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Legal Department

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October 9, 2001

**VIA E-MAIL AND FEDERAL EXPRESS**

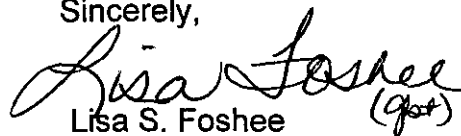
Mr. Matthew Feil  
Florida Digital Network, Inc.  
390 North Orange Avenue  
Orlando, Florida 32801

**Re: 960786A-TL (Section 271)**

Dear Mr. Feil:

Enclosed is BellSouth Telecommunications, Inc.'s Supplemental Response to Florida Digital Network, Inc.'s First Request for Production of Documents, Item No. 1.

Sincerely,

  
Lisa S. Foshee (9/21)

Enclosures

cc: All Parties of Record  
Marshall M. Criser III  
Fred J. McCallum

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**DECLASSIFIED**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET  
NO. 960786A-TL EXHIBIT NO. 15  
COMPANY/  
WITNESS: \_\_\_\_\_  
DATE: 10/10/01

DOCUMENT NUMBER-DATE

12992 OCT 12 2001

FPSC-COMMISSION CLERK

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SBS Winback Program  
May 30, 2001

*11/6-20-03*  
**DECLASSIFIED**

Don Livingston, Senior Director Marketing  
Brent Mlott, Director Marketing



## Executive Summary

Market Size, Trends, Results and Weekly Tracking )

Offers and Contract

Channel Utilization & Order Entry

Financial Impact

Long Term Business Metrics )

Next Steps

# Winback Executive Summary

## CUSTOMER INTEREST GROWING

- Unstimulated winbacks continue to rise month over month. (Poor customer experience & CLEC instability)
- Customers are recognizing the value of BellSouth's service and network reliability.

## REGULATORY SUPPORT:

- Current offer effective Jan. 15, 2001 – July 13, 2001
- Currently, no winback offers are approved in South Carolina and Tennessee due to CLEC intervention.
- Regulatory support is needed to ensure the next winback offer is filed on time.
- We are anticipating further intervention during June & July once the tariffs for the next winback offer are filed.

## WINBACK OFFER

- Customers unwilling to make contract commitment, pay full tariff.
- Full Circle Offer a (10% - 20% discount offering / Jan 15 – present) has proven attractive enough to drive significant winback activity.
- Next round – 2 offers – inbound channel – low discount, all channels – higher discount.

## CHANNEL CAPABILITY CONTINUES TO RAMP-UP

- Prior to 2001, our channels had limited tools/lists and no offer.
- Today – all channels are being utilized.
- Today marketing provides significant support – lists, offers, job aids
- Additional outbound channel capacity required to attack market.

## ORDER ENTRY

- Recent gains in productivity
- Customer care/Trapper Center process is critical to wide-scale winback deployment in SBS.
- A cross functional team (PCU/Customer Care/Trapper Center) has been formed to help identify process improvements.

**Over the last 3 years we have REDUCED Barriers, positioning us for Success, But Expansion Requires Funding to Eliminate Barriers**

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# SBS Win Back Opportunity

## SBS Win Back Opportunity

State	Opportunity	Annual \$ Value	Demand Win Back since 1/1/01	01/01 thru 04/01	Full Circle Win Back
AL	233361	\$	13958	16083	2125
FL		\$			
GA		\$			
KY		\$			
LA		\$			
MS		\$			
NC		\$			
SC		\$			
TN		\$			
New		\$			
Total		\$			

