't mind buying second hand; they are saving millions. This allows them to focus on their goal of providing service rather than on worrying how nice-looking a network they can build, which isn't important anymore. What is important is how many customers a carrier can drive to its network, which doesn't have to be flashy.

FON: How do you go about drumming up new business? Do companies come to you or do you depend on RFPs to make contact?

Conley: This last municipality project actually came to me via a contact I had there. Sequil is small, and we aren't spending a lot of money on marketing,

so most of our work comes through personal relationships.

One of my clients is a telecom-disposition company formed to help bankrupt service providers sell their assets and fiber routes, and that's been keeping me busy. Obviously, there is a lot of underutilized equipment out there, and even going concerns are getting rid of inventory. We help this telecom-disposition client find buyers for fiber routes and equipment, but it's not your typical auction-type thing. There are all sorts of technical issues and business issues related to asset distribution in the telecom space, particularly software and licensing that goes along with the actual hardware associated with fiber routes. We help clarify and streamline the process.

FON: Are there many competitors in your field, or are you unique? What can a small consultancy offer that a larger concern cannot?

Conley: Sequil competes with large systems integrators/engineering consultants, with whom I competed for large projects when I was in New York and now I'm competing with them again on smaller projects, due to the economy. But I think this will be changing soon,

and these large companies won't be bothering with the smaller contracts.

Many of our competitors have contracts with major equipment vendors, but we complement them to a certain extent rather than competing with them. We do peer reviews in some cases, and we can be that independent third party that can look over a proposal to judge if there is a better way or if the proposal will work within the business needs of the customer.

FON: In this economic environment, are you finding that customers are staying with the equipment and software they have now, or is money going to be spent this year?

Conley: I think that by the end of the year, we'll see some spending, and definitely by next year. Some of the systems integrators with whom we work are starting to see some activity from federal and municipal governments, more so than from the corporate world, which will continue to lag. Keep in mind that most government LAN equipment was replaced in 1999 to ward off the Y2K joke. While the typical replacement cycle years ago was 18 months, we've seen that trend stretch into three years

or more, which is unusual. But people now are beginning to rethink things, and they are looking at IP telephony, which is about ready for prime time.

FON: Sequil still is young, with room for growth. What are your plans?

Conley: This business is a very good one, and it's somewhat predictable, if you can believe that about companies today. We'll be sticking with it for awhile, but as the market matures, we'll revisit our original Sequil model, which is wireless deployment. We will begin packaging that as a solution for clients who are looking to start their own networks. We also will help them manage it, if they want, as an extension of our consulting business.

I feel confident that the recent FCC decision [regarding unbundling] will help push Sequil along. The current model, particularly for long-distance carriers and CLECs, is to buy and resell the local loop. We will be talking to those who either have networks and are currently leasing the last mile from the telco or to those who want to build a network. The dismantling of the Telecom Act ultimately will be good because it causes carriers to look at other ways of doing things.

SHOP TALK

Why An All-Optical Network May Not Be For You

Much has been said about the cost savings of using an all-optical switching matrix versus an optoelectronic switch. The choice in the switching technology used at the metropolitan area network (MAN) core will be governed by the client signals the core has to support. In this edition of *Shop Talk*, independent consultant Ram Palissery talks about the hurdles metro players face as they choose the next technology to be used at the metro core.

The metropolitan market typically is characterized by a wide variety of service offerings and a constantly changing network demand profile. Demands for service range from traditional DS1/DS3 services to such standard SONET offerings as OC-3, OC-12, and OC-48 to such non-synchronous transfer mode signals as D1 video, asynchronous signals, ESCON, FICON and others. Demands can change rapidly and unpredictably as customers grow, move or change their networks. Solutions for building multi-service metro networks must be able to cope simply and economically with a variety of signals in a rapidly changing environment. The design of optical metro/access net-

works benefits from considering particularly the type of access required, the features of the access nodes and switching nodes that share wavelengths and the types of routes allowed. The metro is not a scaled-down version of long-haul networks where DWDM is used to alleviate bandwidth constraint in certain links. The metro, where most voice and data traffic originates and terminates, is far more complex.

While attractive from a purely conceptual standpoint, an all-optical approach does not prove to be cost-effective financially in the current market. Most carriers are facing situations where capital budgets are tight along with a heavy debt load and significant

customer churn. Although an all-optical network offers greater flexibility in terms of bit-rate transparency and protocol independence, the practicality of the same in terms of planning, designing and deployment of such systems maybe in question while capital expenditure is considered. Also, the reality is such that there are few applications in the metro that require an all-optical signal across the network. Thus, service providers must cost-effectively migrate their current optical-electrical-optical (OEO) conversion points at the edge of the network by carefully assessing their service requirements. Intuitively, it can be understood that DWDM technology is the central concept behind