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Creativity and Feasibility

Final Exam

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“Winston-Net offers a sustainable business model.”

The consideration of sustainability involves taking a close look at the resources that Winston-Net has today and questioning their viability in the future. Questioning Winston-Net’s resources in the framework of the basic business model is essential to this consideration. The value proposition, market segment, value chain, cost structure and target margins, value network, and competitive strategy are all examined briefly below:

- Does Winston Net create value for its customers? Yes, Winston-Net’s value proposition is that it offers inexpensive wireless access across the city. Portability (easy movement between venues) and adaptability are great features of this offering (e.g. wireless meter reading).
- Will it continue to create value in the future? Winston-Net does have the potential move beyond the provision of the product (inexpensive internet) and give solutions to customers (e.g. standards and recommendations for use to social services and non-profit organization and provision for connectivity in the art community). This will ensure the long-term sustainability of Winston-Net

- Who are Winston-Net's customers? Will they be loyal as time goes on?
With a huge customer base and the potential for many long-term contracts (local businesses, Wake Forest University, downtown subscribers, local residents, etc) Winston-Net has the potential to gain a lot of market share and keep it.
- How does Winston-Net fit into a value chain? Winston-Net will rely on the core technology that Azulstar provides. How will Winston-Net provide services beyond this core technology? Community interaction, public image, and additional offerings will be essential for Winston-Net going forward.
- Does Winston-Net have the potential to sustain itself with revenues to covering the colossal costs of providing this network? Winston-Net's revenue model is somewhat vague because the estimated number of users and the income sharing model with Azulstar have not been finalized. However, there is potential for revenue generation through service provision and the multiple angles at which advertising revenue models have been generated provide clear anticipation of probable income.
- How will Winston-Net continue to develop within its value network? Winston-Net already has clearly established relationships with local government, businesses, and organizations. Moving forward Winston-Net must create even stronger ties with these entities and also forge new connections with the benefactors of the offering, making the network complete.

- Does Winston-Net have a strong competitive strategy? Winston-Net does not have a somewhat unique offering because its coverage will be so widespread. However, with the presence and up rise of many other providers and wireless networks the uniqueness of the offering has many substitutes.
- Will Winston-Net change and adapt to differentiate itself in the marketplace? Winston-Net's challenge is to move beyond its initial offering to provide service (consulting, aggregation, and information), solutions (end-user problems will arise with time and Winston-Net must have the resources to provide consistency), speed (this is a must with internet provision), and adaptability (functionality with different devices). Currently Winston-Net's competitive strategy is simplistic and clear (low-cost provider). However, with time this will not be enough to provide sustainability. Winston-Net must move beyond this because of the number of substitutes and rivalry in the market.

In sum, these business model fundamentals have certainly been addressed for the present and must be clearly defined for the future. The eventual shifts in the market for wireless internet will make differentiation necessary. The proliferation and commoditization of internet will drive prices downward. Content provision will eventually become the main vehicle for revenue generation. Winston-Net has many opportunities for content provision. Partnerships with educational institutions and local artisans are example of ways that Winston-Net can provide content.

If Winston-Net can capitalize on this shift in the market they will be able to sustain. In addition, if Winston-Net can strive to create markets in Winston-Salem they will be able to monopolize these emerging markets. For example, non-internet users, low-income citizens that do not have the internet, and educational internet users are all potential consumers for Winston-Net. Winston-Net's mission includes the initialization of these target markets. These markets will also serve to provide sustainability for the Winston-Net's business model. As such, Winston-Net must first focus on reaching these markets then sustain them by providing services and solutions.

Another integral part of the business model is people. With Lynda Goff as current executive director of Winston-Net has direction and know how. However with many of the recommendations above Winston-Net will want to expand its resource base. This will include additional manpower. New people will add to the sustainability of Winston-Net; there must be a functioning team of people with the knowledge base that runs Winston net to make it sustainable. Also, with the support of a very active board and many community leaders Winston-Net's sustainability becomes more certain. Integration into the community is a key element into Winston-Net's success. This integration has already been achieved and must be continued.

Winston-Net's focus for the future must be creativity. The essential value proposition is there and will generate demand in its initial offering, but this bare bones approach will not work going forward. If Winston-Net is to become sustainable they must encourage innovative ways for consumers to use their product. This may be encouraged by consulting or content provision, but it will really be driven by out of the box thinking. Some of these ideas may include: utilizing game systems in the home to provide internet,

imaginative educational content that may use the already existing capabilities of these systems, and portal use for different aggregation of information (for social services, culture, and education). Winston-Net can really entice users with a unique marketing style and different product inventions. Winston-Net must provide than the internet to become a long-term player in the wireless market.