

Speed Alone Is Not a Winning Strategy

If you build it, will they come?

By Matt Collins / Calix

One idea has been repeated so often throughout government and business that many have come to take it on faith – that broadband connectivity will automatically deliver economic growth to communities across the U.S. Though technically true, that’s a gross oversimplification.

Saying that deploying broadband connectivity is an initial step on a longer journey is far more accurate. Broadband deployments are gateways to exciting opportunities for broadband businesses to grow incredible value for their communities. Once fiber is laid, broadband service providers can deliver a range of services that fundamentally change how subscribers see their service providers – as providers of valued services, not dumb pipes delivering the fastest speeds. That’s why thinking beyond delivering connectivity and speeds is important.

Consider this analogy: the U.S. Interstate Highway System, built in the middle of the last century, created the conditions and potential for massive economic expansion. But many things had to happen before that growth could be realized. For example, businesses had to integrate highways into their distribution systems, which previously relied on ship, rail and air.

Today, in the wake of the pandemic – when almost the entire country logged in from home to do just about everything – everyone understands instinctively that broadband is essential. But what other steps are essential to take?

PARTNERSHIPS LEADING THE WAY

As a provider of platforms and managed services, Calix works every day with providers of all sizes throughout North America that supply broadband and do much more. Calix’s core mission – to enable broadband companies to simplify their operations, excite their subscribers, and grow value for their communities – is about making services available to customers so they can deploy them to make communities better places to live, work and play.

Consider Cassopolis, Michigan, a tiny rural village that struggled economically. When village leaders embarked on a revitalization initiative, broadband was a big part of their

plan – but none of the commercial providers would service the community. Fortunately, Midwest Energy & Communications (MEC), founded in Cassopolis in the 1930s as an electric co-op, had recently added a high-speed broadband internet service. MEC jumped at the opportunity to help. The resulting partnership between MEC and Cassopolis delivered broadband to the community’s approximately 1,700 residents and created a downtown experience that sparked a village renaissance while improving the lives of citizens. MEC and Cassopolis worked together to deploy a connected system of next-generation street lights with digital banners that emit Wi-Fi for the entire downtown. The project has generated \$200 million of investment in the community in the first 18 months.

“We are extremely proud of the ability to transform our community and make it vibrant, sustainable and relevant,” Cassopolis Village Manager Emilie Lagrow said at a Calix customer event. “And if we can do that being small, rural and poor, we can be the model for anyone to do that.”

For his part, MEC president and CEO Bob Hance recognizes the importance of leveraging strong partnerships to execute a strategic vision that goes beyond basic broadband connectivity. “Without strong partnerships and the relationship that we have,” he said, “we can’t keep innovating and providing more and better services for our member customers. We’ve been in Cassopolis since about 1938 as a rural electric cooperative; over time, we have innovated and diversified ... because of those things, we have enhanced our partnership in the community.”

It’s no surprise that MEC rolled out managed services to all members and subscribers across Michigan, Indiana and Ohio. Including home network security and parental controls, these services provided immediate value and utility to customers. Though MEC began deploying these solutions to a subset of its subscribers only in 2021, it blocked an average of 16,400 digital threats per month in the first quarter of 2022.

TOMBIGBEE FIBER LEADS THE WAY IN MISSISSIPPI

Another example is Tombigbee Fiber, LLC in Mississippi. It’s evolving as an innovative managed service provider. Tombigbee



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sees itself as more than a supplier of fast networking; the company looks to solve community challenges. When a focus group indicated that protecting children is a priority among its members and subscribers, Tombigbee took swift action. It deployed a social-media monitoring managed service to help families thwart cyberbullying that can lead to self-harm situations. The solution works no matter where kids might be – home, school or anywhere they have their mobile devices. It also enables adults to address issues immediately without combing through every online interaction, which has the added benefit of ensuring children’s privacy.

Scott Hendrix, CEO of Tombigbee Fiber and the Tombigbee Electric Power Association, said, “It is another opportunity to help protect our children. Security-focused managed services are especially valued by our members and

subscribers, so we continue to prioritize services that improve their safety. If we can help protect even one young person’s life, it’s worth it.”

These projects are remarkably impactful and don’t have to take a long time to deploy.