\*Cumulative Line Loss: 1/99 - 3/01

\*\$ Value uses a \$63.00 loaded line rate

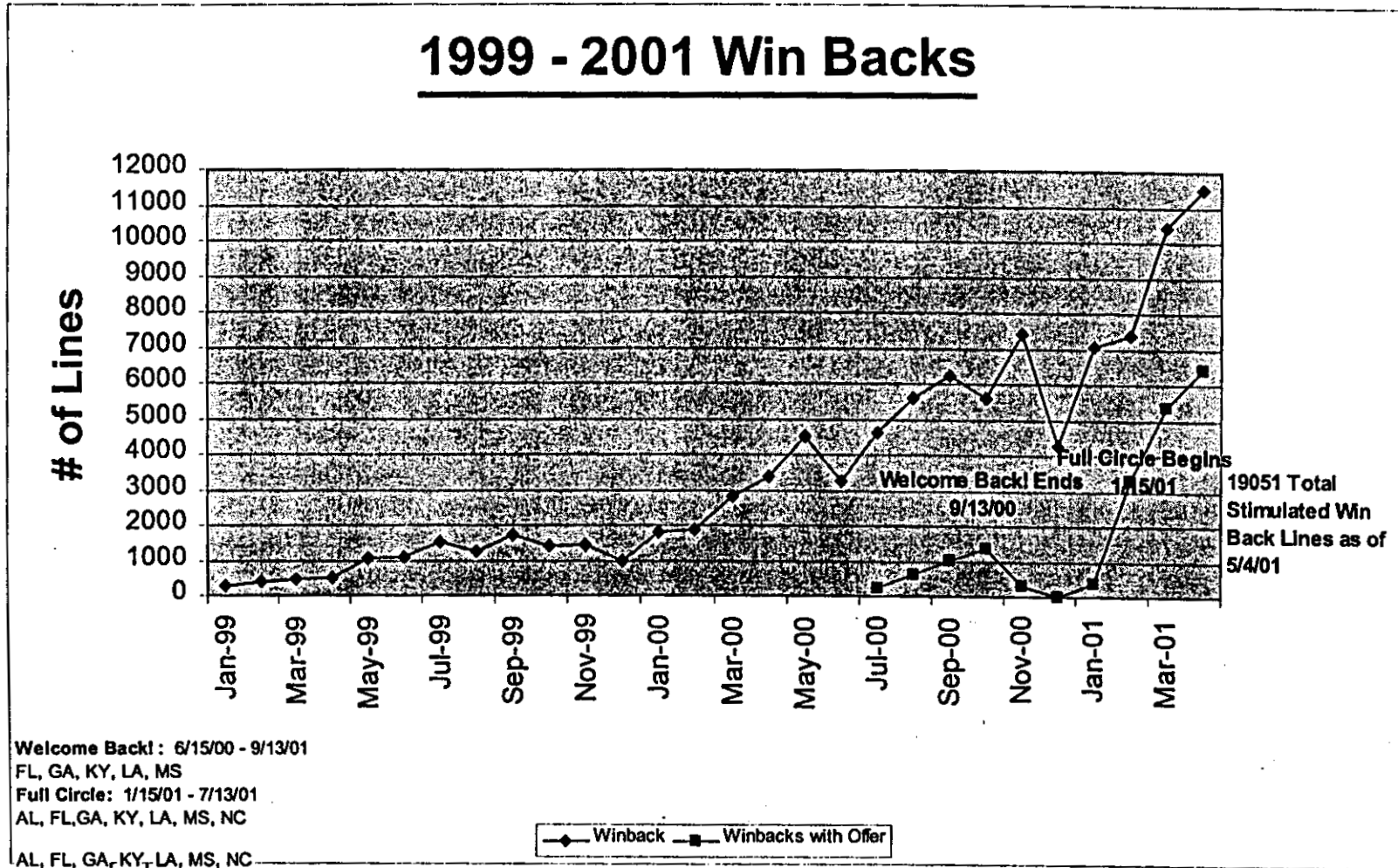
\*Demand Win Back since 1/01/01

\*Full Circle win backs 1/15/01 - 5/4/01

Line loss Data: Total Mkt Competitive Movement Report Dec00 and Mar01

Winback from the last 2 years represents a \$.5 Billion Market.

# Full Circle Winback Offer - Results



**Full Circle Offer Results Are Driving Overall Winback Results**

# Full Circle Winback Offer- Results

January - May 18, 2001

## Geographic State View

	Win Backs Target	Actual	% of Target
FL	3510	1210	290%
GA			
AL			
LA			
MS			
KY			
NC			
NEW			
TOTAL	—		

## Channel View

Channel	Stimulated Win Backs
SBTC	5237
Agent	2135
BSC/AMC/TELESales/PHX	691
3RD Party	184
<b>TOTAL</b>	<b>8247</b>

## Contract Mix

Term	WinBacks	% Distribution
18 Month		0%
24 Month	950	12%
36 Month	7297	88%
	<b>8247</b>	<b>100%</b>

**SBS Winbacks Are 187% of Objective**



**SBS Metro Retention Plan (MRP)  
Metric Reporting  
Week 5/14/2001 through 5/18/2001  
Winback - Region View**

Contracts in the Billing System through	5/18/2001
Contracts Since Last Report	437
Cumulative Contracts	8,247
% Increase Over Last Week	5%

Under Contract by State	M T D Actuals	Total Monthly Obj	Actual Variance	Distribution of M T D Actuals
AL				
FL	572	0	572	40%
GA	---	-	---	---
KY				
LA				
MS				
NC				
SC				
TN				
New				
<b>SubTotal</b>				
Indirect				
<b>Total</b>				

Y T D Actuals	Y T D Obj	Actual Variance	Distribution of Y T D Actuals
2,588	0	2,588	42%

Under Contract by Channel	M T D Actuals	Total Monthly Obj	Actual Variance	% Actual vs Obj
<b>Inside Sales</b>				
BSC	74	0	74	0%
AMC	13	0	13	0%
TeleSales/Phx Ctr	7	0	7	0%
Care	0	0	0	0%
<b>Inbound Channel</b>				
SBTC	1,163	0	1,163	0%
Online	0	0	0	0%
3rd Party	65	0	65	0%
Other	102	0	102	0%
<b>SubTotal</b>	1,424	0	1,424	0%
Indirect	624	0	624	0%
<b>Total</b>	2,048	0	2,048	0%

Y T D Actuals	Y T D Obj	Actual Variance	% Actual vs Obj
210	0	210	0%
46	0	46	0%
39	0	39	0%
11	0	11	0%
5,237	0	5,237	0%
0	0	0	0%
184	0	184	100%
385	0	385	100%
6,112	0	6,112	0%
2,135	0	2,135	100%
8,247	0	8,247	0%

Contract Terms	M T D Actuals	Distribution of M T D Actuals	Distribution Obj	% Actual vs Obj
12/18 mo	0	0.0%	15.0%	-15.0%
24 mo	240	11.7%	10.0%	1.7%
36 mo	1,808	88.3%	75.0%	13.3%
<b>Total</b>	2,048	100.0%	100.0%	0.0%

Y T D Actuals	Distribution of Y T D Actuals	Distribution Obj	% Actual vs Obj
0	0%	15.0%	-15.0%
850	12%	10.0%	1.5%
7,297	88%	75.0%	13.5%
8,247	100%	100.0%	0.0%

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# Full Circle Winback Offer

**Full Circle Winback** through 7/13/01

SBS Marketing launched *Full Circle Winback* in seven states of BellSouth's nine state region. The promotion is available to customers that have left BellSouth within the last 2 years and would like to return. By signing a term agreement of 18, 24 or 36 months, the customer is eligible for discounts of 10% - 20% off their monthly total billed revenue. In order to be eligible for the promotion, the customer's monthly total billed revenue must be between \$70 and \$12,500.

