

NEW JERSEY'S BEST KEPT SECRET

Historically, when you think of telecommunication companies, most business leaders typically name the ones that they are currently using or have heard about in the paper. Twenty years ago, companies like AT&T, MCI and Sprint dominated the long distance market while companies like Verizon, Bell South, and SBC dominated the local market. This split between local and long distance providers was a major milestone event in the communication industry and was set up to encourage a more competitive marketplace in Long Distance and a very stable and regulated marketplace for local service.

As a result, hundreds of new companies were given a chance to compete in the marketplace by offering businesses lower rates for long distance and international calls. Companies like MCI and Sprint became household names and challenged AT&T's dominance in the long distance market by offering reduced rates for their services. During this same period of time, many smaller companies entered this industry and began reselling long distance services by using the networks of the major carriers. Because of equal access legislation, companies were able to build profitable business models by offering competitive rates and excellent customer service.

Cooperative Communications was one of those companies that decided to take advantage of this opportunity to resell long distance. At the time, hundreds of thousands of customers were paying exorbitant rates to AT&T, MCI and Sprint to complete a long distance call. Lou Lombardi, the founder of **Cooperative Communications**, quickly realized that he could leverage his existing carrier billing company and offer a total long distance solution to business customers not only in New Jersey but across the country. From that simple decision seventeen years ago, **Cooperative Communications** has become one of the largest communications providers in the northeast. According to Lou Lombardi, "My decision to enter the communication business by offering a competitive long distance service was not without some reservation. AT&T and MCI owned a majority of the marketplace with large advertising budgets and thousands of direct sales representatives. Their efforts however, were focused on serving the mid-sized to large business customer leaving many small businesses with no options except to continue to pay higher rates. I knew that if we focused on building long term

relationships and providing better customer care, the rewards would far outweigh the risks.”

That decision by Lou Lombardi enabled a small, family run business, to build a communication company that serves thousands of businesses across the state and has been recognized as one of the most innovative and stable companies in the industry. When asked to describe his secret for success, Lou Lombardi commented, “As a young man growing up in Jersey City, I was taught that hard work and determination are the ingredients for success. But I also realized that people do business with people if they feel they can trust the other individual. In my case, my word became my bond and my customers and employees knew and respected that”.

In the past ten years, the communication industry has also gone through significant changes in terms of the products and services that are offered and the companies that provide these services. For example, in 1996, congress passed the telecommunication act that allowed companies to compete with the regional bell operating companies (ie..Verizon). Hundreds of companies sought financing from venture capital firms with each presenting a business model of customer and network growth. In the beginning, these companies built expansive networks that were suppose to challenge the local phone company and hopefully bring innovation and lower rates to the consumer.

In the beginning, the industry did see lower rates and certainly the internet changed the way people communicate and run their businesses. However, in the past three years, we have also seen hundreds of companies file for bankruptcy or go out of business due to high debt and revenue shortfall. While the Telecom Act of 1996 couldn't have predicted the bankruptcies, downsizing, and general industry turmoil, it underscored the core business principles of managing growth, focusing on customer care, hiring good people, and finding a niche or geographic area that would grow and prosper even in difficult times. Cooperative's seventeen year history of success is an example of always putting the customer first by designing innovative products and services that delivered competitive solutions.

Cooperative believes there is still more change for the industry in the future. The big MARQUEE names of the past are going through their own transformation either as a smaller company or as part of another merged company. These events will continue to change the industry landscape even though there will be less choice in the marketplace. Thirty years ago no one expected that AT&T would be purchased by one of the bell operating

companies and it seems like MCI (Formerly called Worldcom) will also be purchased within the year. It now appears that mergers, acquisitions and /or bankruptcies will continue for the next few years and only those companies that focus on service, support and technology will prosper.

Cooperative Communications is an example of a company that has been able to survive all the changes in the communication industry by focusing on a specific geographic area and delivering products and services that address the real needs of customers. As a facility based carrier, Cooperative has the network infrastructure to deliver simple or highly complex network applications to the end user. Cooperative's state of the art central office processes millions of minutes of calls daily and is protected by the latest in sonet ring technology. Cooperative's ability to use current technology to improve costs and deliver better customer care has enabled the company to grow while others have struggled with huge overhead costs and products that typically do not meet expectations. Today, **Cooperative Communications** offers a complete suite of voice, data, internet, web hosting and disaster recovery products that continue to exceed customer requirements. As a result, thousands of customers continue to rely on **Cooperative Communications** to manage their voice and data networks. According to Vern Koppenhaver, Allied's Director of Information Technology, "Cooperative has been very responsive to our unique voice and data requirements and has excelled from a customer service perspective. In addition, Cooperative's engineers designed an integrated network using broadband technology that reduced our costs and provided the flexibility we needed during our busy seasons." Allied Beverage is just one of the many thousands of customers that has signed up to the "Cooperative Advantage"

Cooperative Communications has also just announced its VOIP Solution called G0-IP that makes it easier for small and large companies to deploy the latest in advanced technology. The Go-IP system can be an on-premise or fully hosted voice and data solution that uses the internet and local network to make and complete calls. This system has integrated voice mail and e-mail making it easier for users to conduct business from anywhere in the world. Multiple location companies will also find it easier to set up remote offices or work stations that bring the virtual office concept into the 21st century. Now companies can upgrade their communication system without any increase in their monthly bills. With Cooperative, you get a financially sound company with a long tradition of bringing innovation and passion to businesses across the state. According to Lou Lombardi, "Cooperative will

continue to be successful because we will always put the customer first while delivering leading edge products and services.”

If you would like more information about **Cooperative's Communications** Voice, Data, Internet, Web Hosting or VOIP products and services call Jim Hogan at 800-833-2700 ext 1126 to receive a free consultation.

Cooperative Communications is the only company bringing.....”*People, Technology and Excellence*” to all businesses across the tri- state area.