

## A PROFILE ON OUR NEWEST PARTNERS: SHEARMAN, KANE & MAGNETTI

According to Webster, risk is synonymous with danger, hazard, peril and loss. Roget is more positive-sounding, with synonyms like adventure, compromise, venture, chance and gamble. It's the old story of how one looks at life -- positively or negatively.

Jeff Shearman, John Kane and Gene Magnetti, our partners in White Plains, N.Y., and Hackensack, N.J., side with Roget! If attitude plays an important role in life, their careers substantiate that fact. Each of these men had management-level positions in major corporations, each had climbed the ladder to success, and each risked security and high income because he wanted to create something where he would have ownership. If there is a common thread in their stories, it's the entrepreneurial spirit that drove all three to Telesaver.

Jeff Shearman's story begins after graduating Dean's List from Pace College in Pleasantville, N.Y. His plans to enter law school were altered by a family crisis, and he spent the next year and a half running the family stationery store, which he subsequently sold. "At that point in my life I couldn't see myself as an impoverished law student. I made the decision to enter the business world for real this time! I knew that if I was to earn a decent income it would have to be in sales, and if it was going to be sales, I'd need the best training available. I was looking for growth and opportunity." He found both at Xerox Corporation.

Jeff's career at Xerox, from 1974 to 1981, climbed quickly and always to the top: number one sales rep in his branch, number one sales rep in the northeast region, first line sales manager, number one sales manager in the northeast region. I asked Jeff if he always knew he'd be successful at selling, and his response was an emphatic "No! I was scared to death. I never thought I could sell for a living."

Jeff left Xerox in 1981 to begin a new venture at Coradian Corporation. "To have geometric growth, you can't do it in a large corporation," he explains. "There are too many layers. It's too stratifying. I wanted something with my name on it." It was at Coradian that Jeff met John Kane.

John attended Westchester Community College, viewed his experience there as "putting me behind a desk," and after one and a half years opted for earning an income instead of a degree in electrical engineering. His first position after leaving college was supervisor of a local auto dealership's repair shop. That lasted only a short time, until the 1971 gasoline crisis caused him to be laid off.

For the next five years, John worked for two different interconnect companies, where he gained not only expertise in the installation of complex telephone systems, but management experience as well. He advanced from installer to repairman, to outside supervisor, to operations manager, and finally to general manager of the business, with 27 people reporting directly to him. Then in 1977 he formed his own corporation, Business Telephone Installers, Inc. (BTI), serving as contractor for several interconnect companies. In 1981 he sold BTI to his brother for still another venture -- the Coradian Corporation.



After only a couple months at Coradian, both Jeff and John realized that Coradian's financial position would not allow for future expansion. John explains, "I'd still be there today had they not lost their main product line. Sales dropped off by two-thirds, my position was compressed, and that had an effect on my potential." The two men left the company to start a small interconnect business on their own with the idea that they would continue to look for a new opportunity.

Opportunity knocked when one of John's contacts casually mentioned a long-distance company out in San Francisco that was in the process of developing its own switch and gearing up for business. A half-hour telephone conversation with Dick Goldman prompted Jeff and John to drive down to Baltimore to meet him and Bob Chertkof, Telesaver's Executive Vice President.

"That first visit took place this time last year, St. Patrick's Day to be exact," says Jeff. "That was the day that Dick was moving from the house on Greenspring Valley Road to Telesaver's present location. Dick showed us the prototype of the switch Robert Glaser was engineering and described how in just six months he was going to have these TELCRO switches all over the country. John and I looked at each other and just smiled. We were impressed, but to be honest, we absolutely didn't believe it could happen!"

It did happen though and, Jeff continues, "that gave us a lot of faith in the company. We came down to Baltimore once more, saw the switch up and running and started negotiating from there."

Negotiations were in full swing during the summer of 1982, and by late November, J&J Management and Telesaver signed a partnership agreement. J&J invited Gene Magnetti, a 1969 graduate of Pace University with a degree in marketing, to join the partnership.

