

INTERVIEW TRANSCRIPT

Interview on behalf of Qwest

Todd Davis

LifeLock

Founder and CEO

Last updated: 2009 Aug 13



Product(s): Conferencing - Audio , CPE: Cisco , EZ Route, High Speed Internet, Hosted IVR (formerly QWCC), QMOE: QC, Toll-Free Service
Industry: Services, Security

1. Business need

"So I'm Todd Davis, CEO and Co-Founder of LifeLock. The first thing I will tell you is, yes, my real Social Security number is 457-55-5462. I'm probably better known as the Social Security number guy, and people ask me all the time 'Is that really your Social Security number?' It really is, and that marketing message that we've given out actually has allowed us to be one of the fastest growing companies in the U.S.; even through the tough economic times, we've been demonstrating hypergrowth in this area of identity theft protection.

So one of the things that really drove us early on was, number one, of course, we were going to have hyper growth. LifeLock started from almost a standstill concept to hypergrowth almost over night.

We had a multi-site scenario where that was going to be the problem; we were going to have multiple locations we had to support; complex scalable secure environments were going to be the key, so we had to go find a solution that was going to meet all those requirements.

We also had to take into account the current solution that we had in place was not going to scale, so it was going to be the gating factor on how successful the company was going to be.

Well, we knew we had to eliminate that; that couldn't be the deterring factor for how much we were going to grow. We had to go find a partner that would allow us to scale."

2. Evaluation & selection

"We were looking at our selection criteria, looking for a solution that would, of course, have multi-locations, that was going to be scalable in its implementation, that was going to be able to come up to speed and be not only flexible, but we had to come up to speed quickly. It wasn't something that we could take our time implementing. We had to have something that was going to come almost out of the box, ready to be used; that was known to be scalable; that we had the expertise and support around it; that we knew we had those in a partnership.

So knowing that we had a Qwest there that was on both sides of the equation--that it was truly going to be a partnership--that was part of our selection criteria. It wasn't just the speeds and feeds--those were certainly critical to our determination--but it was also going to be the support and partnership around it that were going to dictate who we're going to choose.

So in our selection process, when we looked at who we were going to go do business with, while we looked at four or five different firms that could provide potentially the technology, the hardware itself, and some of the support, we wanted to look at it on a comprehensive whole. It's not just, again, those speeds and feeds; it is the attitude that they take from day one--not the day that they find out how big the quote's for. It's how they take the action from day one."

3. Why Qwest?

"Bearing in mind at the time you probably didn't know the name LifeLock; it didn't mean anything as we're contacting the vendors.

INTERVIEW TRANSCRIPT

Interview on behalf of Qwest

Todd Davis

LifeLock

Founder and CEO

Last updated: 2009 Aug 13



So I will tell you one of the interesting pieces was Qwest, [and here] I joke a little bit with them, they picked up the phone. What I really mean by that is it was a responsiveness. We really, truly had immediate response from the sales team that was not only responsive to 'Here's what we need and here's what we're looking for.' They didn't say 'Well, just who are you? Never heard of LifeLock, so let's put them over in a different pile and give them different treatment.' We got treated immediately by the sales team as a true partner, as a prospect. 'What do you really need? Can we satisfy those needs?'

I think some of the other factors were the scope of the offerings.

Really, not only did we believe we knew what we needed, but they had the expertise, the presales support, the team that could come in and give us the full scope of the offering and maybe bring to our attention other things that companies growing at our rate should consider; that they had the expertise from working and being an industry leader out there working with the other companies that had already gone through what we had--we got to leverage that expertise. So I think part of that--scope of the offering, the expertise, the support that was provided, presales support that was provided--was certainly a critical factor.

I think along with the scope of the product offering--it wasn't just, by the way, what Qwest had to offer; they also had, of course, the partnership with Cisco.

And that partnership on the hardware side really allowed us to see the full solution, and so to see them working so closely together, to be able to see it operational, up and functioning--it's not a concept on a whiteboard somewhere or on a marketing piece of paper.

Here is the partnership; we work together. We can go see it; we can see how it executes together. I think that, along with the Qwest offerings and the scope of the products that they offer, really differentiated them from the others that were out there."

4. The implementation/installation

"The implementation, number one, was on an extremely aggressive timeline, and it included the full switch-out of all of our data platforms, all the hosting environment--everything was, in essence, being changed.

And I make the joke a little bit--it was like changing the tires on a race car, but we didn't come into pit; we kept moving at 100 miles an hour.

So the timeline was extremely aggressive--you know, it was one of those 'We need it by yesterday.' Qwest didn't shy away from that; they came in and gave us real[istic] expectations about what was doable. They understood and were flexible with us.

When the requirements changed in the process of the implementation, they worked with us. They gave us great guidance beforehand about really what to expect. What could we do in a timely fashion? What could we expect from the services, the hardware, etc.? So [there was] a very good exchange, two-way dialogue in that.

