



# SERVICE EXPANSION **FEASIBILITY STUDY** City of Rochelle Fiber Optic

January 16, 2018



[SIKICH.COM](http://SIKICH.COM)

**THANK YOU FOR CONSIDERING  
SIKICH MARKETING.** WE ARE PLEASED TO  
PROVIDE THE CITY OF ROCHELLE WITH A  
PROPOSAL FOR A SERVICE EXPANSION  
FEASIBILITY STUDY.

Successful marketing starts with an understanding of your audience and the unique benefit you provide them. Our experienced team enjoys the challenge of helping you grow by determining the current and potential future market conditions for your dedicated fiber optic service. We will help The City of Rochelle assess the market place and provide recommendations on the viability of further pursuing this market. Thank you for your consideration.

**Scott Kolbe**

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## EXECUTIVE SUMMARY

### GOAL

The City of Rochelle/Rochelle Municipal Utilities (RMU) has the opportunity to expand their dedicated fiber optic service. You have the opportunity to compete with companies like Comcast to deliver dedicated fiber optic lines to businesses within the Rochelle city limits. If feasible, you can transition this utility into a revenue-generating resource. The purpose of our study will be to determine the feasibility of expanding this citywide offering. Our initial goal will be to determine the number of viable businesses that align with the benefits of the Rochelle fiber optic municipal utility. The secondary goal will be to define the target market, develop a marketing strategy and deliver the relevant fiber optic message to the City of Rochelle businesses and drive customers.

### CHALLENGE

*External Challenges:* The challenge for the City of Rochelle is to compete with a large corporation like Comcast and the infrastructure they have in place. Comcast has an established and strong system, service, staff, and brand recognition to compete with.

*Internal Challenges:* RMU internal challenges will be the size and amount of businesses within the geographic area they are limited to work in, size of staff and ability to provide service with a sustainable profit margin. Finally, the challenge is to maintain this service offering over time and build a strong recognizable and dependable brand.

#### Considerations:

##### *Market Conditions*

- Capacity of businesses in the City of Rochelle to support viability
- Strength of competition
- Industry/market growth potential

##### *Operational Requirements*

- Logistics of staff size to provide and maintain service
- Longevity of equipment
- Adapting to technology changes
- Efficient operational processes

### OPPORTUNITY

The City of Rochelle/RMU has an opportunity to turn this dedicated fiber optic service into a profitable revenue generator. If the market conditions are viable for competition with Comcast and other providers, the City of Rochelle will need to establish its unique positioning within this market and be dedicated to reaching this audience with frequency and repetition to realize its goal.

# DELIVERABLES

## PHASE ONE

### STEP 1: MARKET CONDITIONS ASSESSMENT

Initially, we will want to assess the current RMU client list to get a understanding of the general business profile of a typical client. Input from the RMU staff will be valuable to identify which of the current clients are the most ideal customers. Based on this initial assessment, we will begin to develop a persona profile of the common characteristics of the businesses RMU best serves. Sikich will compare the profile to data provided from the city regarding the City of Rochelle businesses.

### STEP 2: CLIENT, COMPETITOR CUSTOMER AND RMU STAFF INTERVIEWS

Target market research ensures you understand your customer and prospect's goals, wants, and needs. We will gather this input and primary research by interviewing several current RMU key customers. These interviews are scheduled with clients that accept the invitation. The interviews are kept to approximately 30-minutes in length and are conducted by phone. RMU current clients that are not directly interviewed as well as a statistically significant group sample from the City of Rochelle business base will be surveyed through an electronic email service software (ie: Survey Monkey).

Using City data, we will reach out to Rochelle businesses using competitor dedicated Fiber Optic services. The information gathered will be used to refine our RMU company persona. We will reference the company persona to assess the Rochelle business landscape and identify comparable businesses within Rochelle.

Interviews of the RMU staff will provide a greater understanding of the strengths and weaknesses of the RMU model as well as internal perceptions of the market place. This will be utilized as a benchmark for comparison to the data collected from external interviews and surveys.

The result from step one and two will be to present City of Rochelle with:

- Report of viable business statistics that answers questions regarding market conditions
  - Enough businesses in the City of Rochelle to support viability
  - Strength of competition (Competitive Analysis)
  - Industry/market growth potential
- Persona Profile of ideal customers (see examples)

**Cyber Sean**  
THE SOCIAL MILLENNIAL  
PERSONALITY: Socially Perceptive, Optimist, Ambitious, Entrepreneur, Multi-Tasker, Tech Savvy, Creative  
GOALS: Establish bank of business, Establish relationships, Learn from mistakes to eventually become one  
KEY TAKEAWAY: "I'm a fast-paced, multi-tasker who juggles a lot of details at once. My ultimate goal is to expand upon the growth of my business."