**Base Offer**

Total Billed Revenue	18 Month	24 Month	36 Month
\$70 - \$12,500	10%	15%	20%

**Promotional Waiver**

Customers returning to BellSouth will receive a waiver of all line connection charges (1FB's, trunks and lines equivalents).

**Supplemental Offer**

Product	18 Month	24 Month	36 Month
MID MARKET Dial Up Standard Plan (19.95)	Waiver of fee for 6 months	Waiver of fee for 12 months	Waiver of fee for 12 months
SBTC Dial Up \$99.00	\$62.00 Coupon	\$124.00 Coupon	\$124.00 Coupon
Web Hosting Basic Plan Site Builder Catalog (\$34.95)	Waiver of fee for 3 months	Waiver of fee for 6 months	Waiver of fee for 12 months
Web Hosting Basic Plan Shared Web Hosting (\$29.95)	Waiver of fee for 3 months	Waiver of fee for 6 months	Waiver of fee for 12 months
Dedicated Internet Access (Mid Market Only)	\$20 monthly discount on dotnet bill	\$30 monthly discount on dotnet bill	\$40 monthly discount on dotnet bill
Select Bonus Points (If customer qualifies for BellSouth Select Business Program)	2000 Select Points	5000 Select Points	10,000 Select Points

**Availability:**

- AL, FL, GA, KY, LA, MS: January 15, 2001 – July 13, 2001
- NC: January 23, 2001 - July 13, 2001
- SC, TN: TBD

**The Full Circle Winback Offer is Attractive Enough to Entice Customers to Come Back to BellSouth Under Term Contract**



BellSouth Full Circle! Program Subscriber Election

The undersigned Subscriber desires to participate in the BellSouth Full Circle! Program (the "Program"), and agrees to the following:

Subscriber has changed to another local service provider within the last two years of enrollment and currently has service with another local service provider. wants to return to BellSouth, and anticipates having a minimum of seventy dollars and a maximum of Twelve Thousand Five Hundred dollars in total billed BellSouth revenue (as defined in the applicable BellSouth tariffs) per month. Subscriber agrees to keep local services with BellSouth under its General Subscriber Services Tariff or Private Line Services Tariff for a minimum of eighteen (18), twenty-four (24), or thirty-six (36) months from the enrollment date in the Program. The enrollment date shall be determined by the first billing cycle date in which Subscriber receives the discount off its BellSouth regulated charges as set forth in paragraph 2, below.

1. Subscriber agrees to the following term and discount (Check One):

Table with 4 columns: Monthly BellSouth Total Billed Revenue, Eighteen (18) Month Term, Twenty Four (24) Month Term, Thirty Six (36) Month Term. Rows show revenue ranges and corresponding discount percentages (10%, 15%, 20%).

\* The total billed revenue consists of end-user monthly total billed BellSouth account revenue at the customer's location(s) excluding nonregulated charges, taxes, late payment charges, charges billed pursuant to federal or state access service tariffs, charges collected on behalf of municipalities (including, but not limited to services for 911 service and dual party relay services), and charges for services provided by other companies.

- 2. For each month during which this election is in effect, Subscriber will receive the discount associated with Subscriber's total billed BellSouth revenue...
3. Subscriber may renew this election agreement for another term, under the same terms and conditions...
4. In the event Subscriber discontinues business local service with BellSouth prior to the expiration of the term...
5. In the event Subscriber changes service locations for business local service...
6. In the event Subscriber is switched without authorization by another carrier...
7. This Election is subject to and controlled by the provisions of BellSouth's lawfully filed tariffs...

SUBSCRIBER: \_\_\_\_\_ (Business Name)

\_\_\_\_\_ (Business Address)

By: \_\_\_\_\_ (Signature)

\_\_\_\_\_ City/State

\_\_\_\_\_ Print Name

\_\_\_\_\_ (Business Telephone Number)

\_\_\_\_\_ Title

\_\_\_\_\_ (Additional Business Telephone Number(s))

\_\_\_\_\_ Date
Version 011101

Representative \_\_\_\_\_

CUID \_\_\_\_\_

Telephone # for Questions \_\_\_\_\_

## Overview Full Circle Versus 2001-2002 Win Back

Effective July 16, 2001 – July 15, 2002

<b>Description 2001-2002 Program</b>	<p><b>Purpose:</b> Win Back and retain customers for BellSouth customers.</p> <ul style="list-style-type: none"> <li>• Customers save 10% - 25% off monthly bill based on term agreement and monthly TBR.</li> <li>• Waiver on line connection charges associated with service orders issued between 7/16/01 – 7/15/02</li> <li>• Internet offers.</li> <li>• Available to former BellSouth business customers.</li> <li>• Monthly BST revenue for subscriber's location must be \$70 - \$12,500.</li> <li>• Subscriber's location must be served out of an eligible wire center.</li> <li>• Subscriber must sign a 24 or 36-month agreement to receive the discounts.</li> <li>• Enrollment qualification period -             <ul style="list-style-type: none"> <li>• July 16, 2001 – July 15, 2002 : FL, KY, NC, TN</li> <li>• July 20, 2001 – July 15, 2002 : GA, LA, MS</li> </ul> </li> </ul>
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### Old Plan

