# Canadian Telecom Summit

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Keynote Address

*"May you live in interesting times"*

The famous "Chinese curse", of dubious origin, applies to our times today. It certainly may sound like a blessing at first, perhaps to the naïve. But to those who have lived through such "interesting times," it's often marked by the instability, upheaval, and creative destruction that lets subsequent generations study it with such fascination.

We'd be hard pressed to say that we're not living in such an interesting age.

From geopolitics to the technological shifts in our own industry, not to mention the fundamental impact both of these forces have on the mindsets of the citizens and customers they serve, uncertainty seems to be the headline of the day.

Start by opening the paper and reading the current state of affairs and we see plenty to remark upon.

A quick look at Europe and we see talk of Grexits, Brexits, nationalism, extraordinary refugee migrations, and quite a bit more.

Here in the Americas, we're watching the US head into an election year marked by levels of populist anger that we haven't seen in a generation, all while inching along in a slow economic recovery. Both of these events reverberate loudly to their immediate neighbor to the south, Mexico.

Global economic forecasts are cautious and conservative.

In short, what a great time to be Canadian! These "interesting times" don't just apply to geopolitics, either.

Technological change is also driving the new global agenda – and in many cases, impacting the political landscape, as well.

Technology has unarguably emerged as the single most profound cultural driver in the world today. Think of real time Trading, viral Social Networks, on demand Entertainment, and digital Healthcare.

But against the explosion of services, capabilities and possibilities, there are forces that complicate how we move forward.

For the first time in recent memory, when we talk about the technological rate of change, we must address two competing forces – the innovative solutions themselves as well as the resulting political and consumer sentiment that often oppose them.

The explosion of cloud services worldwide has enabled users to access their professional and personal data anywhere, any time and on any device they choose, all in a completely scalable way and nothing suggest that data streaming will slow down any day soon.

But this new expectation of unlimited access to data comes with a few constraints.

In a post-Snowden world, data sovereignty is a high priority in many countries. Indeed, the EU's rejection of the Safe Harbor Framework late last year and the expected legal challenges to its replacement, Privacy Shield, suggest that how companies collect and store the personal data of their global customers will remain a complex and changing subject for the near future.

This is not simply a European sensibility, either.

When we look at how Canadian and American citizens feel about data sovereignty, they, too, have a strong opinion.

Between 50% and 60% of Canadian and American respondents to our recent survey, don't want their sensitive personal information housed on servers in countries they don't trust.

All of us, no matter where we're from, are worried about the safety and security of the information we store in the cloud. We're worried that it will be hacked and somehow used against us.

For the first time in recent memory, our enthusiasm for innovation is tempered by the concern for privacy and security.

All these trends point to a deficit of trust.

**_Instability breeds fear and trust is an early casualty._**

When we look at the global data on trust, we see some glimmers of improvement after a very unstable decade, but still see deep distrust in most of the institutions that underpin our societies.

The public's trust in government and media is still at near-historic lows across a wide spectrum of countries, with signs of improvement in the perceptions of business and NGO's.

There's a growing divide between an increasingly optimistic global elite and everybody else.

Case in point: almost half of citizens in Canada and the US feel that their only recourse to getting treated fairly is through the individual's ability to marshal support through social media or through powerful friends – that's outside of what we'd typically refer to as "the rule of law."

That's a high number. Have people lost their trust? I guess it depends on who you ask – and how well they're doing.

That's the backdrop to our conversation today. A lot has changed over the past few years and a lot is still changing.

So what do we do, as leaders of technology providers, to address all this?

Well, we're expected to lead. We're expected to keep making good decisions, keep supporting our customers, and keep investing in our people.

*Instability breeds fear and fear reflexively seeks trust.*

We turn to those we trust. In uncertain, "interesting times", trust becomes the common thread that connects us. We turn to those who have our best interests at heart.

We at Cogeco Peer1 have an interesting vantage point in the midst of all of this. We're certainly part of this change.

Cogeco Peer1, our new brand – one that now combines Cogeco Data Services, Peer1 Hosting, QuietTouch and MTO, under one cohesive banner – is now a global provider of business-enabling technology platforms that let our customers focus on what they do best.

Indeed, Cogeco Peer1 is a very visible part of a larger brand umbrella that encompasses the entire Cogeco family; from residential cable, to managed IT services, to media properties, and more.

Our new brand, and newly expanded footprint, let us do things we couldn't do before.

When we were last here on this stage in 2014 – this was before I came on board, of course – we were a different company.