From 1969 to 1974, Gene ran his own real estate firm in White Plains, NY. His decision to leave that and take a job with Xerox Corporation was "to gain corporate experience," which he did, handling national accounts like J.C. Penny, Time Inc., and McGraw Hill. Impatient to move faster than Xerox would allow, he moved over to Exxon in 1979 where he started as a legal industry specialist.

Gene's career at Exxon accelerated quickly. In the beginning he was in charge of marketing the QYX intelligent typewriter to all the law firms in New York City and was soon promoted to sales marketing manager for the White Plains branch. His team had the distinction of being the top branch in the nation in 1980, and Gene himself was Exxon's number one marketing manager in the country. His achievements at Exxon included putting together training programs, marketing tools, leasing programs, trade shows, and an extremely successful direct mail program which generated high ticket sales through the mail. He created a library of information on competitors' products for a national competitive marketing program. His final accomplishment before leaving the company in 1982 was a reorganization of Exxon's national sales force and creation of the Systems Sales Executive Program for the Series 500 Information Processor.

Gene had kept in touch with Jeff Shearman since their first meeting at Xerox in 1974. "When Jeff told me about Telesaver, I was at a point where I knew I no longer wanted the big corporate life. I was on my own before and wanted the independence and freedom to do the things I feel are right. I believe that unless one goes ahead and makes the step, the things important in life won't happen. The Telesaver opportunity is good for everybody: for our customers, for whom we are providing a legitimate, money-saving service; for our investor, who is getting a good return on his money; and for each of us partners who has an equal share of the business. We knew it was a risk. None of us is independently wealthy, and we all have families. But we all felt it was well worth the risk."

Gene says that originally they "wanted the world." Negotiations with Dick Goldman and Bob Chertkof narrowed their territory to Westchester County, Hackensack, New Jersey, and southern Connecticut to start - area codes 914, 201, and part of 203. Hackensack and White Plains were chosen as switch sites for several reasons: both sites are a stone's throw away from AT&T long lines and the central office; both can accommodate the maximum number of people locally; and both are easily accessible to support personnel, i.e., sales reps.



## PROFILE continued

For the past month, Magnetti, Kane and Shearman have concentrated their efforts on getting their offices established and hiring personnel. Even so, Gene reports that in White Plains, approximately 25 business accounts have been signed to date, with a total monthly estimated billing of \$45,000.

We are enjoying our association with these three men. Each brings to the partnership his unique talents, personality, experience and expertise. Their participation in Telesaver is a plus for all of us.

## INDUSTRY NEWS

\*\*\* According to Moody's Investors Service, Inc., lower ratings have been given to AT&T and 23 of its 24 operating subsidiaries. The ratings are assessments of the ability of AT&T and its units to repay their debts after the January 1984 divestiture. The 'gilt edge' Aaa rating for AT&T was lowered to Aa-1, the second - highest ranking.

In a separate announcement, Moody's raised MCI's rating from a speculative Ba-1 to Baa-3. The change reflects Moody's "belief that American Telephone & Telegraph Company will allow its market share to be reduced to concentrate on other revenue opportunities."

\*\*\* Worldwide, ITT is the second-largest telecommunications company after AT&T, but U.S. sales account for only a fraction of ITT's \$6.7 billion in telecommunications sales. After years of selling mostly overseas, the company is aggressively gearing up for a share of the U.S. market, now that the Bell operating companies have the freedom to buy from sources other than Western Electric.

Through newspaper advertisements and visits to Bell units and independent telephone companies, ITT is introducing its System 1240, a digital central-office switch system in which it reportedly has invested more than \$700 million. ITT's goal is to capture 10% of the U.S. digital switching market, or a predictable \$5 billion in annual sales after 1986. The Bell operating companies represent about 80% of that market.

Analysts are mixed in ITT's chances for success. The competition - Western Electric Co., Northern Telecom Inc., and GTE Corporation, - already have the lead in marketing and actual contracts.