January 15, 2001 – July 13, 2001

Monthly TBR	18 Months	24 Months	36 Months
\$70 - \$12,500.00	10%	15%	20%

### 2001-2002 Base Discounts

Contract Term	Months 1 – 8	Months 9 – 16	Months 17 – 24
24 Months	10%	15%	20%
Contract Term	Months 1 – 12	Months 13 – 24	Months 25 – 36
36 Months	15%	20%	25%

### Internet Offer 2000-2001

Product	18 Month	24 Month	36 Month
Dial Up \$99.00 Plan	\$62.00 coupon	\$124.00 coupon	\$124.00 coupon
Web Hosting Site Builder Catalog (Option) (\$34.95)	Waiver of fee for 3 Months	Waiver of fee for 6 months	Waiver of fee for 12 Months
Web Hosting Basic Plan Shared Web Hosting (\$29.95)	Waiver of fee for 3 Months	Waiver of fee for 6 months	Waiver of fee for 12 Months

### Internet Offer 2001-2002

Product	24 Month	36 Month
No Dial Up Plan	No Coupon	No Coupon
Web Hosting Site Builder Plans All Plans*	Waiver of fee 6 months	Waiver of fee 12 months
Web Hosting* Shared Web Hosting Basic Plan - Plan E	Waiver of fee 6 months	Waiver of fee 12 months
BellSouth FastAccess DSL **See note	1 month service credit (\$79.95)	2 months service credit \$159.90

**Note:** \*Web Hosting – must call dot net help line – cannot go online to register – Call 877-517-8160 – if not – will not release promo code

**Note:** \*\*For BellSouth FASTACCESS DSL offer-Customer must purchase the router at \$400- other charges include Activation-\$50.00, Installation-\$199.95

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# Current Channel Utilization for Winback

	<b>Inbound</b>	<b>OBTM/Telesales</b>	<b>OUTBOUND CHANNELS BSC/AMC</b>	<b>Agent</b>
<b>Objective</b>	Program Objective is 4898 winback contracts. As of 4/16, channel has achieved 3042 contracts (62% of volume).	Objective is 600 winback contracts. (12% of program objective) Channel has achieved 70 winbacks after one week of calling.	No specific winback objective. Winback sales contribute to Core objective.	Objective is 2000 winbacks per month. The Channel is right on track with this aggressive number for the last 2 months.
<b>Focus</b>	Focus: All customers, all geographies who want to come back to BellSouth.	Focus: Customers who left BellSouth 2+ years ago. Tiers 5 and 6 who bill over \$70 mo.	Focus: Customers who left BellSouth in the last 1.5 years but should be in the AE's module.	Focus: Customers who left BellSouth 2 years ago or more, Tiers 4 and 4T, who bill over \$150 per mo.
<b>Strategy</b>	This channel is to handle all competitive inbound winback requests. Calling lists have been provided to the channel as requested.	Proactively call all targeted customers from the lists provided by Marketing.  Channel provides disposition information after each month to help create a database scored for improved calling.	Proactively call all targeted customers from the lists provided by Marketing via WHIPs.	Proactively call all targeted customers from the lists provided by Marketing.  Channel provides disposition information after each month to help create a database scored for improved calling.
<b>Tactical Plan</b>	Training: Ongoing List Provided: Yes List Size: Not provided Scored List: no capability to use score Numb of Reps: all 800 reps  Sales/Competitive Support: CAMs available for ongoing training and escalation Post Sales Order Entry: Sent to RPAC then to the Trapper	Timing: 5 week Trial List Provided: Yes List Size: 48,000 Scored List: Not Yet Numb of Reps: 20 reps at TeleSpectrum  Sales/Competitive Support: No CAMs available Only initial training provided Post Sales Order Entry: Sent to RPAC, then to the Trapper	Timing: Ongoing List Provided: Yes via WHIPS or C HATT List Size: 200,000 Plus Scored List: Not Yet Numb of Reps: all 350 AEs  Sales/Competitive Support: CAMs available for ongoing training and offer help Post Sales Order Entry: Sent to Care then to the Trapper	Timing: Ongoing List Provided: Yes List Size: 84,000 currently Scored List: Not Yet Numb of Reps: 20 reps at PRG and another agent  Sales/Competitive Support: No CAMs available, Only initial training provided Post Sales Order Entry: Sent to Care, then to the Trapper
<b>Seller Incentive</b>	\$20 per contract	Telespectrum paid hourly rate plus \$25 per winback	2Q incentive is \$50 in Bravo points for every winback.	Agents get \$80 per line or ( \$240 per customer). This is funded via "normal" agent compensation .

