

The Warren Sheaf

Reprinted from the May 8, 2002 Warren Sheaf

InvisiMax Ready To Go After A Ripe Internet Access Market

A high-speed Internet Service provider with corporate headquarters in Warren may have been the area's best-kept secrets the past 7 months, but the public is going to hear much more from them beginning now.

InvisiMax, which has been operating its headquarters out of the old city hall on West Johnson Avenue the past few months, has as its basic business the provision of broadband (high-speed) wireless access to the Internet. Company CEO Dave Giles and Phil Hebert vice president of sales and marketing, Warren residents shared their ideas Friday, on why their service is the best option for many Internet users and they think the market for Internet hookups is going to mushroom.

"The advantage of broadband is that it saves time," says Giles, "and time is money." No phone lines are required with the broadband system, and the system is always "on" –clients are connected to the Internet all the time, again saving time.

While InvisiMax may be a new name, the service they are selling –broadband wireless Internet access-is not. Last October, the InvisiMax investors purchased Rural Access, a Hallock based Internet service provider (ISP), which was formed in 1996 and had been offering wireless access since 1998.

Hebert, formerly a marketing executive with the family-owned D&D Commodities at Stephen, was highly impressed by the wireless provided by Rural Access. He had found a certain routine he performed in his marketing work required 8 hours to complete using dial-up Internet. After D&D hooked up with broadband wireless, the same job could be done in 20 minutes. When he reflected on how cutting the time required for a job down to 1/24 could be repeated in many business, he suddenly realized the great value Rural Access was offering.

Product Support

Giles says purchase of Rural Access by InvisiMax has been a way bringing together an excellent product with the kind of marketing and operations support needed to stimulate and sustain healthy company

growth. The Rural Access operation had gotten started largely as the brainchild of Jim TerWee of Hallock, whose professional background was in computer programming.

When TerWee began to move the small company into the area of wireless hookup's, he wrote his own computer programs to control the wireless communication between the customer's computer and the Internet access point. It is TerWee's wireless software that is the main source of the quality of the product Giles and Hebert talk about. And TerWee has come along to the successor company as chief technology officer.

As an illustration of the high quality of TerWee's broadband software, in February, InvisiMax was honored as one of the top 10 broadband wireless companies in the nation, as recognized by Broadband Wireless Business magazine. Among the many companies sponsoring the award were Nokia cellular phone company and Forbes magazine. The company won the award, Giles says, not because of its size, but the quality of the product.

"When we went to Anaheim for the award, it really opened our eyes to how good a product we have," he said.

But as Rural Access gained more and more marketing exposure with its quality wireless product, TerWee and the rest of the staff were spread thin when trying to extend service to new customers and provide good customer service to existing hook-ups. With the InvisiMax purchase of Rural Access, two pressing needs are now being provided: customer service and a support to grow and maintain business services.

Last Mile

By now, everyone has heard of the Internet to as the information superhighway. As people and products can move quickly from place to place once they get on a multi-lane interstate freeway, so information moves quickly and in large volumes on the information superhighway.

But no one lives directly on the Interstate. Every driver must exit the Interstate and drive a few blocks, sometimes miles, to their home or business. In the same way, no

Internet users are automatically on the information superhighway. When waiting for information to be conveyed from far-away location, over the information superhighway and into the users computer. It must negotiate that final distance-what Internet technicians call "the last mile"-between the Internet access point and the home or business where the user's computer is located.

How will the link over the last mile be made? ISP companies wishing to sell that link have several options to offer. The oldest and perhaps, most common is the telephone line- also called dial-up service. A variation on the phone line approach is having a DSL or dedicated service line, which is reserved for the Internet connection. There are also fiber optic networks, which use fiber for their main trunks, but tend to rely on cable for the final links to homes or businesses. Another option for the ISP is using the cable TV lines for the link. Still another variation is providing the Internet service via satellite, requiring a small dish at the home or office of the user. And a fifth option is the broadband wireless link, the basis of the access service sold by Invisimax.

For various reasons, Hebert and Giles think broadband wireless, for considerations of cost, speed accessibility and adaptability to high volumes of data, is the last mile solution.

Invisible Network

Though not always apparent to the Internet user, each is part of a network made up of many other Internet users served by a particular ISP company in a particular area. They all must share the tree of phone lines or cables that link them to the Internet access point. As the network is more heavily used, service slows down. What should be hidden in the background becomes apparent, visible. The individual Internet user can see "the Internet" has slowed down. He or she may or may not be aware it is probably just the network providing the last mile that has slowed down because of heavy use.