Look at what's changed.

We've gone from being a relatively small Canadian player to more than $300M global player in managed IT services, in a little under 3 years.

We've gone from 250 employees to over 700.

Our customer base has increased ten-fold, expanding from a primarily Canadian footing to now being a fully global enterprise.

Now that we've joined our forces, we span a customer base from enterprise class global players to up-and- coming small-to-medium businesses.

Our FastFiber Network™, that covers the Americas, from Canada to the US and Mexico, and across the Atlantic to the UK, France and Germany – over 40,000km of fiber and 50 PoPs – connect 17 data centers in Canada, the US, and the UK.

We're a bigger player, in a bigger pond now. But our philosophy towards how we approach this complex business hasn't changed.

We believe that technology – like the managed services we provide – is no longer an add-on service or a siloed department, but a critical means of delivering on the core strategy of the business, whatever that happens to be.

Technology platforms are no longer just "IT" – they're oxygen. They permeate everything we do as a business. Technology is empowerment for the very real human beings who work with us, both in our companies as well as our customers.

And just because we're playing a bigger game, on a bigger stage, doesn't mean we've lost the desire or the ability to develop real, human, personal connections. We're grounded in a "customer-first", human approach to delivering some of the most sophisticated technology services in the world. Because that's what our customers want.

Our core mission – something we instill in every member of our rapidly expanding team, to be clear – drives powerful connections for our customers and genuine connections with our customers.

Our vision – the statement that guides our actions and our progress – specifically addresses our fundamental belief in not just being known for our domain expertise, but being the trusted partner of preference.

Can I give you an example?

Trade Desk, a growing demand-side advertising platform, offers agencies and their advertisers, best-in-class technology to manage social and video advertising campaigns. Trade Desk's entire business is dependent on delivering content quickly and efficiently.

As their CTO and co-founder, Dave Pickles said to me, "We have an incredibly small window to serve an ad. If the network adds 100ms of latency across the board, my entire deployment would be worth zero. That is the window we operate in. Between 30ms and 100ms you go from full value to zero value."

When your business' livelihood is one hundred per cent dependent on your technology partners, trust becomes the most important aspect of your relationship. Yes, the technology has to be in place to support the service, but ultimately, that client needs to have immense trust in your organization and your entire team – they need to know that you are invested.

As Dave said, "Having Cogeco Peer1 manage the hosting aspect of my business enables my team to focus their efforts on building products and enhancement features – and that is paramount to our success."

These are the words of our customers.

You know, sometimes is so easy for a CEO to get up in front of an audience like this and talk the company line. How tempting! I like it when I can hand the microphone over to our customers and let them tell their stories. To us, they're the heroes – not us.

Don't get me wrong, we still have a long way to go. I don't think we are where we need to be with customer centricity – being that human touch we just spoke of – particularly given the need to scale the way we have.

We're a much bigger company and we know that we need to keep that "high touch" customer-centric philosophy. So, how we do this is a key challenge for me going forward and for all of us at Cogeco Peer1.

But knowing where you're going is half the battle. And we know there is never a finish line. Only a journey.

It's easy to look at an acquisition and a rebranding effort and write it all off as a fairly unremarkable event, important only to us.

But, in the spirit of looking at the bigger picture – the macro environment around us, and I've done my best to ensure that bigger picture stays in focus during this conversation – I'd point to evidence that shows how significant issues like trust, transparency, and relationships are in an age of uncertainty.

I don't have to convince anyone here, that we live in an age of distraction. The technological immersion we live with, surrounds us 24 hours a day, 7 days a week, in every facet of our lives.

Back in 2012, the Wall Street Journal reported that at work, we're distracted on average every 3 minutes – I'm guessing like most things, this frequency of distraction has probably dropped to a matter of seconds by now. Against all this, we have to produce world-class work.

Ask any knowledge worker what's most important to their workday and they'll tell you that focus is their top priority – the work we do alone. This phenomenon cuts across all company sizes, from the smallest of businesses all the way up to large enterprises.

In an age of distraction, focus is understandably our highest priority.

This idea of protecting and promoting "the work we do alone" is important to us at Cogeco Peer1.

Our expanded market coverage and customer base ensures that our clients have fast, reliable, and secure access to the data they need no matter where they are or how big they happen to be. Only then can these data- empowered workers turn to colleagues and socialize what they've dreamed up through the insights gained from the data we've helped deliver to them.