**To Attack the \$.5 Billion Market, We Will Need to Expand Outbound Channel Capability**

# Memorandum

To: Don Livingston  
 From: Clay Hovater, Patrick Potter  
 Cc: Ken Duncan, Ena Shaw  
 Date: May 29, 2001  
 Re: Winback Analysis – OBTM vs. Distribution Channel

This provides a comparison/analysis of the Winback calling programs executed by the OBTM and Distribution Channels.

## Background

Both the OBTM and Distribution channel ran telemarketing campaigns to win back customers who've left BellSouth. An analysis was conducted by the marketing team to determine which channel was more effective/efficient in their efforts.

## Discussion

The objective of the channel analysis is to assist marketing in determining which channel would be best suited for future retention and winback campaigns. The distribution channel's retention program data is for the 9/00-1/01 campaign; The channel's winback data is for 1/01-4/01 campaign. The OBTM channel's winback data is for the 4/01-4/26 campaign. The data below compares results for each program:

	Retention		Winback	
	Agent	OBTM	Agent	OBTM
List Size	379,122	N/A	84,762	10,000*
Contact Rate	No Data	N/A	No Data	26%
Close Rate on Calls	No Data	N/A	No Data	3%
# of Contracts	15,714	N/A	7,085	192
Contract Penetration on list	4%	N/A	8%	2%
Total expense	\$4,220K	N/A	\$870K	\$47K
Cost/Contract	\$269	N/A	\$123	\$231

## Caveats

It was difficult to make an perfect comparison between the two channels for a variety of reasons:

- The Winback numbers for OBTM are not complete, since the program was cancelled prematurely due to legal issues. The data above only represents 10,000 customers being called. The original list was 49,000 customers. It is believed that had OBTM completed their calling, the close rate would have risen to around 5%.
- Contact rate and contact penetration were not tracked/managed in the Distribution channel.
- The cost per contract in the Distribution channel is an average since Agents were paid differently for 24 and 36-month contracts. There is no breakdown on what was spent for each.
- For the Distribution channel, the contact rate was being tracked but was not reported weekly. The Distribution channel will not release the contacts made due to the legal/PSC issues surrounding the shutdown of the program. The cost of contracts is based upon the amount spent on the program through April.
- OBTM has not run a retention program comparable to the KEY initiative the Distribution channel ran. Connect & Grow was as close a comparison that we could find and the results could not be quantified in this format.

## Key Learnings

There were several relevant findings when winback programs were compared across channels:

- Distribution channel was much more effective at driving winbacks than the OBTM channel (8% vs 2% contract penetration on list). However, it is believed that if the OBTM program was not cancelled prematurely and all customers on the OBTM list were called, the contract penetration for OBTM would have ended up being higher than 2%.
- Distribution channel was more efficient than the OBTM channel (\$123 vs. \$231/contract). This is probably because the Agents were paid on a pay per sale basis and the OBTM channel included an hourly rate charge (\$24 per hour). Again, it should be noted that if in fact the OBTM program was not cancelled prematurely and contract penetration was higher, the cost/contract would probably be lower than \$231.
- OBTM does a better job of tracking results than the Distribution channel. OBTM can provide daily tracking and self-reported sales results daily. Official sales results can be provided monthly. Distribution tracking is lacking in many areas.



### Recommendation

- Because of their success, we should continue to use the Distribution channel, however, they should be managed more closely to ensure accurate tracking, reporting, and compliance with BellSouth standards. Steps should include:
  - 1) setting clear expectations before program begins,
  - 2) developing and enforcing contracts that have clear reporting standards,
  - 3) gaining agreement on call dispositions and when file(s) should be delivered
  - 4) setting visits to partners running programs to gain a better understanding of their operations.
  
- With the limited scope of this analysis, it may be premature to discount the effectiveness of the OBTM channel. Thus we should continue to leverage the OBTM channel for winbacks. However, to improve performance, we need to:
  - 1) develop continuity with vendor and retain the same reps on the program so retraining and ramp up will not be issues
  - 2) move to a pay-per-sale incentive model as was successful for the Distribution channel
  - 3) plan site visits with operations and marketing teams to jump start program and provide necessary support
  - 4) Find additional resources to process the large volume of winback contracts expected with increase penetration

### Next Steps

Upon your approval and the continuance of the winback calling program, we will implement the proposed recommendations.

