Profiles *of* SUCCESS

**Pete Pattullo,
President & CEO
NetworkIP**

Founded in 1998, NetworkIP, a facilities-based wholesale applications provider, achieved profitability within the first two months of existence. Their existing customer base includes over 70 access and service providers. The company currently supports over a quarter billion end-user accounts, generating a peak of two million transactions per day, with utilization of over half a billion minutes per month.

Built on a solid and proven business model with financial stability and discipline, NetworkIP takes the worry out of managing your own platform and carriers as well as worrying about your vulnerable service provider. Many marketing companies have failed or have been severely setback because they tried to install and run their own platform.

According to Pete Pattullo, NetworkIP president and CEO, "One observation that we have seen over the past five years is that our best customers are the ones that have tried to run their own platform in the past. These companies were consumed by the distraction of managing this complex piece of business instead of focusing on their strength (marketing and distribution) in the first place. It is as if they stuck their hand in the fire, got burned, and now they appreciate the fact that we manage it everyday."

NetworkIP's solution relies on the strength of their technology instead of marketing hype. The focus everyday is to manage the complexities of the telecom industry, carriers, switches, servers, software and FCC issues. "Our mission is to make it work, minimize risk, drive down costs and enable prepaid providers to succeed by focusing on their strengths – marketing and distribution," states Pattullo. "The benefit is that they have all the functionality and control of owning their own switch without the hassles and distractions."

NetworkIP offers a service solution superior to and more cost-effective than an in-house system, substantially reducing the risk and financial outlay involved for prepaid providers. A prepaid provider can run their entire business, from facilities, to billing and back office from NetworkIP's platform, just as if they owned their own switch but without any initial capital or operating investment. By comparison, cost to implement your own switch is substantial – a minimum of $500,000 to get started. The base initial investment includes switch purchase, software purchase, lease for collocation space and required deposits to carriers. Regular basic operating expenses include salaries for switch technicians, monthly carrier usage costs, monthly tariff and licensing fees, and monthly rent for collocation space.

NetworkIP developed the industry's original "virtual switch" that has now been copied by others. The virtual switch concept enables service bureaus to provide a web-based business model that includes a complete suite of real-time tools for the prepaid provider to manage a profitable business. Prepaid providers can access specific account information, call routing, branding and profitability tracking for each of their distribution channels instantaneously over the Internet. The prepaid provider also has exclusive control in real-time over their product offering including provisioning, back office billing, rate management, PIN activation and product expirations, profitability and management reports and customer service functionality.

The benefits of NetworkIP far outweigh owning your own switch. There is no initial investment; their technological expertise allows the prepaid provider to focus on managing their products and distribution channels; a scalable and reliable switching platform provides efficient economies of scale; a flexible Internet-based software allows online access to back office billing, profitability reports, retail rate management, PIN activations and customer service functions; and network diversity via a redundant control platform controls multiple switches, providing the ability to reroute traffic during fiber and network outages.

Prepaid providers have "one-stop shopping" with NetworkIP. Enhanced features and services are available without having to outsource each service. Current service applications include e.Prepaid Calling Cards, e.Prepaid Long Distance, e.Prepaid Internet, e.Conferencing, e.Tandem Exchange and DuoCash-enabled web transactions.

Additionally, NetworkIP offers cutting edge technologies such as multiple applications on a single PIN account that other providers cannot offer.
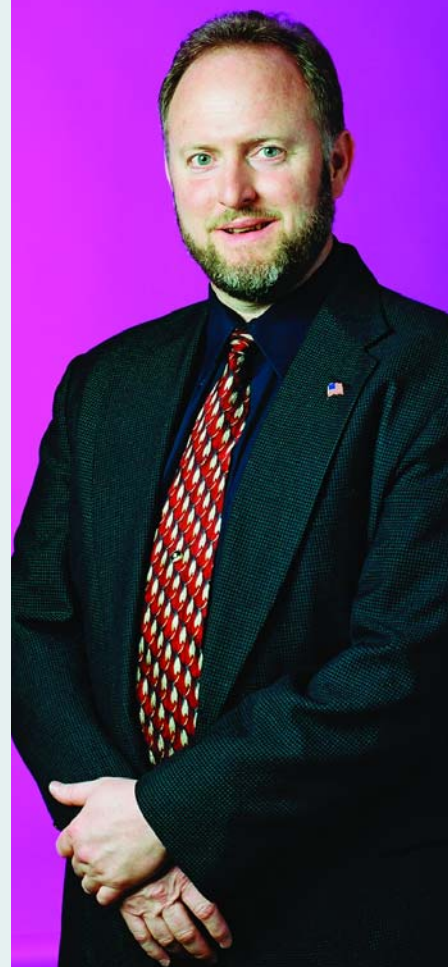
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