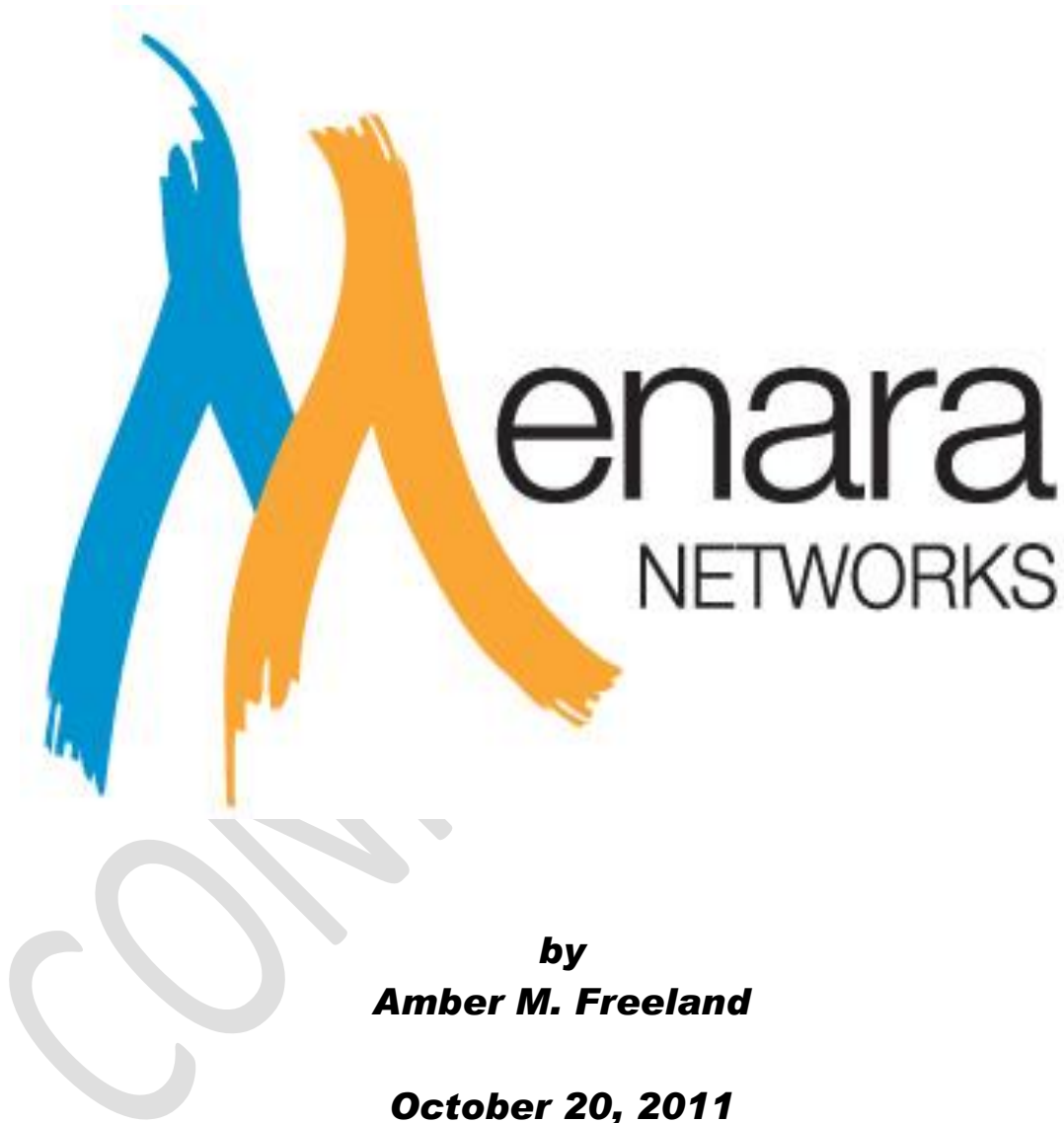


# ***Communications Analysis & Strategy***

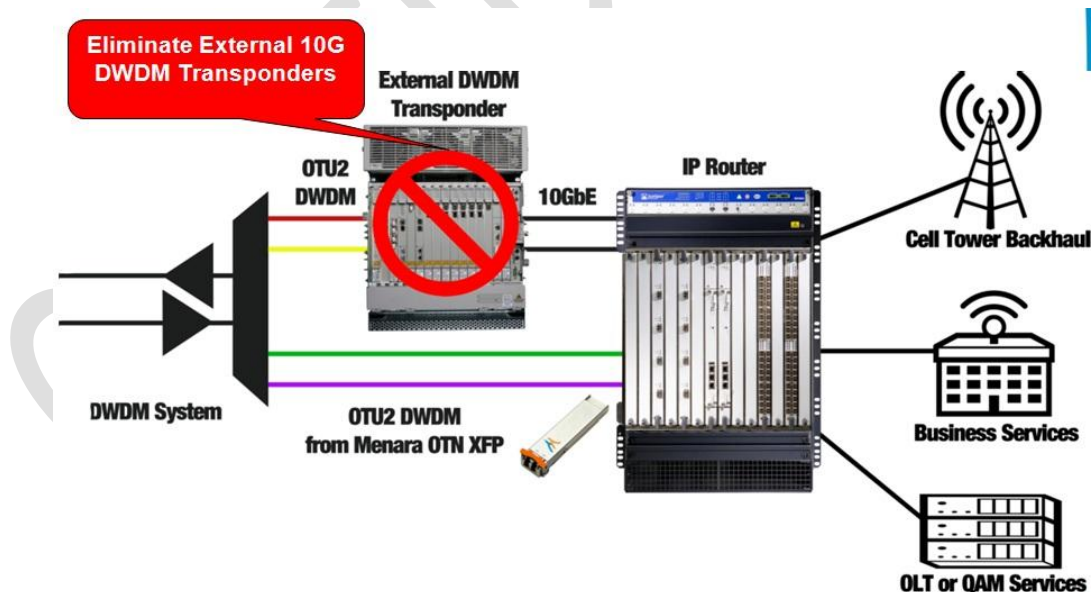
***for***



## Situation Analysis

Millions of people all over the world rely on the internet in their daily lives. Whether it is a student in a computer lab, an executive on his iPad, or a homemaker on her smart phone, they all need high speed and high quality access to the internet to finish the class project, make the deal, or organize the family's schedule. Most take this connection for granted without ever realizing the vast network of fiber optic cables buried underground or stretching across the ocean floor that make those connections possible. This is the world of networking technology and it is a fiercely competitive industry. Major players such as AT&T and Verizon dominate the network while mid-level companies like Cisco and Juniper fill in the rather large gaps left behind.

Menara Networks is a small networking company with big dreams and big ideas. Centrally located in Dallas, Texas, Menara Networks has created a device that will change the way networks connect – the OTN-XFP. The OTN represents the Optical Transport Network and XFP denotes a 10Gbps form factor pluggable transceiver. Engineers at Menara Networks designed and created the OTN-XFP and are currently the only company in the world with this technology. What makes the OTN-XFP so unique is that unlike other XFP models, like the ones manufactured by Juniper or Fujitsu, this one offers Forward Error Correction (FEC), which automatically corrects any errors or data transmissions in noisy or unreliable communications channels while also allowing the signal to travel over greater distances. It is also the only model with integrated G.709, which improves transport network performance in addition to providing its own level of FEC.



In the network system illustrated above, the OTN-XFP plugs directly into the interface of the IP router of a Dense Wavelength Division Multiplexing (DWDM) system, which combines and transmits multiple

signals simultaneously onto a single fiber. However, with the OTN-XFP in place, the system no longer requires a bulky transponder to convert the signal before sending it on through the router because the OTN-XFP does the same job at a much higher rate of speed for a lower cost. In fact, the OTN-XFP uses 43% less energy than a traditional transponder. This model also costs 42% less than the typical price tag of \$11,000 each for a transponder and more devices can be plugged into the same router, thus increasing the network's bandwidth capabilities. By eliminating the cumbersome transponder, the transport footprint (size of space needed to house the equipment) is reduced by 50%, saving the company on lease space as well.

In short, Menara Networks has full design and manufacturing control over a small device that has the power to transform today's layered optical network into a faster, more efficient and greener system. And for consumers who are on a network using Menara Networks' XFP models, the reduced network costs could eventually translate to reduced costs on their telecommunications bills.