# Winback Post Sales Issues and Next Steps

## Channel Capability Dependency

<u>Action Item</u>	<u>Owner</u>	<u>Timing</u>	<u>Results/Status</u>
A. Classify all facilities-based winback orders into two categories (simple or complex) which will then be sent to one of two groups in the Trapper Center <ul style="list-style-type: none"> <li>• RPAC for simple orders, which serve the inbound channel</li> <li>• Metaire Customer Care for complex order, serving Agents and BSC</li> </ul>	Holzapel, Hayes	Complete	A. Established a single point of contact. By Standardizing project management & issue resolutions functions, cycle times have somewhat improved. <b>Current Cycle Times</b> -RPAC time + Trapper time = 13- 20 days -Customer Care time + Trapper time = 13-45 days
B. Secure accurate customer information (phone number, network circuit ID, etc) from CLECs, prior to giving the order to the Trapper Center.	Godfrey, PCU	TBD	B. A cross-COU team (PCU/Customer Care/Trapper Ctr) has been formed to identify major delays in the current order entry process. The biggest improvement in cycle time, can be made by improving the accuracy of the order prior to receipt by the Trapper Center. To maintain current volume of 10,000 lines/month, additional headcount is required in the RPAC and Customer Care (approx. 30 people). A business case is under development to quantify headcount requirements.
C. Move order entry processing out of the Trapper	Hayes, Care	TBD	C. Currently, a plan has been written out in detail to trial this concept in the Florida Customer Care Center. Start date is TBD.
D. Reduce clarification time between retail units and CLECs by having one group do the contact instead of three, thus speeding up cycle time.	Godfrey	TBD	D. This is the third biggest area of opportunity. However, the team is assessing the impact that the above options have on cycle time prior to beginning this effort.
E. Provide system-access to Circuit ID look up to RPAC and Customer Care, thus speeding up cycle time.	Godfrey	TBD	E. The issue of ensuring parity with CLECs, that want the winback customer, has been raised. There is a cost to network to provide system access to circuit ID information. Currently, RPAC and Customer Care are using a manual process to get this information.
F. Modify regulatory requirement to force CLECs to provide: specific data, by specific dates or be subject to PSC penalties.	Godfrey	TBD	F. PCU to provide specific requests to regulatory Regulatory plan and timing TBD
G. Develop a winback business case to secure resources to support winback volume.	Godfrey, Dickie	7/01	G. SBS to work with PCU team to develop case

**Dependencies:**

Ongoing communications with CLECs, manual/automatic circuit ID look-up,  
% Winback that is resale vs. facilities  
Order volume  
Spikes in order volume from CLEC going out of business

**Metrics**

Order per person per day (currently 12/day)  
Cycle time to winback customer: currently 13- 45 days  
Cost per Order

**Build Business Case to Identify Investment Required to Expand Winback Effort.**

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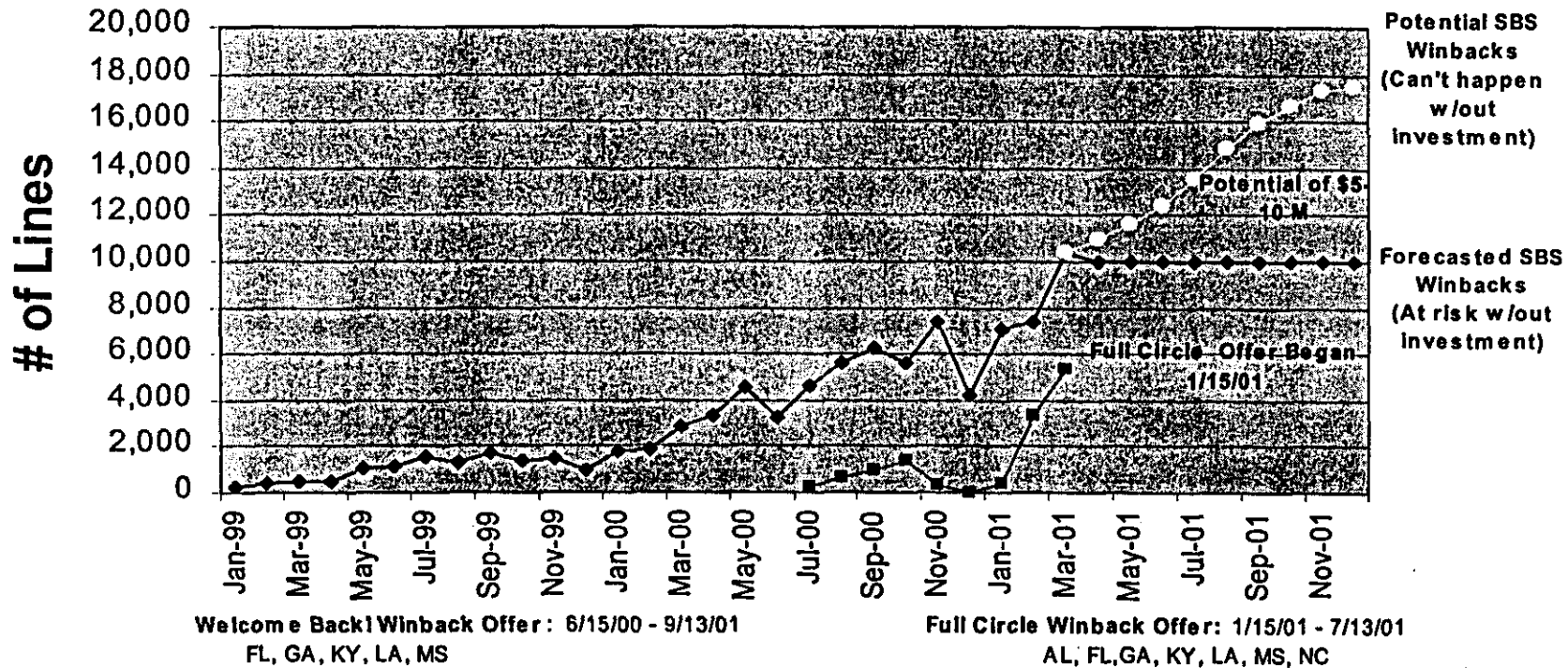
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# Winback Financial Impact

## 1999 - 2001 Win Backs



**There is Potential for a Significant Incremental Revenue Impact with Winback, by Investing in Posts Sales Order Entry Process (Trapper, Care, RPA, etc)**