So when we did handle the hiccups--when we had the hiccups about changes in the requirements, not necessarily driven by Qwest--it was a multitude [of], both internal and external factors that would drive that--what I would tell you is we still came in under budget and on time.

So those two [factors], along with the changes that we threw at [the Qwest team] initially, I can tell you that it was certainly a successful implementation plan from everyone's perspective including mine."

INTERVIEW TRANSCRIPT

Interview on behalf of Qwest

Todd Davis

LifeLock

Founder and CEO

Last updated: 2009 Aug 13



5. Overview of solution

"The Qwest services that we utilize based here out of our Tempe [Arizona] headquarters--where the majority of the operation that supports our nationwide program [is located].

Of course we have the [Qwest] QMOE and the [Qwest] Internet services. We have, of course, all of our voice, conferencing, toll-free, and especially the [Qwest] EZ Route [and] the [Qwest] IVR [solutions].

So both from our inbound--we actually even use [EZ Route] as well in our outbound when we have to do follow-up because, of course, we're ISO and 27001 PCI level 1 compliant, so we have to meet very high and rigorous security standards on how we contact our members, when we collect information.

Of course, EZ Route has made that extremely easy to not only track that, but utilize that as a tool to make sure we're always in compliance with our ISO and PCI level certifications."

6. Business/IT environment

"Our business IT environment has, of course, multi-locations that are [operational] 24/7, that have to be up and running at all times; that have [the] repository [of] centralized data, so we must have access to that both from our member services agents who deliver service to the consumer, but also, by the way, our data connections, our phone line connections--that's 24/7 from our member base, and we are a service organization, so the IT requirements are critical to deliver the core service offering of LifeLock.

And if they were down, to some degree we don't exist in the member's eyes, so we have to be up. It is one of the most mission-critical--that data security and then that scalability, that dependability of the platform is absolutely critical from our IT requirements."

7. Customer service

"So our experience with the Qwest team, certainly on the presales support, even before they knew who LifeLock was and before we were really big and making people's radar, we had superb support from the kind of presales team, helping us put together our requirements.

Even when we didn't have all the [solution requirements] information, they helped us make sure we were asking the right questions on what hardware--how will this scale with you over time? Does it have the flexibility that we're going to need?

And then, as we began to implement that, of course [we found that] the engineering support was fantastic in both helping us find whether it's the Cisco equipment as well that we needed to bundle together or as we were beginning to map out, again, from a scalability, a security, etc.--we had great support from the engineering side [to resolve those issues].

The steady-state support once we were up and running--we can always count on. Again, I joke about one of the reasons we chose Qwest was because they answered the phone the first time we called, and did it immediately; the other part is they've always been there when we needed them along the way, whether it was engineering [expertise], whether it was steady-state [support], etc.. We've had superb support.

One of the challenges that we had early on was, of course, as we had the final solution mapped out that the engineering team and others helped us develop, we needed to have something in the interim.

INTERVIEW TRANSCRIPT

Interview on behalf of Qwest

Todd Davis

LifeLock

Founder and CEO

Last updated: 2009 Aug 13



And actually, Qwest stepped up as a partner and delivered equipment for us to use that would bridge us from the time we needed to change the tires on our 100-mile-an-hour race car without stopping [as an analogy], from the time we had to move from one state to the final delivered product, they actually even stepped up and provided the equipment for us to use during that transition period without holding us hostage, without trying to come in and say 'Well, we can do you this favor if we do this.' As a partner, they just delivered that and I was thoroughly impressed that they would step up to deliver that when the problem was really going to be on our side:

How do you make the transition? How do you go fast? Our partner stepped up in Qwest and delivered that for us."

8. Non-financial benefits

"I think the QMOE solution also gave us the opportunity to adjust and make quick changes. By having it together, it really--even though we may not know the impact, the opportunity cost of not making the change, what we really saw was we knew we were going to have changes as we had additions or changes in our business, and when you're going through a hyper growth [stage, a] business like LifeLock was adding 125,000 new members a month, there were changes [that the network would need to make].

We had new partnerships; we had new service offerings. So the ability to have that flexibility in the system, that QMOE provided, our ability to go out and touch and allow our members to touch us through that fast growth period, those were certainly some--while I can't put a financial number on what the benefit of that is, we know, given our retention rates now, given the fact that we've been able to grow at those kinds of rates, we know that we got tangible benefits from it [QMOE].

One of the [other benefits] that we received was the fact that we had metrics we had never had before. So by being able to scale the organization and have the level of equipment to take us to kind of a new height, to a new maturity as an organization, they delivered for us, for the first time, some metrics that allowed us to go improve our business. And it wasn't just part of the ROI for what we're going to have in savings over voice or data or through our pipe; it was about giving us stuff to truly manage our business.

I would tell you as we looked at both from how many calls were taken, what some of these durations were, we could collectively see it all in one place--so I would call it kind of the single source of truth.

