



## 2006 Leading Lights: Where Are They Now?

OCTOBER 15, 2007

NEW YORK -- Here at *Light Reading* headquarters, we're set to announce the 2007 Leading Lights award winners.

But before we do that -- at a dinner event held here in New York this evening -- let's take a moment to reflect on last year's Leading Lights.

Who lived up to expectations? Who flopped miserably? Which companies rewarded our picks with Colorado Rockies-like winning streaks... and which ones choked like the (gulp) New York Mets and Yankees?

Here's a look back at how last year's crop fared. To review the 2007 finalists, see [Leading Lights Finalists](#).

- **Best Investment Potential (Long-Term), Public Company: Verizon Communications**

With a close of \$45.53 on Friday, Oct. 12, [Verizon Communications Inc.](#) (NYSE: [VZ](#) - [message board](#)) stock is up 33 percent for the last 12 months. We'll count that as a win.

Verizon's Stock Chart



Price chart as of 10/12/2007

Verizon's solid financial results earned the first-ever A- on the *Light Reading* Carrier Scorecard. And the carrier is getting plenty of credit for the ongoing FiOS buildout -- although its subscriber figures recently came into question. (See [Carrier Scorecard: Verizon Makes the Grade, At Age 2, Verizon FiOS Evolves](#)), and [Verizon Sued Over FiOS Figures](#).)

There's no question Verizon has set a tough standard for future winners in this category.

- **Best New Product, Public Company: Juniper Networks' MX960**

Analysts seem pleased as punch about the MX960, a box that finally propels [Juniper Networks Inc.](#) (Nasdaq: [JNPR](#) - [message board](#)) into the high-density carrier Ethernet market and strengthens its IPTV story. (See [Juniper Gains Ethernet Mojo](#).)

The MX960 is still early in its life cycle, and, despite a couple of follow-up boxes announced, some think Juniper would benefit from a broader Ethernet portfolio that possibly includes demarcation gear. (See [Juniper Expands MX](#).) Still, it's looking so far as if Juniper's scored a hit with this one.

- **Best New Service, Public Company: AT&T's U-verse**

After a rough start in 2006, U-Verse has picked up the pace to tally more than 100,000 subs. But most observers think U-Verse won't be able to keep up with future demand without relying heavily on advances in compression technology for high-def video. (See [U-verse Picks Up the Pace](#) and [AT&T: We'll Have HD VOD Too.](#))

More bad news: [AT&T Inc.](#) (NYSE: [T](#) - [message board](#)) has revised its U-verse estimates, making it more expensive by about \$1 billion and less expansive by about 1 million homes passed. And neighborhoods are complaining about the unsightly remote terminals placed in front of people's homes. The emerging report that AT&T might make a bid for EchoStar's DISH Network isn't comforting either. (See [AT&T Lowers U-Verse Goals Again](#) and [AT&T-EchoStar Rumor Returns.](#))

- **Best Marketing, Public Company: Cisco Systems**

The "Connected Life" got replaced by the "Human Network," but that doesn't invalidate [Cisco Systems Inc.](#) (Nasdaq: [CSCO](#) - [message board](#))'s marketing work last year. Rather, the company put a stronger consumer tilt on its message, trying to show how networks will affect you. A consumer ad blitz has Cisco getting closer to household-name status.

Meanwhile, Cisco has opened up a new marketing front by emphasizing the way Web 2.0 ideas can alter business strategies -- a message that's earned it another Leading Lights nod. (See [Leading Lights Finalists.](#))

- **Best M&A Strategy, Public Company: Level 3 Communications**

It's possible [Level 3 Communications Inc.](#) (Nasdaq: [LVL3](#) - [message board](#)) has bitten off more than it can chew. You'll recall the company was on a metro fiber rampage, and it's also become a content delivery network play by buying part of [Savvis Communications Corp.](#) (Nasdaq: [SVVS](#) - [message board](#)). (See [Level 3 Buys Broadwing for \\$1.4B](#), [Level 3 Takes TelCove](#), and [Level 3 Spends \\$135M on Savvis CDN.](#))

But the growth Level 3 sought hasn't kicked in yet. And the stock, trading at \$4.90 as of Oct. 12, is down 7 percent from a year ago.

