

INTERVIEW TRANSCRIPT

Interview on behalf of Qwest

Matt Karnicki

Ready Care Industries

CFO

Last updated: 2009 Aug 14



Product(s): iQ: Internet Port, ISDN Primary Rate, LD: Dedicated
Industry: Hospitality, Wholesale, Distribution

1. Business need

"When I sat down and tried to analyze the needs for the business going forward, we really needed more reliability. The current carrier that we had had very little reliability.

Growth--we knew we were gonna be growing; we knew we were gonna be expanding into different markets. I needed somebody that could communicate and help me move into those new markets--educate me on what I really needed to do.

I needed somebody that was willing to work with me, with my current phone vendor--my current phone vendor I've had for quite some time, knows my system, knows what we do there, and was willing to work with them and help educate me on what I needed to let my company and my existing vendor go through.

Obviously, costs were always an issue. I don't want to make a change and spend more money. Analyzed the cost needs to make sure that we were still comparing apples to apples and not going down a road that was gonna be too expensive for me."

2. Why Qwest?

"The reasons we went with Qwest was for the reliability, A number one; being able to get ahold of somebody who could help me. My rep did a great job at following our structure that we wanted to set up. We had not had at Ready Care Industries what I would call the disaster lines, meaning that if my T1 were to go down, which brings in all my phone lines, I basically am out of business in terms of incoming phone calls. If the T1 happened to go down on the Internet, I'm down on that. Qwest was fantastic at helping me set up what I call the 'Disaster Scenario' where I can have four lines that come in that are routed somehow different--I don't understand all the technology, but they're routed differently. As long as there's not a major problem region-wide, I can at least get my phone calls.

In the past when I had tried to take care of that with my old provider, it was cost prohibitive, equipment prohibitive; they couldn't do it. I never knew what the real, real story was. It was very aggravating. And when we sat down to talk about signing a contract, that was one of my key points that I wanted to have included for the future, and it was very simple, at least from my rep's standpoint, that we were able to do it. And the cost was--it was very cost effective for the company."

3. Service activation

"After I chose Qwest and started the activation for Ready Care Industries--to me, it's like building a house. It's never gonna be like it shows on a piece of paper, and that's at no fault to Qwest or to Ready Care or my internal phone vendor. There's always stumbling blocks that occur during what I call the implementation or activation.

What I was extremely happy about--and I am not an easy guy to please on this because I don't understand all of the technical issues. I understand writing a check and signing it on a timely basis usually gets you a little better reaction from whomever the vendor is, but in this case I didn't need to have to pull that card out. They did a very good job at putting a timeline, putting it together, working with me with my phone vendor--it was very important to me that I used my current phone vendor because he had set everything up on my building, I bought all my equipment from them; he understands us. There was no problem with that; I wasn't pressured into using a lot of Qwest people or somebody else that they required--which was very nice. It made it easier communication on my end because my phone

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vendor knows me very well after 10 years. And it was great communication--great communication. There were a lot of questions asked to me where I'm like 'Huh? What? I have no idea what you're talking about.' But they were good at giving me names, phone numbers to get back to the right people, doing conference calls with Qwest and my vendor, Qwest rep, Qwest customer service.

Timeframe--it went faster than I expected. I don't know how many times you actually here that--it went faster than I expected. The glitch on that though is--this is more of a technical issue--98 percent of it rolled perfectly; there was 2 percent left. Until you solve that final 2 percent, I can't cancel my old contract. That's more of an internal issue, but what was nice is I was aware of the 2 percent rather quickly; we took time to solve that.

Once again, nothing's ever gonna go perfectly. I think anybody who would think that you move two T1 lines, DIDs, services, that it can happen overnight--they're mistaken; they're misleading themselves. So I was happy. I probably anticipated only about 80 percent going correctly, so my expectations were exceeded. I'm not an easy person to exceed expectations on."

4. Overview of solution

"In Denver, Colorado here. We currently have about 10,000 long-distance minutes per month; we have 5 incoming toll-free numbers; we have 30 to 35 DID numbers; much stronger capability on our Internet connection now--it's a T1 line; and we have telephone conferencing capabilities."