**Time-Challenged Becky**  
THE MID-CAREER MASTERMIND  
PERSONALITY: Organized, Ambitious, Determined, Entrepreneurial, Savvy, Resilient, Adaptable  
GOALS: Grow book of business, Develop relationships, Mentor younger brokers, Thriving about retirement savings  
KEY TAKEAWAY: "I'm a team builder / doer who likes business managing people brokers and building and maintaining my bank of business. Responsibility, personal strength and flexibility are all extremely important to me."

**Go-To Tom**  
THE SEASONED VETERAN  
PERSONALITY: Experienced, Seasoned Professional, Savvy, Proactive, Productive, Collaborative, Knowledgeable, Traditional  
GOALS: Continue to grow book of business, Mentor relationships - helping to lead for profitability, Mentor younger brokers, Build awareness of opportunities/knowledge, Solidify retirement savings  
MOTIVATIONS: Honor - Integrity, stability, financial strength, Attention and quality, Relationships  
CHALLENGES: Microscopic environment, Lack of clarity, Lack of consistency  
KEY TAKEAWAY: "I'm a go-to expert. I tend to spend most of my time in the office. I prefer to do business with people who have a reputation for their personal reliability and consistency."

Persona Examples

**PHASE TWO**

**STEP 3: POSITIONING STATEMENT DEVELOPMENT**

Equipped with an understating of market conditions and a customer persona, Sikich will facilitate a positioning statement workshop. The goal of the workshop is to define your market positioning so that it's clear why your target market should choose your brand. Using the goals communicated to us through the primary research, we will define how your positioning creates meaning in the minds and hearts of your customers and prospects.

The positioning statement is used to help define your competitive niche, which will guide all future marketing efforts. Additionally, this statement provides all members of the RMU team with a clear understanding of the unique benefit(s) they provide their target audience and instills confidence and consistency in the way this message is delivered.

The Positioning Statement workshop facilitation is approximately 90 minutes. We have a systematic approach to gathering the required information and input from this conversational meeting. The gathered input is combined with the understanding of the market gathered earlier. Preliminary statements are presented and then modified until we reach a winning statement.

**STEP 4: MARKETING MOLECULE PLAN & IMPLEMENTATION**

If it is determined at this point that the market conditions provide for a feasible revenue generating business for RMU, the second phase of this process will be to (1) Create marketing messaging based on the positioning statement developed and design format that will clearly convey the unique benefits that RMU offers the businesses of the City of Rochelle. (2) Sikich will facilitate a marketing mix workshop to determine the best marketing vehicles to reach this target audience within the budget established by RMU. (3) Create a marketing calendar to schedule the distribution of the determined marketing vehicles that will be created and implemented by Sikich marketing over the next 6 to 12 months. It will be important to have several relevant vehicles distributed in a strategic timely fashion to create the frequency and reach required to generate a return on investment.

Foundational positioning and messaging pieces will be in established. Based on these crucial elements, Sikich will facilitate a Marketing Molecule planning session, which typically last 60-90 minutes. The result will be a visual and written game plan of marketing vehicles to employ initially and long-term. A marketing calendar will be created to schedule activities to ensure accountability and consistent activity.



# PROJECT TIMELINE & PRICING

## SCOPE

City of Rochelle/RMU needs a trusted team to guide their pursuit to understand to feasibility of this service offering within the City of Rochelle to reach its goal of a revenue generating business. Sikich Marketing will help provide clarity to this business landscape and confidence to move forward if conditions allow. Then, Sikich Marketing will customize its Molecular Marketing Plan to provide strategy, tactics, measurements and a budget to support City of Rochelle/RMU's goals and objectives.

## TIMELINE

Following a timeline for similar projects, we expect this project to take approximately 8 weeks to complete.

## DELIVERABLES

- PHASE ONE**
- (1) Market Conditions Assessment
  - (14) Client, Prospect and Staff Interviews
  - (1) Persona Development

- PHASE TWO**
- (1) Market Positioning Statement and Messaging Development
  - (1) Molecular Marketing (Marketing Mix) Workshop
  - (1) Marketing Implementation Planning Calendar (Gantt Chart)

## PRICING

Based on the approach and deliverables outlined for Phase One, Sikich Marketing will charge a fee of \$12,500 upon the completion of the findings report and recommendations.

