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RE: Sustainability of WinstonNet

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WinstonNet, a nonprofit organization dedicated to integrating a wireless network throughout Winston-Salem, does offer a viable and sustainable business model. The business model's unique approach and network of capable partnering organizations coupled with the demand for affordable wireless internet service will ensure WinstonNet's future success. However, I believe it is only sustainable if certain conditions, such as large commitments of human and financial capital, are met.

The WinstonNet business model, overall, is very unique and forward-thinking. Business models that incorporate strategies that exploit rare resources and capabilities and develop the infrastructure to support these policies and procedures, tend to be sustainable in the long-run. These business models are difficult to imitate and tend to generate sustainable revenue. There are only a handful of cities in the United States that are trying to implement a pervasive wireless network in their communities. Thus, WinstonNet is similar to a 'first mover in the market,' especially in this region of the country and within North Carolina. By trying to provide more than just wireless service, WinstonNet truly offers a product currently unavailable in the Winston-Salem marketplace.

However, as we discussed in class, there are different focuses, like social, arts and economic, that WinstonNet needs to address and be aware of when targeting different customer groups. Each of these groups stands to benefit from the services WinstonNet can offer, beyond just the wireless internet, and WinstonNet needs to ensure that the benefits are properly communicated to these groups. If they do not understand the focus, then WinstonNet will struggle to achieve its stated objectives. Once again, the many interviews my team conducted with various partners in the project confirmed this ideology and are dedicated to ensuring this is carried out through WinstonNet.

WinstonNet's network of local partners will enable it to successfully confront and overcome most obstacles that it may face. More importantly, these partners value the mission of WinstonNet and this 'buy in' is crucial to the effectiveness of WinstonNet's business plan. For example, after extensive conversations with Sonya Murray, vice president of One Economy, my team realized that we had greatly underestimated the power of the Beehive Portal and the impact One Economy has on a community. One Economy strives to place a computer in every low income household, but it also aims to provide these same families with the tools they need, which are available on the Beehive Portal, to improve their quality of life. One Economy has already placed computers in every home built by Habitat for Humanity in Winston-Salem and has existing relationships with computer suppliers for affordable desktops. One Economy should be utilized and emphasized in WinstonNet's business plan. Groups like One Economy provide

important linkages in the effort to create a truly wired community, as access to computers and the internet at home plays a crucial role in a wired community. WinstonNet must take advantage of other nonprofits, such as the YMCA, arts organizations and social service agencies, that have different core competencies but can complement what WinstonNet is trying to achieve. Many of WinstonNet's partners are nonprofit organizations, so they understand the mission and challenges of a nonprofit. These partners will prove to be a strong ally and resource as elements of the business model begin to unfold.

While I believe the business model is strong, I do foresee several challenges that may threaten its sustainability. Acquiring adequate and stable funding for its programs and employees will prove to be the most difficult aspect of the plan. WinstonNet is very differentiated in that its focus is more than just wireless service--it is consulting, networking and a host of other benefits. These other services will put a strain on available resources and increase expenditures. In addition, WinstonNet is trying to change the way organizations in Winston-Salem utilize the internet, by changing people's perceptions and their current usage patterns. Changing the way people use the internet for business, social and recreational purposes does not happen overnight, rather WinstonNet will need to devote the long term resources and capital to achieve this. To do this, WinstonNet is going to need a very strong base of employees behind it to implement this strategy. In our interviews with different partnering organizations, classes to train low income families unfamiliar with the internet were frequently

mentioned. This requires huge human capital commitments. Most importantly, it requires long-term, optimistic thinking on behalf of WinstonNet employees and customers. These different stakeholders must keep in mind the long-term vision and not get discouraged or distracted. My last concern centers around the timeliness of the project. Currently, Time Warner Cable is the one major internet provider in the area. Most businesses and low income families cannot afford the inflated prices Time Warner offers. This means that it is a good time for WinstonNet to offer its low cost wireless service, especially before other low cost providers enter the market. More importantly, WinstonNet is in the position to gain loyal, referring customers and should exploit this before it is competing for customers with other companies. In addition, achieving its objectives should be done in a timely manner, so as not to lose interest in organizations that are donating time, resources or money. Once again, it is important for WinstonNet to deliver real results and it must be able to track and measure its successes so that other organizations join or continue to support the cause.

I recently read the following quote: "Creativity is the power to connect the seemingly unconnected." The idea to link different community groups with the intention of improving the social, arts and economic aspects of life in Winston-Salem is an innovative concept that, I believe, will lay the foundation for future innovation and growth in the area. If implemented correctly, I believe the effects of WinstonNet can live on indefinitely, and will take many forms that we will continue to witness for years to come.