

Telesaver™

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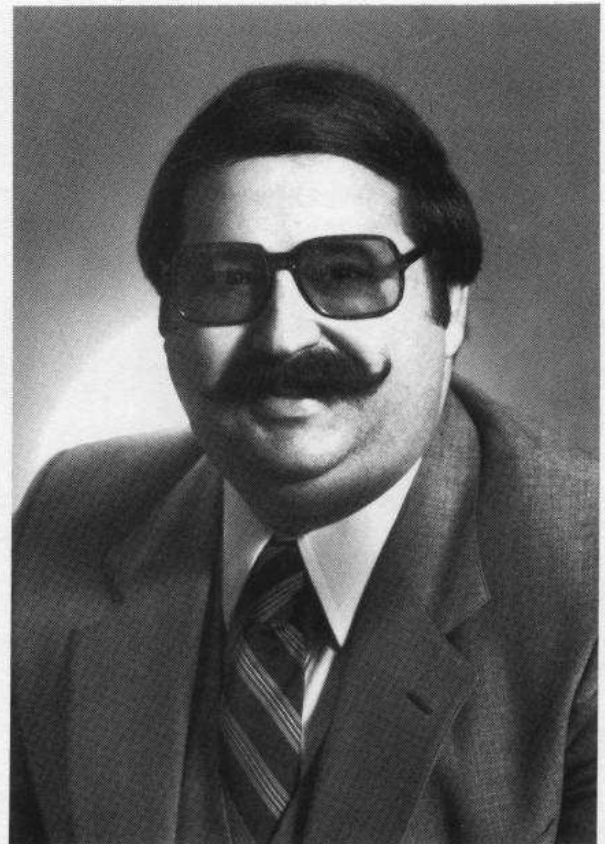
TELESAVER APPOINTS VICE PRESIDENT, FINANCE

On November 28, Harry Lipsitz began his career at Telesaver as the company's chief financial officer. Although telecommunications is new for him, numbers certainly are not. He received his B.S. degree in accounting from the University of Maryland, College Park, in 1968, and became certified in Maryland in 1972. He has always worked in the world of finance: at Maryland National Bank as a systems analyst; at Alexander Grant & Company, a national CPA firm, as an audit manager; and, most recently, at Hittman Corporation, as treasurer and chief financial officer.

Hittman, located in Columbia, Maryland, is a publicly traded company that Harry describes as "operating in two different business segments." One side of the business, he says, dealt with energy and environmental problems, such as alternative sources of energy and disposal of low-level nuclear waste generated by utilities. The other segment manufactured and sold medical equipment and components.

Harry is optimistic about this new opportunity at Telesaver. "It appears to be a dynamic company in a dynamic industry," he says. "Each time I've visited I've been impressed with the high level of activity and energy expended." We're pleased to have him on board, too, and wish him success in his new role as Vice President, Finance.

Harry lives in Pikesville with his wife Lynne and their three children, Joanna, age 7, and 5-year-old twins, David and Ryan.



Harry Lipsitz, VP, Finance

Photo by James Ferry Photography

AREA MANAGERS TO MEET IN EARLY DECEMBER

Area managers from each of Telesaver's eight local sales offices will come to Baltimore for a two-day conference, December 5-6. The preliminary agenda includes presentations by members of the executive team and by department supervisors. We look forward to this unique opportunity to address common concerns, to share experiences, and to plan together for future growth.

The following commentary was published in the November 28, 1983 issue of the Baltimore Business Journal.

"DON'T CRY OVER BELL'S BREAK-UP"

by Richard J. Goldman

Baltimore businesses, contemplating higher local phone-company bills, a confusing array of equipment choices, and uncertain long-distance rates due to the impending breakup of the Bell system, may need to look closely for the light at the end of the tunnel (similar to the July 4th Baltimore Harbor Tunnel trip to Ocean City!).

Very few would argue with the statement that America's monopoly-driven phone system is one of the 'best' in the world. Being the 'best,' however, is measurably different from being the 'best possible.'

Without meaningful competition, the "bell" hasn't been ringing very much for AT&T's customers, but instead mostly for its federal and state regulators. Lengthy depreciation schedules and a large fixed plant have discouraged much innovation.

