From Thursday's Globe and Mai

Michael Sabia wanted to talk about **BCE Inc.'s** strategy at the telephone company's annual general meeting yesterday, but shareholders had customer service on their minds. More than a handful lined up at the three-hour plus meeting in Toronto, the heart of Bell Canada's territory, to ask Mr. Sabia, the chief executive officer, about their personal service problems ranging from wireless billing to telemarketing.

Customer service is increasingly becoming a make-or-break area for Bell and other telecoms because they no longer have the market to themselves. New firms including cable-TV companies are introducing Internet-based phone services. And customer service problems are getting costlier as the larger phone companies must compensate clients if they miss the federal regulator's quality standards.

"It's not enough any more just to fix what goes wrong," BCE chairman Richard Currie said at the meeting. "Bell today must convince customers to use its systems, use its products rather than the myriad of other choices available."

Investor criticism comes after Bell had a major slipup in its wireless business last year. Glitches with a new billing system meant clients didn't get bills regularly and then received a bunch together. Some said they were overcharged. That issue has been resolved, said Mr. Sabia, who rejected a $1.475-million bonus because of the problems.

And a two-month strike by 1,400 workers who repair and install phone lines is having a serious impact on Bell's ability to serve customers, according to Maggie Harbert, who is president of Local 34-0 of the Communications, Energy and Paperworkers Union of Canada and a Bell employee. The CEP represents the striking workers, some of whom were demonstrating outside the meeting.

Mr. Sabia, responded by saying Bell "is doing everything that we can in the circumstance to maintain customer service levels, and I believe we're doing a reasonably good job at that." Customer service was only one of the strategic points that Mr. Sabia touched on at the meeting. He discussed how Internet Protocol technology is transforming the industry because it is blurring the lines between wired and wireless phones and ushering in new entrants.

He said growth will come from new services including a computer on your TV screen and entertainment over wireless devices.

He also addressed shareholder concerns about the Montreal-based company's stock price, which has barely risen in the three years since he became CEO. In contrast, rival Telus Corp.'s shares have gained slightly more than 200 per cent in that time.

BCE shares closed at $28.86 on the Toronto Stock Exchange yesterday and have traded in a range of $25.64 to $30.46 over the past year.

The difference is wireless, which is highly valued by the capital markets because it is growing so fast, Mr. Sabia said. Bell generates a smaller percentage of total revenue with wireless than Telus because its fixed-line business is so big.

"One of the great challenges that we have is to continue to greatly accelerate the rate of growth of our growth businesses as we manage the inevitable decline of some of our legacy businesses," he said.

BCE controls Bell Globemedia, the owner of The Globe and Mail and CTV.