Level 3 still has a good long-term story, as all that metro fiber puts it closer to the customer. That's important because, like [Akamai Technologies Inc.](#) (Nasdaq: [AKAM](#) - [message board](#)), Level 3 depends more on edge caching than it does on speed of the backbone network. Getting the piece to work as a cohesive whole might take longer than expected, though.

- **Best Leadership, Private Company: Kevin Sheehan, CEO, Hatteras Networks**

We gave Sheehan the nod for the progress [Hatteras Networks Inc.](#) has made in Ethernet-over-copper, using the technology to give carriers a midband option between T1s and fiber.

The past year has seen a flurry of customer wins for the company -- [XO Communications Inc.](#) (OTC: [XOCM](#) - [message board](#)) among them -- and [Light Reading Insider](#) sees a chance for some Tier 1 business. (See [Hatteras Lands Deal](#) and [Big Names Eye Ethernet Over Copper.](#))

Hatteras will face stiff competition -- [Adtran Inc.](#) (Nasdaq: [ADTN](#) - [message board](#)) suddenly looms large -- but Sheehan and his company lived up to their Leading Lights billing this year.

- **Top IPO or M&A Candidate, Private Company: Cedar Point Communications**

Cable equipment was a hotbed of mergers and even IPOs this year. (See [Motorola to Buy Terayon for \\$140M](#), [Entropic Wires Up an IPO](#), and [Arris Takes 'Giant Leap Forward'.](#))

But nothing came around for [Cedar Point Communications Inc.](#) last year. IPO talk cooled, and an acquisition -- [Motorola Inc.](#) (NYSE: [MOT](#) - [message board](#)) being one speculated suitor -- never came up. Granted, it isn't necessarily the best of times for an IPO in the sector. (See [BigBand Looks to Resolve BigProblems.](#)) So, it may be another year of waiting for Cedar Point.

- **Best New Product, Private Company: 2Wire's HomePortal iNID**

The outdoor broadband gateway, dubbed Intelligent Network Interface Device by [2Wire Inc.](#), came out in January 2006 and already had 4 million shipments out by year's end. That's grown to more than 11 million, and it's one of the reasons 2Wire retained a spot on

[Light Reading's Top Ten Private Companies.](#)

- **Best New Service, Private Company: Yipes's FinancialConnect!**

In absolute terms, [Yipes Enterprise Services Inc.](#) hasn't announced many wins for its financial-industry service. Then again it's signed up [Nasdaq](#) and the [New York Stock Exchange \(NYSE\)](#) as customers. (See [Yipes Serves Nasdaq, NYSE.](#)) That works fine by us.

Yipes had a busy year, capped by the roughly \$300 million acquisition by [Reliance Communications Ltd.](#) (See [Reliance Bags Yipes for \\$300M](#) and [Yipes! Here Comes a Spending Spree.](#))

- **Best Marketing, Private Company: Strix Systems**

[Strix Systems Inc.](#) has lost the magic -- by which we mean, Nan Chen, *three-time* Leading Lights winner, isn't running marketing there any more. (See [Chen Gone From Strix.](#))

The WiFi mesh vendor has continued getting its name out in the press, picking up wins with enterprises, municipalities, and the occasional big-name carrier. So, it gets points on the marketing front. (See [MSF Offers NGN Seal of Approval](#), [Strix Wins UK City Network](#), and [KT Deploys Strix.](#))

But the gloss is off muni networks, and Strix may be feeling its share of the heat there. (See [Strix Rumored to Cut Jobs](#) and [What a Mesh!](#))

— The Staff, [Light Reading](#)

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The **Ethernet Expo 2007** conference and exhibition will explore major carrier Ethernet networking and service trends. To be staged in **New York City, October 15-17**, admission is free for attendees meeting our prequalification criteria. For more information, or to register, click [here](#).