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# KBA 3 – Winback Financial Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Unstimulated Winbacks (Baseline)	3,400	3,405	3,982	4,250	4,335	4,422	4,510	4,600	4,692	4,786	4,882	4,980	52,244
Actual Winbacks	7,073	7,371	10,446										
Projected Unstim. + Level 1 Stimulated	N/A	N/A	N/A	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	114,890
Projected Unstim. + Levels 1 & 2 Stimulated	N/A	N/A	N/A	12,000	14,000	16,000	17,500	17,500	17,500	17,500	17,500	17,500	171,890

**Lift in 2001 Revenue (Level 1 Stimulated)**

**PROJECTED**

Lift In:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Units	3,673	3,966	6,464	5,750	5,665	5,578	5,490	5,400	5,308	5,214	5,118	5,020	48,543
Rev/Unit	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	63
Discount	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Billable Months	11	10	9	8	7	6	5	4	3	2	1	0	0
Monthly Revenue (\$M)	\$2.0	\$2.0	\$2.9	\$2.3	\$2.0	\$1.7	\$1.4	\$1.1	\$0.8	\$0.5	\$0.3	\$0.0	\$0.0
Total Revenue (\$M)	\$2.0	\$4.0	\$7.0	\$9.3	\$11.3	\$13.0	\$14.4	\$15.4	\$16.2	\$16.8	\$17.0	\$17.0	\$17.0

2001 Revenue (\$M) \$7.0

**2001 Revenue Lift between Level 1 and Level 2 (Level 2 - Level 1)**

Lift In:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Units				2,000	4,000	6,000	7,500	7,500	7,500	7,500	7,500	7,500	57,000
Monthly Revenue (\$M)				\$0.8	\$1.4	\$1.8	\$1.9	\$1.5	\$1.1	\$0.8	\$0.4	\$0.0	\$9.7
Total Revenue (\$M)				\$0.8	\$2.2	\$4.0	\$5.9	\$7.4	\$8.6	\$9.3	\$9.7	\$9.7	\$9.7

**Critical Winback Assumptions Driving 2001 Financial Impact.**

**Business Case Will Include Multi-Year NPV**

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Executive Summary

Market Size, Trends, Results and Weekly Tracking

Offers and Contract

Channel Utilization & Order Entry

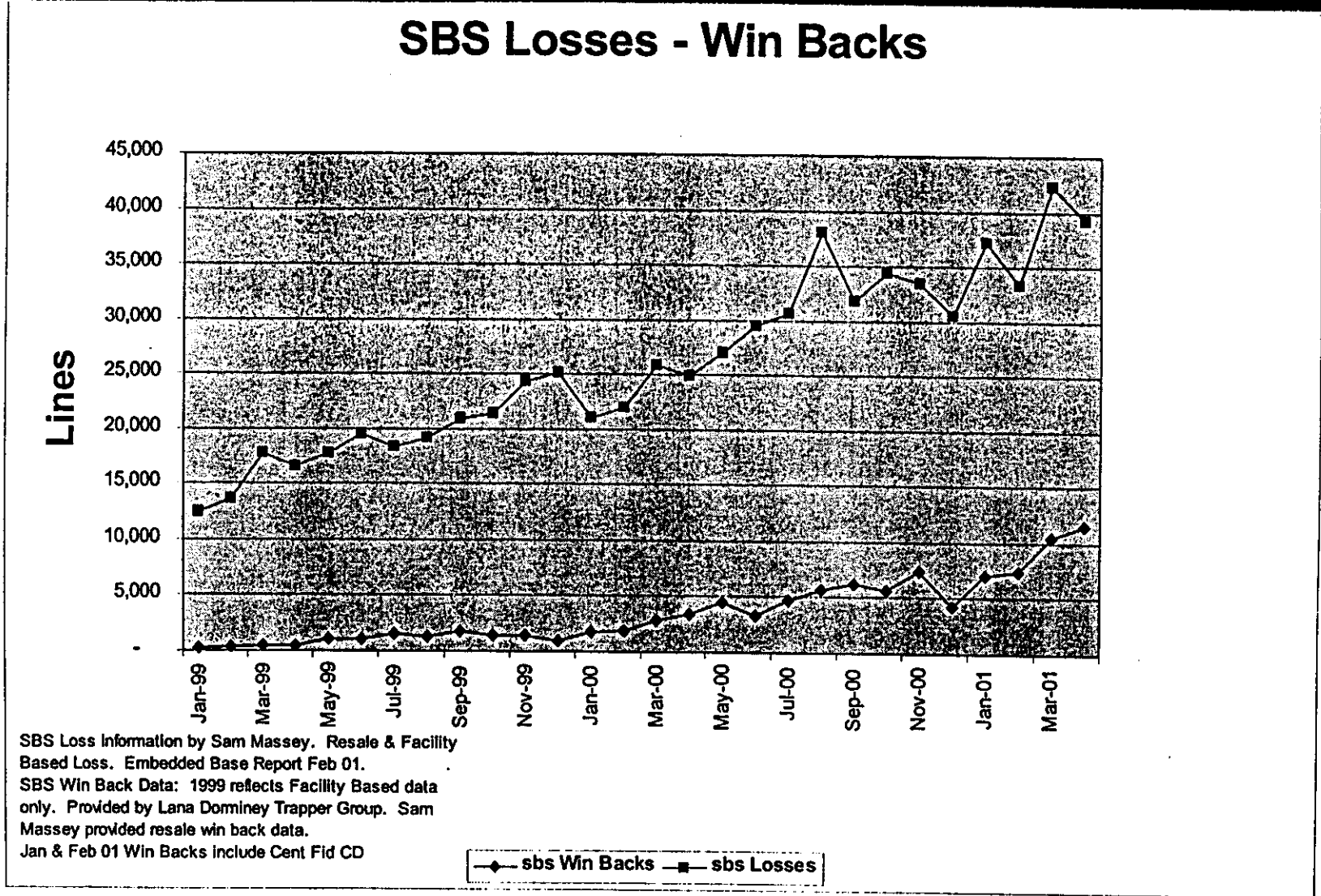
Financial Impact



Long Term Business Metrics

Next Steps

# Comparison of Losses vs. Winback



**We Need To Shift Our Focus To Net Competitive Activity.**

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# Shift in Metrics/ Dashboard