PHARR, TEXAS, SHEDS ‘WORST-CONNECTED’ REPUTATION

The City of Pharr, Texas, built 80 percent of its high-speed municipal broadband network and launched its managed Wi-Fi service in just 18 months. Before the pandemic, it was ranked as the worst-connected city of its size, with 59.7 percent of households lacking any form of connectivity.

Earlier this year, the Smart 50 Awards program recognized Pharr as having the most-transformative smart project of the year. It also won the

Community Economic Development Award from the Texas Economic Development Council and continues to earn industry accolades for delivering telecommunications that benefit residents.

The city is rapidly deploying critical managed Wi-Fi services to extend beyond basic internet connectivity and fulfill a wide-ranging vision to grow lasting, generational value in the region.

Its broadband service, TeamPharr.Net, opened multiple opportunities:

- The city will leverage federal grants from the Affordable Connectivity Program (ACP) to partner with local school districts and cover the full cost of TeamPharr.Net internet service for thousands of qualified students.
- Nearly 99 percent of residential subscribers use the TeamPharr.Net mobile app offered in English and

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Spanish to improve accessibility for the predominantly Hispanic community.

- Managed services enable the city to deliver safer online experiences for the family-oriented community. The city is considering new managed services such as social media monitoring (in and out of the home) and communitywide Wi-Fi.
- TeamPharr.Net is exploring options to expand managed services into the commercial sector.

MINNESOTA'S GIGAZONE

Finally, consider Paul Bunyan Communications, which leverages managed services to drive economic development in north-central Minnesota. The member-led cooperative created the GigaZone, one of the largest all-fiber gigabit networks in the rural U.S. The cooperative's focus on leveraging technology to create more opportunities for residents is a significant contributor to Bemidji's recent ranking as one of the best work-from-home cities in the country. Paul Bunyan's brand has become so well known that hearing customers say they "reside in the GigaZone" is common.

Paul Bunyan leadership successfully built a brand identity that attracts working professionals, gamers and business owners with initiatives such as its renowned GigaZone Gaming Championship and TechXpo. Drawing legendary Apple computer co-founder Steve Wozniak to Bemidji, Paul Bunyan grew the expo to become the largest rural e-gaming event in the nation. Earlier this spring, thousands

of attendees flocked to the event to experience life in the GigaZone.

But Paul Bunyan isn't stopping there. The co-op plays a leading role in local economic development, attracting people and businesses to communities by partnering with local economic development programs. Working together, they eliminate barriers for those wanting to relocate to the area by offering incentives paired with the secure, reliable Wi-Fi experiences remote workers and e-learners require.

The co-op also provides members with self-service options and easy control of their home networks via an app that offers self-service options. For Paul Bunyan, this minimizes the need for unnecessary truck rolls. Customer support can direct resources to initiatives that improve the member experience, such as launching new managed services. Those services might include home network security to protect against cybercrime and Wi-Fi controls to set household internet rules and prioritize bandwidth for specific devices. The co-op will soon grow its managed services offering to support local businesses and provide communitywide Wi-Fi throughout the region.



Matt Collins is the chief commercial operations officer at Calix.

Christie Turn, customer service manager for Paul Bunyan, summed up the co-op's philosophy: "Our mindset is different. We are a cooperative. We aren't pushing the sale. Our techs don't have to reach quotas. It's about that member experience and what it is that will serve them well."

THE COMMON DENOMINATOR

For all these communities and the broadband providers that support them, connectivity and speed are only the enabling factors. The real value is in the exceptional experiences these broadband communities deliver through managed services, creating a strong foundation for economic growth.

Managed services and exceptional experiences are the hallmarks of visionary broadband businesses. Now is the perfect time for broadband companies to embrace an identity as a provider of managed services.

The federal government is spending about \$42 billion to expand access to high-speed internet in the U.S. via the Broadband Equity, Access, and Deployment (BEAD) Program. States are charged with divvying up the money among broadband providers.

These companies should approach the federal funds with a clear sense of the possibilities. Imagine partnering with communities to transform them – by creating safer spaces, ubiquitous connectivity and superior experiences. Local communities are eager for that kind of close collaboration. Broadband companies should be, too. It's a winning formula for growing extraordinary value for broadband businesses and communities that will last for generations. 🌱