5. Customer service

"My experience with Qwest's customer service since our changeover has been exceptional--and I don't say that lightly. I can give you two different examples: One right after our changeover; there still were a couple of loose ends to tie up, and at that point I was unaware that my Qwest rep could take care of that--I called the customer service area. The customer service area was very clear in telling me that they could not take care of that, my Qwest rep had to take care of that--which means the customer gets to be a little frustrated and aggravated, being stuck in the middle, especially since really my employees don't care, they just want the phones to work. The nice part in this example is that customer service rep, on their own after we hung up, realized the frustration that I was having and contacted my rep on their own and the Qwest rep called me immediately saying 'Please, I want to offer, until the transition period is completely done, to contact me directly and I will take care of that for you directly.' The nice part is we've been doing--since that point in time, we've actually bought a couple more phone lines outside of the state of Colorado and he has followed through on all of that at this point in time--which I did not expect that to happen. I figured I'd be handed off to another rep, not knowing Qwest's policy and procedures--and that has not happened, and it's been six months now. And I'm not trying to set Qwest up to keep one rep for me for the lifetime of my contract, but it's been very nice that I've been able to contact the same person over and over.

My other Qwest customer service was also prior to knowing this, I called on my own for a very, very small, minor billing problem and that was taken care of immediately. It was very small; I just happened to catch it, being an accountant--caught a small billing problem. They credited that immediately and also e-mailed my rep on that, who asked me again 'Please, if you have this problem, at least at this point, bring it back to me and I will correct it again if it were to happen.' And I'm gonna sound really, really picky here--it was only 5 bucks, but I happened to catch it. It just stuck out rather glaring, and it was nice to know that 5 bucks I didn't have to spend hours on."

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6. Non-financial benefits

"Some of the--what I would call the 'hidden benefits', the non-financial benefits--the DID numbers. I did not know how useful that would be for my salespeople. It really helps them identify before they pick up that phone who they're talking to. It seems so simple; overlooked it in the past. We never had it, so didn't know what we were missing until we had it.

Faster Internet--that definitely helps. Them being able to look up some of the tracking information for customers much quicker, getting their orders much quicker.

The reliability of it--the reliability of having it up.

Definitely another--I'd kind of consider it a financial benefit and a non-financial benefit--we're positioned now that we can acquire more businesses, which is in our short-term and long-term goals here at Ready Care--to acquire more businesses. I don't have to worry about changing out phones again, getting new phone numbers, getting new bandwidth. It's not something I want to have to do every year or two years.

Another great--I'd call it a financial benefit, but a non-financial benefit is switching, with the reliability has helped my position. Being an accountant, I prefer to be dealing with the computer and the numbers and the balancing, payroll--the necessary evils of life I really enjoy to do. I prefer not to have to worry about whether I'm getting a dial tone or not, whether I'm getting an Internet connection. Being a small company of about 70 people, being the CFO, I get those responsibilities whether I want them or not, and it's nice to know that if I have a problem, I've got somebody I can count on to call--and in the last six months since we made the changeover, there hasn't been a problem."

7. Measurable benefits

"Measurable benefits that I've seen is I've saved about 10 percent on my bill. No, that was not my goal going into this; it's a wonderful thing to be able to go to the owners of the company after it's all said and done and say 'Hey, I know we went through a conversion; I know it was to your salespeople somewhat traumatic'--which it was not traumatic, but to them during those couple hours, that I can actually show some types of cost savings in the end.

It did not cost me that much to upgrade my equipment, which needed to be upgraded anyway; I felt that Qwest actually helped me tremendously at saving money at that because the quotes I had gotten prior from independent vendors were double to triple the price. With my few phone calls that I made outside of Qwest, they would not allow me to use my own phone vendor. So I made a kind of long little story there--they saved me a couple thousand dollars by allowing me to use my own phone vendor and supporting my own phone vendor. That's the key part, too--they allowed me to save the money but supported him during the whole process instead of saying 'No, he doesn't do this right' or 'No, we prefer to do this.' It was seamless.

And then obviously the bills. I'd say about a 10 percent savings. Our business, fortunately, in the last couple of months has gone up, so that savings is probably a little bit greater than that. But like I said, our volume has gone up."

