

The Buzz About MDUs

After years of being relegated to the interplanetary void, multifamily broadband is suddenly a hot item.

By Bryan Rader / *Bandwidth Consulting LLC*

I am starting a new company. It's a robotics, virtual reality-focused venture with drone delivery and artificial intelligence at the center of its strategy. Yep, we're going to be Alibaba on steroids, with Waze navigation functionality and an Uber-like workforce, providing customers with driverless technology and locally sourced ingredients in a global yet shared-work environment.

It's going to be great! We're using crowdfunding resources and venture capital ingenuity to launch this multibillion-dollar thing. Our business plan includes every hot buzzword you can imagine. No one understands what we do, but they sure are intrigued by the buzzwords.

OK, so I'm not really launching the newest robotics, VR, AI, drone-delivery enterprise. But if I were, it would certainly make the top 10 list of buzzword businesses by taking advantage of every hot trend in today's business pages. (Wait, I forgot to include a human genome element in this plan!)

Only one buzzword is missing from this long list – a word that is suddenly exciting entrepreneurs – and that's "MDU." You read that correctly. Multiple-dwelling-unit property, or MDU, is sitting at the top of the buzzword lexicon right next to Uber-like workforce and shared-work culture.

Over the years, this segment of the broadband industry was often overlooked because it was considered unattractive, hard to serve and unprofitable. Providers in this segment were sometimes treated like old shoes, discarded brands, never-minds. Think MySpace, Wang Computer or even BlackBerry.

Those of us who served the MDU segment were the leftovers in the broadband industry. Everything else was considered more attractive. All the newcomers jumped into the municipal broadband arena or searched for small franchise cable systems in little towns desperate for an upgrade to newer services.

But MDUs? Forget about us. Our buzzwords were "out of touch" and "flyover country." MDUs were considered wastelands of small subscriber counts, high churn and ugly economics. The broadband world was shifting, and we weren't in the crosshairs of investors, entrepreneurs or executives looking to grow or expand.

Recently, things began to change.

MDU IS HIP AGAIN

In the past six months, the buzzing bees have been pollinating all over the MDU world. MDU has become synonymous with broadband-hungry, star-crazed users who seek better options than the market's standard offerings. My consulting firm has received more than a dozen calls in the past few months from private equity firms or potential service providers eager to learn more about the MDU market.

What is happening? We're no longer Radio Shack, Sea World or Snapple. Nope, it turns out that MDUs are now the center of the broadband universe, the market everyone wants to serve. Investors suddenly love its economics, its scalability, its demographics and certainly its potential. Look at all the new companies jumping into the market. MDUs are taking over every broadband conference. The MDU market is the "it" place to be.

What does that mean for providers that already serve the MDU market? Well, expect more players, more newcomers, more attention from the big guys. Expect MDU owners to ask for more, negotiate a bit harder, drive better deals for themselves. And expect sometimes to encounter an irrational player who tries to drive everyone out of a market with lower prices and ridiculous owner incentives.

Still, I'd rather have MDU sitting at the "cool kids' table" than eating lunch in the teacher's lounge. MDU is hip again, and it's stronger than ever.

It's sort of like the NBA, the sports league that created so much attention in the past few years and recently scored a massive TV contract. The league is all the buzz now in sports, and this is good for the teams, the players and the fans.

The same is true for MDUs. Being hip again is a win for the owners, the providers and the customers.

Yes, I guess it is better than a robotics, drone-based, virtual reality, driverless company, right? Buzz, buzz, buzz... ❖

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