## DIRECTOR OF NATIONAL SALES/MARKETING HIRED

A special welcome to Greg Jones, Telesaver's new director of national sales and marketing. Greg's primary responsibility will be to direct area managers and partners in the development and implementation of marketing plans for the sale of our discount long-distance service.

Greg brings to this new position extensive experience in all phases of the telecommunications industry, including sales, marketing, administration, consulting and sales management. As Vice President-Administration at U.S. Telephone Communications, Inc., he established and implemented systems for everything from order entry and finances to customer service and data processing. Prior to that he was director of production and administration for OKI Electronics, a Florida-based manufacturer of electronic switching equipment.

Since his arrival at Telesaver on March 21st, Greg has been analyzing statistics for each switch site and familiarizing himself with the business. He will be working closely with both Communications and Network Operations to coordinate training and sales materials and network facilities expansion.

## COMING ATTRACTIONS...

\*\*\* Representatives from area offices in San Francisco, Sacramento, Philadelphia, and White Plains will attend a two-day field operations training session at Telesaver headquarters, the end of March. Robert Glaser, Dan Dumler and Mike Senate will demonstrate maintenance techniques for the Telcro II switch. At the end of the training, participants will return to their home offices, prepared to do on-site maintenance and troubleshooting. A second training session is scheduled in April for the remaining area offices.

\*\*\* Watch for an announcement in next month's Telesaver Exchange concerning new Universal areas. We are expanding service to Manhattan, Norfolk, and Richmond.

\*\*\* Spring is here...and Spring means T-shirt weather! Telesaver T-shirts are being ordered in adult (S,M,L,X-lg) and children's (S,M,L) sizes, in a choice of colors: red, navy, royal blue, and kelly green. Please call or write to order. Cost is \$4 each.

## WELCOME!

Telesaver's roster of employees continues to grow. We welcome Curtis Cavey, field technician; Symon Monu, accountant; Judith Cohen, assistant to the billing supervisor; Wendy Garson, newest addition to network operations; Greg Jones, director of national sales and marketing; and Allan Zendle, marketing division. Telesaver's family of full-time employees - as of this moment - numbers 49, a growth rate of 500% since this time last year!

## OUR CONGRATULATIONS AND BEST WISHES TO...

Christie Harmon, assistant controller, who became Mrs. Richard Clark on March 12th ...Francesca LaPorta, San Francisco area manager, who gave birth to her third son, Ti, on March 12th ...Allan Zendle, a recent addition to Telesaver's marketing division, on his marriage to Carole Miller, March 15th ...Patti Margolis, office manager, who showed up at work Monday morning, March 21st, sporting a "sparkler" on her left hand. Patti and fiance Howard Spigel are planning a fall wedding.

## COLUMBIA EXPANDS ITS TERRITORY AND ITS OFFICE SPACE

If you called the Columbia, Maryland, office recently, you couldn't help but hear the sound of hammers in the background. Receptionist Peggy Belazs said the dust was flying! Columbia has broken through to an adjacent office to accommodate its phenomenal growth these past 8 months. Manager Marshall Sapperstein explains, "We've more than doubled our office space, at least tripled our space for equipment, and we're anxiously awaiting our next 72-path switch." Installation of the switch is scheduled for the last weekend in March. With a total of 144 paths, we will double capacity in D.C., increase capacity in Maryland by 50%, and include neighboring Annapolis as a whole new area for sales.

Hazleton, PA, has increased its switch capacity, also. Technicians Dan Dumler and Curt Cavey delivered a 36-path Telcro II on March 22nd to the Grief's office on Laurel Street. The switch replaces the original 24-path Telcro that Robert Glaser engineered for Baltimore Universal service last summer. TELCRO SNOO1 has been returned to Owings Mills to await its next installation.

# Tele saver

20 Gwynns Mill Court  
Owings Mills, Maryland 21117

## Telesaver Exchange