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## **Problems/Opportunities**

Menara Networks is a small company, perhaps too small in some ways. With only 35 people total stateside and an additional 10 in Europe, mistakes can be much more costly. Because they are funded by venture capital, they are limited in their outreach to target customers resulting in fewer clients overall. Fewer clients mean decreased job security and longevity. Their venture capital structure also limits critical decision making abilities by executives as those decisions can easily be overridden by the VC board members. In addition, the company could be shut down or sold by investors at any time if they deem it to be too risky or not profitable enough.

Brand recognition has been a challenge thus far. Even though OTN stands for Optical Transport Network in their world, it can also easily be mistaken for another OTN – Oracle Technology Network. These two OTNs are vastly different. Oracle is the world's largest community of application developers, database administrators, system administrators and developers, and system architects using Oracle products. Menara's OTN, however, refers to a specific product: the optical transceiver. When someone is searching online for OTN, that person might confuse the two acronyms since they are both related to the IT industry. Since Oracle is a global community and a systems technology producer, millions of people recognize the name instantly. Menara Networks' name is almost unheard of, even though they were awarded the Best New Startup award in 2008 by Light Reading Magazine. They have no social media presence and no online presence other than their own website and a very sparse collection of press releases and media mentions. For a networking company, they seem to do very little networking with industry professionals and the media.

Unlike large corporations like AT&T or Verizon, Menara Networks does not own its own network. So if another company sees them as a threat, they can try (and have typically failed) to block the usage for the OTN-XFP. Cisco has been very active in their campaign against this device and will stop at nothing to prevent Menara Networks from developing and implementing this technology. Cisco seeks to combat this technology directly by developing its own technology that rejects the Menara XFP when it is plugged into the system. Since the OTN-XFP eliminates the need for a transponder altogether and Cisco manufactures, installs, and maintains transponders in the network, this can result in a significant loss of profits in transponder sales and service.

On the other hand, there are competitors who are very interested in acquiring this technology and using it in their networks to eliminate the transponder. Some companies like Juniper, have decided to work with Menara Networks rather than against them for this purpose. These types of network carriers find this technology to be exactly the solution they need to simplify their own networks and lower overall costs in setting up and maintaining these networks. And while many have tried, no other company has quite been able to duplicate the technology within the OTN-XFP just yet. That is because their secret resides in the on-board laser and the chip inside – two vital designs that are carefully guarded.

Luckily though, Menara Networks has much to offer to counter these weaknesses and threats. As the world's only provider and developer of the OTN-XFP, there is a tremendous opportunity for sales growth and increased business size as this technology catches on. Engineers are already working hard on the next generation technologies in this line, such as the SFP+ and the CFP+, and are even contemplating entering the system market by developing a new router that works even better with all XFP models. All of this development works to increase their potential to be sold to a larger corporation for huge financial gain as other organizations clamor to get their hands on the OTN-XFP and other emerging technologies from Menara Networks.

Their small size also works to their advantage. Huge corporations like AT&T are too big and too slow to respond to the needs of smaller business customers. Many times they even refuse those small to mid-size business customers – customers that are the perfect size for Menara Networks to handle on their own. This huge gap in the system means there is near limitless opportunities for growth and Menara Networks is already looking to add several positions in sales and engineering to meet that demand.

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## **Organizational Goal:**

The goal of Menara Networks is to simplify the existing network structure for optical data communications while providing superior performance and increased speed to the network. The replacement of the transponder by the OTN-XFP satisfies all of these goals.

## **Mission Statement:**

Currently the mission statement of Menara Networks reads as follows:

*Menara Networks develops innovative products and solutions that greatly simplify today's layered optical transport networks. Leveraging the company's proprietary high speed ICs, its extensive expertise in optical networking and system design, Menara products provide optical networks with superior performance and fewer network elements.*

*Menara's value proposition translates to improved service velocity, and a significant reduction in overall network cost. Menara's MSA-compliant optical transceivers with integrated ITU-T G.709 OTN enable our OEM customers to seamlessly and rapidly unlock the potential of their platforms by offering unique opportunities for expanded addressable markets and faster revenues.*

A clearer and more concise rewrite of that mission statement would look like this:

*As the world's only manufacturer of pluggable transceiver modules, Menara Networks develops innovative products and solutions that greatly simplify today's layered optical transport networks while providing superior performance, fewer network elements, and a significant reduction in overall network costs.*