## CURRENT DASHBOARD

### Inward Transactions

Embedded Customers- Core/ Local Products  
(In/Out units and Rev)  
Embedded Base Customers- NPV products  
(units and Rev)

### Outward Transactions

Competitive Losses  
(units and Rev)

### Net Revenue

## FUTURE DASHBOARD

### Inward Transactions

Embedded Customers- Core/ Local Products  
(INWARD units and Rev)  
Embedded Base Customers- NPV products  
(units and Rev)  
New/ Start-up Customers  
(units and Rev)  
Winback Customers

### Outward Transactions

Competitive Losses  
(units and Rev)  
Embedded Customers- Core/Local Products  
(OUTWARD units and Rev)

### Total Net Transactions

Flow Share for Core Products (units and Rev)  
Flow Share for key NPV Products (units and Rev)

**We Need to Drive the Change in Mix of Revenue Sources and Metrics to Return to Positive Year Over Year Growth**

HE



Executive Summary

Market Size, Trends, Results and Weekly Tracking

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 Next Steps

# Next Steps for Winback

## 1. OPTIMIZE OUR CHANNELS

- Compare and contrast cost per acquisition between inbound, outbound and indirect channels. Leverage these learnings to maximize our most efficient and effective channels.
- Determine correct size for initial and repeat coverage.

## 2. IMPROVE OFFER

- Develop two winback offers (Inbound and Outbound).
- Determine the feasibility of buying-out competitor's contracts.

## 3. IMPROVE POST-SALE ORDER ENTRY

- Evaluate process improvements, incremental resources and systems enhancements needed to support increased winback volume.

## 4. CREATE CUSTOMER TARGETING

- Profile winback customers
- Analyze key attributes
- Score our customer database to improve current contact strategy.

## 5. EXPLORE ADVERTISING MESSAGE

- Investigate the effectiveness of mass media advertising on winbacks.

## 6. DEVELOP BUSINESS CASE

- Develop a comprehensive winback business case by July 2001.

**The Opportunity for Winback is Promising, But Expansion Requires Funding to Eliminate Barriers**

**SBS Win Back Campaign Summary**  
**Distribution Channel - Partner Recovery Group (PRG)**  
**Measures & Metrics**

Measure	Week to Date Results 4/29 - 5/12	Month to Date Results 4/29 - 5/12	Program to Date Results 2/10 - 5/12
Monthly billing protected	\$49,725	\$49,725	\$693,945
Total value of contracts program (mo. value times # of months contracted)	\$1,683,157	\$1,683,157	\$33,261,049

**PRG - Measures**

Orders Received (from Partner)	Week to Date	Month to Date	Program to Date
# of Customers	75	75	3,616
# of Lines	257	257	14,337
# of Orders	150	150	7,232
Orders Processed			
# of Customers	274	274	3,302
# of Lines	1824	1824	13,171
# of Orders	740	740	7085
Pending			
# of Customers			0
# of Lines			0
# of Orders			0
Completed			
# of Customers			2,298
# of Lines			7,741
(orders/lines completed, customer back with BellSouth)			(Thru 5/3)

**Facts and Learning's Based on 2 months results:**

- Partner is averaging 75 Win Backs per day
  - 375 per week = 1500 per month = Total 9000 (6 month campaign)
- 70% of all Win Backs are facilities based
  - ▶ 6,300 customers processed by "TRAPPER Center" (6 month campaign)
- Average Customer: 2-3 lines - \$143.00 in monthly billed revenue

Projections		ABR	Sales Revenue	Billed Revenue
Week	375 Sales @ \$143/Avg	\$53,825	\$720,720	\$390,390
Month	1500 Sales @ \$143/Avg	\$214,500	\$2,882,880	\$1,561,560
6 Months	9000 Sales @ \$143/Avg	\$1,287,000	\$17,297,280	\$9,369,360

Sales Funnel & Actual Results Help Us to Anticipate  
 Trapper Center Impact & Project Future Results



**SBS Metro Retention Plan (MRP)**  
**Metrix Reporting**  
**Results YTD through September 20, 2001**  
**Winback - Florida View**

Contracts in the Billing System through	8/20/2001
Cumulative Contracts	5,764

Under Contract by State	M T D Actuals	Total Monthly Obj	Actual Variance	Distribution of M T D Actuals
FL				0%
SubTotal		0	0	0%
Total		#REF!	#REF!	

Y T D Actuals	Y T D Obj	Actual Variance	Distribution of Y T D Actuals
5,764			100%
5,764	0	5,764	100%
5,764	#REF!	#REF!	

bc