

10 to Watch

Members of this year's group have one trait in common - a vision

by: Scott Cullen

It's that time of year again when we identify the 10 hot properties to watch spanning the prepaid arena. Companies from all corners of the prepaid world are represented in this year's "10 to Watch." They run the gamut from POS convergence, providers of prepaid products, billing and switching services to companies that provide network infrastructure.

Historically, many of the companies we deem worth watching prove their performance in the coming year. Admittedly, some of those companies we identify as a "10 to Watch" honoree find themselves as victims of the prepaid industry's revolving door. But that process of natural selection within the prepaid world is what makes even those companies whose visions aren't realized in the coming year worth watching as well. After all, no matter the performance from the 10 companies on this year's list, there are lessons to be learned.

It's a classic success story. Two immigrants launch a business in their basement, which in 10 years evolves into a company with 240 full-time employees, 700 self-employed agents and \$180 million in annual revenues.

Founded in 1991 by Ata and Neda Moeini, Group of Gold Line, based in Richmond Hill, Ontario, is considered one of the largest providers of prepaid long distance calling cards in Canada, where it services some 50 percent of the market. The Moeini's original idea was to provide affordable, high-quality and reliable prepaid products to fellow immigrants in Canada looking to keep in touch with friends and relatives in their home countries.

Today, approximately 1 million Gold Line phone cards are sold every week through more than 30,000 retail and national chain stores, co-promotions with leading consumer brands such as Coca-Cola and Pizza Pizza and via a network of agents and company representatives. Those cards now log more than 100 million minutes of long distance per month.

One of the prime reasons for Group of Gold Line's success is that it does it all through a group of component companies including Arc Phone, which reportedly owns the world's largest prepaid switch manufactured by Siemens with a 60,000 port capability; Card Express Printing; Gold Line Telemangement; and TeleResolve.

These vertically integrated companies provide everything from state-of-the-art telephony switching facilities and equipment (Arc Phone), to digital printing and calling card production facilities capable of printing more than 100,000 cards per hour (Card Express Printing), to marketing and sales (Gold Line Telemangement), to customer service (TeleResolve).

"This allows us to give better service and faster turnaround," says Neda Moeini, senior vice president, in explaining the company's strategy of maintaining component companies. She adds that these capabilities enable the company to produce new products and promotional materials in two to 24 hours in some instances, while at the same time providing Gold Line with greater control over its products and services.

"We're constantly trying to develop products and services that will cater to our customers' needs — not just today, but in the future," says Moeini. The company's R&D operation employs 25 engineers who are dedicated to the design and implementation of future technologies. Among the new technologies the company is working on are voice activation and voice recognition. So far, the company's technology can recognize 25 different languages.

Growth remains consistent for the company. In 2002, the company partnered with key retailers in Canada, including 7-Eleven and Mac's convenience stores as well as leading petroleum companies such as Esso, Shell and Sunoco. The company's products also are sold in nearly 14,000 retail outlets in the United States and in most western European countries, including the U.K., Germany, Sweden, Italy and France.

Gold Line has ambitious plans for the future including continued development of new products and services to make long distance calling easier and cheaper, more cosponsorships and expanding the sale of its cards and services in Canada, the U.S. and western Europe.