## Target Audience

1. **Small and mid-level telecommunication carriers** such as Comcast, Time Warner, Level 3, etc. Large-scale organizations such as AT&T and Verizon are too vast for Menara Networks to handle at this time with existing resources.
2. **Router manufacturers** such as Juniper, Alcatel, Lucent Technologies, etc. These organizations develop, manufacture and install the routers for which Menara Networks' products need to be fitted. They also develop, manufacture and install the transponders that Menara's optical transport network (OTN) device, the XFP, is designed to eliminate. Some of these corporations, like Juniper, are phasing out the transponder and may be interested in purchasing Menara's technology.
3. **Potential new employees such as engineers and sales agents** are critical to the growth of Menara Networks.
4. Funded by venture capitalists, Menara Networks expects their innovative technology to lead to an **eventual sale of the company** to one of the telecom carriers or router manufacturers mentioned above.

## Key Message(s):

Eve Griliches, IDC program director of *Telecommunications Equipment* said, "Eliminating network elements and simplifying the underlying architecture has tremendous advantages to network operators." This goes to the heart of what Menara Networks wants to convey to their customers:

- *Networks made simple.*

In addition, Menara Networks wants to highlight further the cost effectiveness of their solution and the potential impact on the environment and our economy by using the OTN-XFP across the networks:

- *Reduced network setup and maintenance costs.*
- *Reduced storage space of network equipment.*
- *Reduced network energy usage and overall carbon footprint.*

**Objective 1: Within 6-12 month, local and national media will recognize Menara Networks' mission to simplify the layered optical networking system via 15-20 media placements/features in at least 10 of the top 20 media outlets.**

- A. **Strategy 1:** Develop relationships with trade and industry publications that can highlight Menara Networks' innovative technology.
  - 1. **Tactic 1:** Connect with media via social networking to open dialogue with reporters and editors.
  - 2. **Tactic 2:** Submit press releases and pitch story ideas to top industry outlets.
- B. **Strategy 2:** Provide opportunities for media to become knowledgeable about the company through open-house media tours and fact sheets.
  - 1. **Tactic 1:** Schedule and organize tours of Menara Networks' offices, including a question-and-answer session with executives and engineers after the tour and a product demonstration of the OTN-XFP and other networking devices.
  - 2. **Tactic 2:** Create backgrounder/fact sheets with information on industry trends, network systems and long-term benefits of utilizing our products.

**Objective 2: Within 3 months there will be a 50% increase in brand and product recognition among industry and trade professionals.**

- A. **Strategy 1:** Network with industry professionals at the SCTE CableTec Expo in Atlanta, Georgia.
  - 1. **Tactic 1:** Create a dynamic booth setup where MN executives and engineers will create a live product demonstration of the power of the OTN-XFP.
  - 2. **Tactic 2:** Distribute brochures that highlight the products and value that Menara Networks offers to the telecommunications industry.
  - 3. **Tactic 3:** Distribute flyers that will drive traffic to the presentation by Comcast on how Menara Networks has improved their network systems.
  - 4. **Tactic 4:** Scan business cards from industry professionals and follow up with each one.
- B. **Strategy 2:** Engage industry professionals through the use of social media.
  - 1. **Tactic 1:** Connect and communicate with industry professionals through Twitter @MenaraNet
    - i. **Activity 1:** follow other industry professionals and corporations to see what the current news and trends are.
    - ii. **Activity 2:** create discussion hashtag and engage in existing hashtag discussions
    - iii. **Activity 3:** share press releases, media placements, news, etc.
  - 2. **Tactic 2:** Set up company profile on LinkedIn and begin actively communicating with potential new employees and other industry professionals.
  - 3. **Tactic 3:** Create a company page on Facebook, have all company employees "like" the page and encourage other industry professionals to "like" the page.



## ***Evaluation***

**Objective 1:** Within 6-12 months, there should be at least 15-20 solid media placements in at least 10 of our top selected media outlets. These placements may include feature stories, news stories, quotes by Menara Networks' executives and engineers or testimonials by our customers in any print, online or broadcasting source.

**Object 2:** Follow up with industry professionals from the SCTE CableTech EXPO by thanking them and asking them to participate in a brief survey about Menara Networks, available on our website. Send link to survey to connections on Twitter and LinkedIn driving them back to our website. Utilize built in polling option to survey Facebook users. In all sources, there should be at least a 50% increase in brand and product recognition among those connections who may not have known about Menara Networks beforehand.