Before, when we had piecemealed together some solutions--and we had certain vendors for certain solutions--well, we'd get data from them, but it wasn't representative. What were our talk times? When [did the call come] in? Why were the calls [coming in]? What were the call types? What were they coming in over? How were we responding? What were the outbound calls?

Well, we didn't have a real mechanism like we do [now] with the [Qwest] IVR and others to be able to dictate 'Hey, what are we really responding to? How many times are we needing to touch that member? And how many times are we actually closing that out?' versus we just had an aggregate total before of here's how many calls are coming in, here's how many go out. They weren't correlated together. We didn't see the areas we could go improve our business.

Once we had that [data] from the single source of truth, through the Qwest solution, we were able to go out and find out 'Hey, you know what? We're not doing a great job responding when someone has a question because their credit report's come in.' Now we understand how to go communicate that better at the front end, having nothing to do with Qwest's solution.

It was on us that we had an opportunity to better communicate with our members on the first time we sent that information. Well, that was very valuable to the company because it made the member experience better. By the way, it may [also] have dropped some of our call volume that we needed to take, but it made the member experience better. So those were some of the very tangible results we saw right away."

INTERVIEW TRANSCRIPT

Interview on behalf of Qwest

Todd Davis

LifeLock

Founder and CEO

Last updated: 2009 Aug 13



9. Measurable benefits

"Once we've implemented the full QMOE solution and the data side [of] the IVR solution, we've really been able to see the efficiency gain by our member services agents in dealing with the consumers and the effectiveness of that.

We've gained efficiency at almost a double-digit rate quarter over quarter since we implemented the [IVR and EZ Route] solution[s] because it's allowed us to go out and say 'I don't need a body trying to make phone calls; we use the IVR and the EZ Route.' We've got the statistics. We know when to hit those and then it comes right in with the right infrastructure to get them to the right agent to solve the problem immediately. So the efficiency goes up.

The member has a great experience; they don't have to call in multiple times. We get it done on the first time. They get to the right people in the right time the first time. Well, that's allowed that efficiency gain, measurable, to be at almost double-digit quarter over quarter, since we put in the solution.

I would also say certainly with the toll-free services, you know, Qwest has delivered to us certainly not only competitive rates, but a great service as well. So those are easily measurable; we know what our other opportunities are, what other routes we could've chosen. They're [Qwest] very competitive, especially in the level of service they provide."

10. Areas for improvement

"Well, you know, I may be making a generalization about what can be improved on, but I'm not sure telco billing couldn't always be improved. So the good news is we know that people listen to us. We know that our partner in Qwest listened to us, so we'll always give the feedback on maybe how telco billing can look different or how we can consolidate it.

But really, I gotta tell you, if there was something I'd love to be able to ask for--because when we ask, we typically get it from Qwest. But it's been a great experience. The partner team that we have put together that supports LifeLock, that team from Qwest has really done a superb job and I don't really have anything that I can point to and say 'But if we would just fix this', because anytime along the way we've had that, you know what? We got it fixed."

11. Future plans

"What we can expect to see as we expand and grow dramatically over the next 6 to 12 months, we will be expanding the QMOE service to our secondary support center. So we're going to have an additional site that we bring up to speed--we're also going to expand the use of EZ Route and the IVR solution.

So we've had such great gains in some of our billing initiatives and others, again, because of ISO standards, PCI level standards, in using the EZ Route [solution], but we see other opportunities for both the incoming [calls] over our toll-free numbers, how we can utilize this EZ Route [service], that is such a great experience for the member, you're going to see us continue to expand [upon] that and to [add] more breadth [of EZ Route's use] within the organization."

INTERVIEW TRANSCRIPT

Interview on behalf of Qwest

Todd Davis

LifeLock

Founder and CEO

Last updated: 2009 Aug 13



12. Recommendations and advice

"You know, if I were sitting down with any partner, this advice, especially for another maybe entrepreneur or a company going through real hypergrowth, the real things I'm going to look for--before I even talk about Qwest per se, what I'm going to say is you've got to go find a partner you know you can count on; that isn't trying to sell you whatever is on the shelf at that moment, hasn't got the canned pitch about what they're going to push.

I'm looking for a partner who will really hear what we have to say, who will really look out into the future--and oh, by the way, even tell us when they don't agree with the path that we're going down. That's a valuable partner. So I would tell anyone, any business partner, that's what you're looking for.

You're going to go try to find the people who you can really grow with; that you can gain the wisdom that they have--leverage their expertise.

Go find the best in the business that has a competitive rate, that can scale, that will understand your business enough that they can be a long-term partner.

Certainly, my experience with Qwest would--that's why I would introduce my business partners that are going through it, to my peers, for people who are saying 'I'm having a bad experience', I would love to be able to go out and--certainly, in fact, I would be anxious to talk about the fact that if you need these kinds of solutions, if you're looking for this kind of support and partner, let me tell you about my experience that LifeLock has had with Qwest because I don't think there's anything out there today that could be comparable to the partnership that we have with Qwest now."