8. Areas for improvement

"There are areas that Qwest can improve upon, areas that Ready Care can improve upon. When I signed the contract--my name's all over the contract; I get every phone call. Though it's irritating, if I'm in the right frame of mind and I'm not so busy, I can help manage it better by coordinating the right people. The difficult part here is when I'm not available and it's a deadline, critical type of question. They leave it on my voice mail; they

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may send me an e-mail. They do a good job at trying to contact you; the problem is that I become the roadblock in the conversion and I think it would be very beneficial if they could list on their P.O. 'money contact' or 'accounting contact'; 'technical contact'; somebody to contact if you can't contact these other people. There are people that obviously could've gotten hold of me on some of these questions, but they're not listening--I'm not gonna have them listen to my voice mail or look at my e-mail. A little more coordination. I kind of look at it like a contractors list--you know, who's doing each part of the job. You know, if it's plumbing related, call a plumber; you don't call the electrician. I feel that they could do that much better.

It was very comforting that when I expressed my concerns and frustrations to my Qwest rep, that he took ownership of it; he solved some of those questions; he got ahold of the proper individuals at Qwest to try to funnel most, if not all, of those phone calls through him. Once again, being technical questions, most of those things I was just forwarding or e-mailing or, you know, getting other people to help me. It was frustrating at first, but the nice part was that the rep took ownership and solved those problems for me--and he solved them for me on a pretty timely manner."

9. Future plans

"My future plans for Qwest--I actually have some in the works right now. A month ago, we purchased the distribution rights of a product out of Fiji, and the company that previously held those rights were out of Utah and Kansas, so at this point we are pulling those lines into our system, which is not as easy as I thought. It's not just like signing a piece of paper and getting it done and having permission from the other party, which of course we do--it's not that simple. Qwest--at this point, my Qwest rep has been going through that mountain of paperwork to take care of that; we'll be finalized here shortly.

We are also currently looking at opening up a distribution warehouse in Hawaii, of all places. We would definitely want to use the same provider, use the same partnership in Hawaii and any other places that we would go. We are always actively looking at expanding our line of products that we have at Ready Care. Not only do we have soap, shampoos; we now offer towels, which is a new line; we offer these products for Fiji and we're going to continue to do that. We actually think that during the challenging economic times we have here, if we do it properly, it's a good time for us, and it definitely helps being able to have a phone provider that could help us at these other locations; whether they're temporary locations or permanent, it's nice to know that I've got somebody that I can turn to to have the technology there, especially if it is just temporary--somebody who'll work with us to convert it here to Colorado.

As we move forward, I like to use the same companies, partnerships, vendors wherever I go throughout the United States, and Qwest is definitely the telephone, the telecommunications--it's who I turn to. I don't want to have a different provider at every single state or every single location; I want to stay with who I know, build that partnership, and grow it. I mean, I've hit on it many times before--I want to grow with the people that I'm doing business with. It's a win-win. And I have the confidence right now that Qwest is willing to help me if I go to Texas or New Mexico or Florida."

10. Recommendations and advice

"Well, my best advice to anybody moving their service over to Qwest is to take that extra week or two on the front end to map out what your goals are. You'll be surprised, at the end, you know, the things you didn't identify that you wish you would've identified up front to make it a smoother process. And I'd go through making sure you have the right equipment, number one; you know, make sure that you keep the right people involved that may not be with your company--the phone vendor, the computer vendor. I'm not gonna say the right names here, but the guy who knows the IP addresses. I never understood how important all that is--and I was fortunate that I had a couple really good contacts in my business and I was very fortunate that I had a very good rep up front who could outline all this. And though I think it was an A conversion, it could've been better. And if I have to do it again in the future to

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upgrade, I hope I remember the right questions to ask. I'm sure with technology getting better, there'll be new questions I'm unaware of, but mapping it out--and I'm a very stubborn person--I had to make sure that I accepted some of the questions that I was gonna get. I don't know if I explained that right, but I have to be part of the solution instead of part of the problem, and it wasn't so much just signing a piece of paper and going 'Okay, go fix my phones.' That's not the way it works. You know, you have to follow through with all those little technical questions to make it work right. And I think we did a great job at the beginning, and we still didn't outline it all."