Knowledge isn't knowledge until it's socialized. Nothing is useful until it's shared with others. Only then, can we act and help improve the lives of those around us.

I mentioned that we presented here on this stage two years ago. Looking back at that talk, we made a somewhat futuristic statement about the future of cloud adoption. I wanted to revisit some of those predictions today and update you on what we've learned since then.

We put forward an idea, that there was a three pillar framework of cloud adoption. We suggested that the first step down this path was "cloud as technology," where initial investments are made due to a critical event or single corporate decision. Here, the CIO makes an investment based on faith, in the promise of the technology itself.

Next, we predicted that clients would move towards the second pillar, which we described as "the cloud as category." Here, we note that IT is working with business units as a partner, deploying specific solutions that go beyond a singular definition of cloud – generating a unique, private 'cloud' ecosystem that includes a variety of solutions from hybrid cloud models to managed security and is tailored to the needs of the business. Everyone's in the same boat and the technology is no longer magic – but a highly practical tool.

And lastly, we pointed towards the final evolution, the final pillar, being "the cloud as strategy," where the technology becomes invisible. That's what great technology is supposed to be, right?

Technology only works to its fullest extent, when we no longer notice that we have to interact with it. When it fades into the background and we are fully immersed in the work itself. The cloud becomes business strategy. It becomes how we execute upon our core mission, as a business.

I bring all this back up for two reasons. First, it's always fun to review predictions you've made in the past. Second, I bring it up because it's still true and we still believe in it.

But let me take it one step further. Not only do we believe in this vision of "the cloud as strategy," but increasingly it's become apparent that our customers do, too. This framework of 'cloud' adoption we put forward as our vision in 2014, has largely become reality.

We asked knowledge workers in Canada, as well as in the US, Mexico, the UK and France the simple question, of whether they believed that their IT infrastructure was a critical part of how they delivered their corporate strategy, rather than just playing a minor supporting role.

Across the board, they resoundingly agreed. Their positive responses reached a high of 64%, with the percent disagreeing rarely breaking 10%.

Further, there's a general belief that all IT infrastructure technology – including things like data centre, connectivity, software applications and hosted voice telephony – will be available on demand, with instant scalability and flexibility. When we asked this question, agreement ranged from a low of 54% to a high of 82%, depending on the country we polled. As these data points confirm, IT is strategy.

It is invisible, supporting our decisions in background while the highly charged minds of our knowledge workers, find new ways to collide with each other, creating new value for our customers. And it's available to us on- demand; it's secure, private; and scaling with us as we grow.

We're all technologists here, so it's so easy for us to look at what we do and sum it all up in a feature set or a description of our technical capabilities.

If what I've said today breaks through the clutter, it's that the human beings who are our customers – and our customers' customers – need something more from us.

They need to know that we're listening. That we're in the business of something more valuable and profound than can easily be captured in our quarterly financial statements.

At Cogeco Peer1 – I can say this from my vantage point, because I live it every day – I see the type of evidence that leads me to believe that we are on the right track. We think about what

we deliver, and how we deliver it to our customers. We do our best to ensure our customers can see and hear that we're working hard to elevate them – to make them the hero, not us.

It's so easy for us to forget that trust is fundamentally important, even in this age of ubiquitous information. Think about it. We have access to every possible fact, with information only a Google search away. But when it's important and the stakes are high, most of us want to turn to a trusted partner.

We asked this question of our knowledge workers, too. Over half and up to two-thirds "agreed" that despite having access to all the information they could ever possibly want to have on IT solutions and services, when it came to making complex purchase decisions, they said they'd prefer to turn to a trusted partner.

In an age of always-on technological immersion and instant access, we turn to people we know and trust, to help us. That's the definition of trust in 2016.

Let me close here.

"May we live in interesting times!"

May we focus our efforts on pushing the boundaries of what's possible so that we can deliver seamless, increasingly invisible solutions and services to our customers.

Let's not lose sight of the role we play in society and the roles we play with those who trust us with their livelihoods, careers and future. It is our duty – everyone in this room – to win the trust of our clients each and every day and it is one that we shouldn't take lightly. It will be today, and moving forwards the most important aspect of what we do.

In 2016, data is currency and this currency is entrusted to us.

Trust truly is the common thread that connects us!

Come visit us at CogecoPeer1.com

You will learn about our services, our genuine interest to understand your business, our focus on privacy and security and you'll discover a trustworthy organisation to make your enterprise unstoppable.

We will earn your trust. Thank you all!