The introduction of new and exciting technology by Bell Laboratories has been measurably slowed because of the economics of a regulated industry. A corporate policy which encouraged the long-term rental of equipment rather than its sale has not dictated quick change or improvement. Pricing on the basis of an allowable rate of return did little to reduce prices or minimize overhead expenses.

Fuller competition in telecommunications is going to facilitate our society's rapid and inexorable transition into the Information Age. It may take a few years to get there, and temporary confusion and uncertainty may be the price we pay, but the rewards promise to be truly spectacular.

Companies such as Owings Mills-based Telesaver have evolved because of the unique juxtaposition of new technologies, changes in regulatory policy (essentially a decision to forbear from artificial market manipulation), and a heightened consumer awareness and demand.

As the Industrialized world shifts its focus from an undifferentiated and labor-intensive mass production of goods to an individual-



Richard J. Goldman

ized and personalized production of services and ideas, the ability to communicate rapidly and cost effectively becomes critical.

The revolution which we are currently experiencing is dramatically altering the way in which we think and do business. Information is becoming the ultimate and most valuable commodity and its successful manipulation and control the harbinger of economic and social reward.

Island-bound and mineral-poor Japan is far richer because of its early harnessing of this greatest of natural resources. Legal and political decisions, such as those behind the break-up of Bell, free us to fully exploit and share our own base of accumulated knowledge by encouraging and protecting fledgling entrants into the telecommunications and information areas.

Progress may not be "our most important product," but it is a prerequisite to solving the problems of man (and woman) kind and to building a better, saner and healthier world. Santayana said that he who fails to learn from history is condemned to repeat it. If history is understood to mean that which has already happened, and if we think of every instant of human life as a happening, and every idea as an event to be learned from, then technology is now making possible an acceleration of learning beyond our wildest imagination.

"DON'T CRY..." (continued from page 2)

The vast computer networks, satellites, microwave towers, fibre optical cables, cellular phones, microcomputers, digital switches, integrated office phone systems, high-speed facsimile, undersea COAX, video discs, videophones, videotext, teletext, electronic data bases, packet switches and multi-point distribution services, are nothing more than extensions of our unique facility to think and communicate.

Within our grasp are the biggest benefits possible--the kind that go beyond dollars and cents. What's a little temporary confusion measured against that?

A "LITTLE" KNOWLEDGE IS A DANGEROUS THING...

...That's why Telesaver employees are constantly adding to their knowledge by attending courses, seminars, conferences and trade shows. If we're better informed, everybody benefits!

SIBBY PETERSON and EUNICE SILBERT (Network Operations) traveled to New York for three days of workshops sponsored by NYNEX, the new regional telephone company established for New York Telephone and New England Telephone.

ALLAN ZENDLE (Director, Network Operations) attended a five-day AT&T training seminar, "Voice Theory and Network Design," in Cincinnati the week of November 28th.

DICK GOLDMAN spent three days in New York at a conference sponsored by the Information Industries Association, which attracted information providers from all over the country.

MARSHALL SAPPERSTEIN (Columbia) attended Robert Self's widely acclaimed seminar, "Long Distance For Less," held in Georgetown on November 10th.

LINDA MERRYMAN (Credit and Collections Supervisor) attended a local Dun and Bradstreet seminar entitled "Dynamic Collections."

JOEL MALOFF, GREG JONES, and MIKE SENATE attended the North American Telecommunications (NATA) Conference and Exhibition in Washington, D.C.

TELESAVER'S TRAVELING ROAD SHOW

Paul Walton should patent his formula for success. He is a "pro" when it comes to selling telephone service to residential users of long-distance. In fact, he has proven himself to be so successful, that Telesaver hired him in late October, as an independent contractor, to promote and sell our service in Philadelphia, Manhattan, northern New Jersey, and southern Westchester County. He averages 150 sales a day!

How does he do it? He and his team of five assistants set up shop at busy street corners, plaza areas, heavily traveled pedestrian crossways. They split themselves into three groups of two for increased visibility. "It's a numbers game," Paul explains. "If a thousand people pass by our display, we have a pretty good chance of talking to a lot of interested people. We don't stop people; they come up to us. Our display is dynamic enough to draw a crowd."

