

# RCN Metro Optical Networks



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## FAST-PACED DELIVERY

RCN Metro Optical Networks provides telecommunication services in the Northeast, mid-Atlantic and Chicago area, with plans to grow.

by Libby John

**L**ate last year, RCN Corp. purchased NEON Communications and combined it with its Business Solutions Group to form RCN Metro Optical Networks. RCN Metro, a wholly owned division of RCN Corp., is focused on providing communications services from Maine to Virginia, as well as the Chicago metro area.

"We have deep metro distribution, leveraging alternative rights-of-way that are unique," President Felipe Alvarez says. "This allows our customers to gain a greater degree of resiliency since our network runs through conduits that are geographically

### PROFILE

**RCN Metro Optical Networks**

**www.rcnmetro.com**

**First quarter 2008 revenues**

\$40.6 million

**Headquarters** New York

**Employees** 230

**Service** Communications

**Felipe Alvarez, president** "Our goal is to build RCN Metro into a force to be reckoned with."

RCN Metro offers high-capacity transport services for carriers, as well as businesses.

diverse from the standard telecommunications rights-of-way that many of our competitors use."

RCN Metro is a premier provider of high-capacity transport services for carriers, as well as large and medium-sized businesses. RCN Metro offers a comprehensive suite of services including Ethernet, SONET, wavelength, video transport, Internet and more. RCN Metro deploys custom solutions to service providers as well as companies in the finance, hospitality, media, government, health care and education industries.

Alvarez says the company was interested in acquiring NEON because both companies share the same core values, such as quick delivery and superior customer service. "Our speed of delivery is second to none," he says. "It is a huge strength that sets us apart from our competition."

The two companies also had complementary networks and customer sets as well as similar service offerings easing integration efforts, he adds.

"We are a very flexible company to work with," he says. "We work closely with our customers to design a circuit or private network that fully meets their needs."

### FOCUSED ON GROWTH

Alvarez notes that the company looks for opportunities that will serve as an extension to its existing services or footprint. "We

have strength in designing, building and maintaining complex networks, but we do not provide bleeding-edge technology," he says. "The customer base and market is not looking for that. They want solid performance, since the services we provide to our customers often are the foundation on which they run their business."

The company's goal is to increase its footprint in the marketplace through both organic growth and acquisitions. "We will look at every opportunity to expand both within and outside of our footprint, and pursue those that are consistent with our strategy," Alvarez says.

However, the company is careful when considering acquisition opportunities, he notes. "There is no set limit to the number of acquisitions we would consider, but the key is to be really strategic," he says. "We want companies that will fit into our future plans."

**INDUSTRY TRENDS**

RCN Metro offers competitive pricing to set itself apart from competitors. "The trend

with pricing is that it has stabilized," Alvarez says. "However, pricing is not the main criteria used when customers select RCN Metro. It's our quality of service and our ability to provide comprehensive solutions to the customer base that are the drivers."

Another trend the company has noticed, Senior Director of Marketing Maura Mahoney says, is the demand for increased bandwidth. "People are using more bandwidth," she notes. "There is a steady increase in the size of the circuit that is being sold. We are also seeing a shift to Ethernet, as companies are adopting new technology and new platforms."

RCN Metro provides reliable Ethernet services, Alvarez says. "It is one of the fastest-growing services we offer, it is pivotal," he says.

**GROWING COMPANY**

RCN Metro is a fast-paced, growing company, Alvarez says. It earned nearly \$41 million in revenues in the first quarter of 2008.

"Mentally, we still think of ourselves as a start-up firm," he says. "We are a fun,

dynamic and energetic team.

"We have had our share of bumps along the way, but our goal is to build RCN Metro into a force to be reckoned with in the industry," he adds.

"It's not easy in some respects," he admits, but its 230 employees and management team play an important role. "We look for employees that can fit into the culture and have a similar set of core values. We want employees who can match up well.

"We value the speed of decision-making and speed in everything we do," Alvarez adds.

"We are focused on flawless execution," he continues. "This focus has served us well. Our customer base has demonstrated this by staying with us."

Even as the company grows, it plans to stick to its values and culture. "This is a niche opportunity.

"We can't be all things to all companies," he continues. "We want to be perceived as a company that excels at customer service." *usbr*



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