For Phase Two approach and deliverable, Sikich Marketing will charge a fee of \$4,620 upon the completion of Marketing Implementation Planning Calendar.

If this meets your approval, please sign and return to [scott.kolbe@sikich.com](mailto:scott.kolbe@sikich.com).

**City of Rochelle**

Jeffery Fiegenschuh  
420 N. 6th Street  
Rochelle, IL 61068  
P: 815.561-2000

Signature: \_\_\_\_\_

Dated: \_\_\_\_\_

**Sikich LLP**

Scott Kolbe  
1415 W. Diehl Road, Suite 400  
Naperville, IL 60563  
P: 630.566.8442

Signature: 

Dated: January 16, 2018

## ***THANK YOU AGAIN!***

Thank you very much for considering Sikich as your partner in marketing consulting. If you have any questions regarding this proposal, please feel free to contact me any time.

### **Scott Kolbe**

*Creative Director/Partner*

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## CONFIDENTIALITY

Sikich shall use all reasonable efforts to preserve the confidentiality of any proprietary information disclosed to Sikich by Client, subject to any legal requirements to disclose, including subject to subpoena or court order. It is understood that Sikich cannot verify information supplied to it by Client, nor can it verify claims referenced in materials prepared by Sikich and approved by Client. As a result, Client agrees to indemnify and hold harmless Sikich from and against any and all losses, claims, damages, expenses or liabilities which Sikich may incur based on written information, videos, electronic data, reports, data or releases furnished or approved by Client for use or release by Sikich.

Client hereby explicitly acknowledges and consents to Sikich's use of third party cloud computing services to store confidential and proprietary information and other data of the Client, and agrees that Sikich's use of such cloud services coupled with the use of encrypted devices, password protections and firewall protection shall constitute the best efforts of Sikich to safeguard such information and data from unauthorized disclosure. Client further agrees that, subject to applicable law, Sikich shall only be liable if it has finally judicially been determined that Sikich did not take commercially reasonable measures to protect the confidential and proprietary information and other data of the Client from unauthorized disclosure.

## INTELLECTUAL PROPERTY RIGHTS

Client shall own any and all right, title and interest, including copyrights, trade secrets and other intellectual property rights, with respect to any copy, photograph, advertisement, music, lyrics or other work created by Sikich within the context of the website replacement program developed pursuant to this agreement, or otherwise. Client represents and warrants to Sikich that Client has all necessary licenses, permissions and legal rights to use all video and other content provided to Sikich by Client for use in the Services, and that no such video or other content infringes on the intellectual property rights of any third parties. Materials created by Sikich pursuant to this agreement may be used by Client without additional compensation, provided that Client has fully paid Sikich for all invoiced amounts related to such original work. Client grants to Sikich a worldwide, nonexclusive, nontransferable, royalty-free, perpetual license to use the deliverables for Sikich's own promotional efforts.

## TERMINATION

Except as provided in this agreement, Sikich's engagement to provide the Services is effective immediately and will continue until either party gives 30 days' advance written notice of its desire to terminate or modify this agreement. Upon termination of this agreement, (i) Sikich shall transfer, assign and make available to Client all property and materials in Sikich's possession or subject to Sikich control that are the property of Client, subject to payment in full of amounts due to Sikich pursuant to this agreement, and (ii) Client shall pay all fees and expenses incurred prior to the point of termination.

## GOVERNING LAW

All questions as to the execution, validity, interpretation, construction and performance of this Agreement shall be construed in accordance with the laws of the State of Illinois. Any court proceeding arising or related to this Agreement or a party's obligations hereunder shall be exclusively brought and exclusively maintained in the Federal District Court for the Northern District of Illinois or the Circuit Court of DuPage County, Illinois (or upon appeal, to the appellate courts of corresponding jurisdiction), and Client hereby consents to the exclusive jurisdiction and exclusive venue therein.

Sikich's maximum liability to Client under this agreement or related to the Services shall be the aggregate amount of fees received by Sikich from Client hereunder. In no event will Sikich be liable to you for any consequential, indirect, lost profit, punitive or similar damages.

You acknowledge having read this agreement in its entirety, have had full opportunity to consider its terms in consultation with your attorney, have had full and satisfactory explanation of the same, and fully understand and agree to be bound by the terms of this agreement.

Please indicate your understanding and acceptance of this agreement and your intention to be legally bound by executing this agreement in the space provided below where indicated and return it to our offices, indicating your authorization for us to proceed on the above terms and conditions.

## SIKICH LLP

1415 W. Diehl Road, Suite 400  
Naperville, IL 60565