Paul graduated in 1980 from San Diego State with a degree in public administration. He went back for a fifth year to get his teaching credentials, and subsequently taught 12th grade American history and 8th and 9th grades math and english. Selling part-time for Sprint made him aware of the financial rewards to be gained in sales. His teaching career ended on that note, and his career in telecommunications sales began.

"I love promoting Telesaver," Paul says. To me you can't beat the rates. We're the best! It's just a matter of convincing people that we're a viable company, because many of them have not heard about us before." Living the life of a traveling road show suits him well, too. "I enjoy it," he says. "I've always been fascinated by other places, and this work affords me the opportunity to travel. To me, every place is exciting; they're all new, all different. At this time in my life, I wouldn't want to be doing anything else!"

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Editor's Note: The Telesaver Exchange has been given a "facelift." We hope you like the new look and continue to enjoy catching up with Telesaver's news. Your comments and suggestions are always welcome. Please, let us hear from you. -D.R.B.

TELCRO III RECEIVES MEDIA ATTENTION

As a result of the product announcement that was mailed to the local media and national trade magazines, the TELCRO III has received quite a bit of press already. Following is a reprint from the December 1983 issue of Cellular Radio News, FutureComm Publications, Inc., 4041 University Dr., Suite 304, PO Box 380, Fairfax, VA 22030, 703/352-1200:

The Telcro III, the third-generation digital microprocessor-based switching system developed by Telesaver, a long-distance telephone resale company, for resellers, will also be able to accomodate small cellular systems. The switch will be displayed at CommNet '84, which will be held from Jan. 31 through Feb. 2 in Washington.

Telesaver developed the switch and its two predecessors primarily to use in its long-distance resale business. The switch will be available in a variety of configurations and is capable of accomodating 12 to 192 paths in up to 16 non-blocking modules. Prices would depend on the number of ports, but Systems Marketing and Sales Director Joel Maloff told us that a 72-port switch would cost about \$64,000 and a 144-port unit about \$122,000. The latter configuration would accomodate about 3,800 subscribers in a cellular environment, he said. The cellular package should be available later in 1984.

In its largest configuration, about 3,000 ports (price: \$1,575,000; including software but not radios), the switch could serve as many as 80,000 cellular subscribers, he said. The company is discussing the idea of setting up a turn-key operation with radio manufacturers.

Telephone Angles (November 1983), a publication for those wanting to know "how to manage an efficient, cost effective business telephone system," printed this information:

Coming in 1984 -- Telesaver, Inc.'s TELCRO III -- a least cost routing switch for resellers capable of selecting the lowest cost long distance channel from a variety of alternatives,

including WATS, FX and other common carriers. The Telcro III makes routing decisions incorporating time of day, day of week, failed lines, multiple routing paths and priority levels.

TAKING "ACCOUNT" OF TELESAYER'S ASSETS

The auditors from Arthur Young & Company are beginning to feel at home at Telesaver. Eight people from the accounting firm have been involved in Telesaver's year end, independent audit since early November, a process that is expected to take five to six weeks to complete.

"The audit consists of four basic functions," explains Controller Mike Metzger. "First there is a review of internal controls, then a review of book-keeping procedures and maintenance of the books. The third step is verification of assets and liabilities, and finally, the preparation of the report."

Telesaver has never had an audit of this magnitude. "We felt it was imperative at this time to get our systems and controls firmly in place," says Mike, "to 'catch up,' so to speak, with our dramatic growth over the past few years. Last year's review audit provided us with important information, but did not go into the confirmation of assets and liabilities. A full audited statement will supply us with the necessary credentials for future growth and development."

NEW PROGRAM FOR TRANSMISSION QUALITY CONTROL

In an effort to improve transmission quality for the Telesaver network, Network Operations has established a new quality control program that places major responsibility for maintenance with the local offices. On-site switch technicians will record type of problem and responsible carrier on a standard form developed by the department, which will help to establish trends in transmission quality for individual carriers. The new policy is expected to improve our ability to make more informed decisions about circuit ordering.

