

**True or False: “Winston-Net offers a sustainable business model.”**

I believe that Winston-Net does offer a sustainable business model if two issues are addressed. First, the model needs to generate some sort of revenue on its own, in addition to government funding. Second, it needs to address both the supply and the demand sides of wireless connectivity. If both of those issues are addressed, then I believe that Winston-Net has a good shot at making both a short term and a long term impact in Forsyth County.

Dictionary.com defines “sustain” in several ways:

sus·tain<sup>i</sup> /səˈsteɪn/ [suh-steyn] verb

1. to support, hold, or bear up from below; bear the weight of, as a structure.
5. to keep up or keep going, as an action or process: to sustain a conversation.
7. to provide for (an institution or the like) by furnishing means or funds.
8. to support (a cause or the like) by aid or approval.

Related forms

sus·tain·a·ble, adjective

sus·tain·a·bil·i·ty, noun

Based on this definition, when we ask if Winston-Net is sustainable, we are asking if Winston-Net’s business model has the components that it needs to support itself in the future. In other words, if Winston-Net’s business model were a table, the components that make it sustainable would be its legs. If its legs are weak, the table will only be able to stand on its own for a short period of time. For Winston-Net, this would mean that it would only be able to make a short term impact on the community. However, if the table’s legs are strong, then it will be able to stand for a longer period of time. This sort of “table” would allow Winston-

Net to make a measurable impact on Forsyth County that would have the chance to grow over time.

### Table leg #1: The Revenue Issue

Even though Winston-Net is a nonprofit, the issue of revenue is still an important one for two reasons. First, other sources of nonprofit funding are not always dependable. Politics may change and government funding may dry up. Wealthy contributors may move on to new causes. If Winston-Net's business model can cover at least some of its cost through its own revenue model, those fluctuations become a cash flow challenge, rather than a cash flow catastrophe.

Second, the issue of earning revenue by providing wireless connectivity to a community is also an issue in the big picture. Setting up a wireless infrastructure and providing connectivity to an entire community provides value. The infrastructure becomes an asset to the community<sup>ii</sup>. Winston-Net's business model needs to capture that value or it will send a message that the asset does not provide any significant advantage to the community. This is the only opportunity that Winston-Net will have to capture that value. If they don't build it into the business model from the beginning, they cannot go back and add it.

When it comes to which revenue model would be most effective in ensuring Winston-Net's sustainability, there are several options to consider. In order to make the best choice, the Winston-Net team will need to have a very good idea what their costs will be, which are fixed and which are variable, so that they can make an informed decision. Some simple primary research would also be useful, possibly in the form of a survey, to get a better idea of what the price elasticities are for Winston-Net's target markets. The key is for Winston-Net

to choose a revenue model that will both help them to cover costs over time and is appropriate for their target markets.

#### Table leg #2: Addressing Connectivity from Two Sides

In the December 2005 issue of *Broadband Properties*, four researchers discussed the economic impact of broadband connectivity on American communities<sup>iii</sup>. The results of their analysis supported the view that broadband access does positively affect the economic growth and performance of a community in real and measurable ways. They identified that the magnitude of those effects, however, were determined more by *how the broadband is used*, than by the fact that it is available.

“The implication for policy makers is that a portfolio of broadband-related policy interventions that is reasonably balanced (i.e. also pays attention to demand-side issues such as training) is more likely to lead to positive economic outcomes than a single-minded focus on availability.” (Lehr)

In order for Winston-Net to be sustainable, its affect on the community will need to be seen and felt. It will need to be perceived as a valuable service. This will be relatively easy in the short run. The key to making sure that Winston-Net’s value is felt in the long run is making sure that broadband is not just affordably provided (supply side), but also utilized effectively (demand side). It needs to be used by the community and used effectively. Part of this will be making sure that the community has affordable access to the hardware it needs to take advantage of wireless broadband connectivity. In some cases this will mean providing affordable loans for computer purchases or promoting the use of free community computing centers. Part of this will also be training and/or consulting, such as the initiatives proposed in my team’s business model prototype.

## The Value of Table Legs

I believe that the two points that I have addressed above, Winston-Net's revenue model and Winston-Net's demand side strategy, are the keys to making sure that Winston-Net can achieve a measurable, long term impact on Forsyth County. The more time and effort that Winston-Net planners put into building strong table legs now, the longer they will be able to support the business model.

Finally, a word of caution. In a few years, when the table inevitably wobbles, it could be a problem easily solved by sliding a magazine under one table leg. But temporary solutions are just that – temporary. Eventually, if the problem isn't fixed, the table will collapse. If something in the future causes Winston-Net's business model to wobble, address the issue. Fixing it as soon as you identify the problem will insure that the table will continue to support Winston-Net's mission far into the future.

---

<sup>i</sup> "Sustain." [Dictionary.com](http://Dictionary.com) Unabridged (v 1.1) [Based on the Random House Unabridged Dictionary, © Random House, Inc. 2006.]

<sup>ii</sup> Intel. [The Wireless City: Enhancing Productivity, Efficiency and Lifestyle](#). Intel Solutions White Paper, December 2003.

<sup>iii</sup> Lehr, William H., et al. "Measuring Broadband's Economic Impact." [Broadband Properties](#). December 2005: 12 – 24.