MARKETING THE TELCRO III

Ask Joel Maloff what he's been up to, and it's hard to believe that he's only been at Telesaver a little more than a month. The market plan for systems sales and marketing is almost written, his organizational structure, complete with job functions and objectives, is outlined, and he already has the interest of several major firms, including a PBX manufacturer and a large central office switch manufacturer. A product announcement has been mailed to prospective distributors, to which the response has been surprisingly good. And Joel reports that he is also actively investigating international possibilities for the Telcro III.

Joel is justifiably excited and optimistic. "These are potential sales leads," he cautions, "not sales. But they indicate the magnitude of the market interest -- and the interest is definitely there. Because of Telcro's technological advancement and flexibility, we are in a position to be selective; we can decide where we want to go rather than have the market dictate where we should go. We can stay away from potentially crowded fields, like PBX's, and concentrate on untapped markets, such as obsolete rural central offices."

From January 31 through February 2, Joel will be exhibiting at the Communications Network Trade Show in Washington, D.C., the largest show of its kind in the country. As part of the program, he will also provide a one-hour briefing seminar on Telcro III and Telesaver.

COLUMBIA NEWS

The Columbia Office "set up shop" at the 47th Convention of the Independent Insurance Agents of Maryland, November 10-11. Marshall Sapperstein reports that several hundred people attended the two-day show held in Hunt Valley, MD. Each attendee, in order to be eligible for a door prize, had to visit each exhibit and have a special ticket punched as "proof" that he had stopped by. "There was lots of interest," says Marshall, "and every sales rep has at least three to four qualified leads to follow up."

SWITCH UPGRADES = INCREASED CAPACITY

The field service crew has been busy -- and will continue to be busy until Christmas! Mike Senate's schedule for switch upgrades does not leave much time for anything other than switch upgrades for these men. Since mid-November, they have installed another 72-path switch in White Plains and a 216-path switch in San Francisco. Still to be completed are upgrades for Baltimore/Washington, Wilkes-Barre, Philadelphia, Rochester, and Hackensack. And Mike says he might "squeeze" another one in between Baltimore and Wilkes-Barre!

The 216-path switch is another first for Telesaver, necessitated by the closing of the Sacramento switching center. Now, all traffic from Sacramento is trunked directly to San Francisco, which is expected to improve efficiency and profitability for the company. It's nice to know that customer demand is forcing Telesaver to increase its capacity!



"Crew" members (l. to r.) Bob Smith, Curt Cavey, Dan Dumler, Tim Gayheart, with Manufacturing Director Mike Senate after three days of constructing communications between our two buildings in Owings Mills.

IT'S NOT OUR FAULT...

...At least not EVERY time you have a problem getting through to the switch! Granted, sometimes everyone seems to be making Telesaver calls at the same time, and you might get an occasional busy signal. But very often it's the local BELL telephone company's central office that "crashes." So please be patient, as some things are even beyond OUR control.

FOR YOUR INFORMATION

*** All of those customers waiting for ground start QC2000's to use with PABX's -- wait no longer! Mike Senate reports that ground start dialers are in stock and ready for installation.

*** More news about the QC2000...Customers interested in leasing, rather than purchasing, the autodialer can now do so. Sales representatives should contact their local offices for more information.

*** The sales office in Rochester has a new address and phone number: 725 Times Square Building, 45 Exchange Street, Rochester, NY 14614, (716) 546-8165.

*** The latest edition (Nov. 1983) of Telesaver's travel card, with twenty-three new cities added, will be ready for distribution with the next billing.

*** A "systems sales lead referral program" has been established to compensate Telesaver employees and sales representatives for referrals of prospects that result in the sale of Telcro III switching systems. For complete information, contact Joel Maloff, 301/363-2500, ext.265.

HAPPY HOLIDAYS!

Telesaver will again host a holiday open house for its employees, their spouses, and friends and associates of the company. This year's celebration will take place December 16th in our new building at 31 New Plant Court. With a 300% increase in Telesaver personnel, and the "new" friends we've made during the past year, we are looking forward to celebrating the occasion with a MUCH larger crowd this year!

During the Holiday Season more than ever, our thoughts turn gratefully to those who have made our progress possible. And in this spirit we say, simply but sincerely

Thank you and Best Wishes
for the
Holiday Season
and a Happy New Year

Tele saver™

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