Giles and Hebert say their last mile solution; broadband wireless provides an invisible network because, for every Internet user their system serves, there is a one to one

radio link between the computer and the Internet access point. Furthermore, they say, the broadband approach provides heavy data moving capability. Communication takes place at maximum speed. The name of their new company –InvisiMax- highlights these two benefits, say Hebert & Giles.

Preparations, Preparations

“So, what have we been doing the past three months?” Giles asks rhetorically. The answer falls into two parts.

Of course, the big task ahead of InvisiMax as it got rolling was to set up the organization needed to provide responsive customer service and effective marketing, as well as maintenance of ongoing and expanding operations.

“When we purchased Rural Access last fall, the word going around Hallock was that the new owners would be taking away the four RA jobs there,” says Giles. That has not happened. Today, there are 5 InvisiMax employees at Hallock, with another 5 at Warren, 3 in Grand Forks and 1 at Cooperstown, ND. And, contractors are being used as needed in other communities.

With this staffing up, InvisiMax has 4 installation workers, 3 technicians, 2 customer support people and an office support employee. The leadership group includes, in addition to Giles Hebert and TerWee, Troy Landin vice president of operations, who is stationed at Grand Forks.

Giles And Hebert have given high praise to the City of Warren and the Warren Economic Development Authority (EDA) for making the former City Hall offices available as a business incubator for the new company. With the operations center continuing at the former school building in Hallock, and the Headquarters, marketing and customer service functions located at Warren, plus a couple of other strategically-placed employees, they feel they are now well organized to move forward with growth and maintenance of their system.

“Our goal was one service center at Warren and thanks, to the city and the EDA. We have that,” said Giles.

Simple Strategy

Another big part of the preparations equation was retooling the approach to marketing, and a main focus of that was coming up with a competitive pricing strategy.

Giles says InvisiMax has a simple strategy. They dropped their installation prices under the cost of the equipment and labor for the installation. Previously, RA was charging as much as \$700. for an installation and \$40. a month for the on going Internet access service. Invisimax has devised several serv-

ice packages, geared to needs of the customer. One has an installation of only \$99. Other packages feature monthly rates as low as \$30.

That is highly competitive, says Hebert “When you compare that to dial-up services, you see rates of \$15-\$35 per month, plus the cost of a second telephone line in many cases,” says Giles. “So they often are paying more than our lowest-price package, plus with us, they are getting a much better value, with faster data transferred and constant availability.

Their pricing strategy will work they think, because they will have more people and businesses signing up for the service. With good customer service and system maintenance, they will have loyal, long-term customers.

“We’re making a major investment in our customers,” says Giles. “As you develop the service at speeds people can actually use, you increase the use of the Internet. At slow dial-up speeds, we saw usage decreasing. People gave it up, because it was just too frustrating at slow speeds. The market is very strong, with a great potential for growth.

As the InvisiMax leaders were crafting their basic service packages to meet various customer needs, they also designed optional features of particular interest to businesses. These include a night-time files backup service that is quick, does not get in the way of daily business and provides high security off site. Other optional features are hosting company web sites, remote capabilities geared to the executive who wishes to do office work at home, and firewall protection to secure company data from intruders. All these packages and options were given brand names that have been trademarked, as has the InvisiMax name and logo.

Territorial Expansion

Another major involvement for InvisiMax the past 3 months has been pursuing an opportunity to expand the company’s service base. In this endeavor, InvisiMax partnered with the economic development authorities in a 2-county empowerment zone established in North Dakota and centered at Cooperstown. The company was invited to set up broadband wireless Internet access capabilities in Griggs and Steele Counties. The idea was to create an affordable way to make broadband wireless available so as to encourage businesses and individuals to make greater use of the Internet. This is seen as key to encouraging economic growth and, indeed, says Hebert, “Our customers there see us as a lifeline, keeping them in constant

touch with their vendors and customers outside the immediate area.”

Because much of the equipment installation in the Cooperstown empowerment zone was funded through economic development funds, InvisiMax gained a significant addition to its system, and the North Dakota area gained modern communications capabilities. It was a great partnership outcome, Giles says.

With partnership with the North Dakota empowerment zone, the InvisiMax territory now includes the communities of Hallock, Kennedy, Stephen, Argyle, Warren, Alvarado, and Oslo and in North Dakota Grand Forks, Grafton, Cooperstown, Finley, Sharon, Hope, Binford, and Hannaford.

Clear Advantage

The idea of reliable high-speed, high-volume access to the Internet as a critical economic tool is widely recognized, Giles says, and what also is becoming well recognized is that developmental groups, as did those in North Dakota, are going to have to participate in the investment if adequate access is to be made available. He said this is recognized in the current farm bill, which is making available \$100 million dollars over the next 5 years for that kind of development of Internet access in rural areas.

But, once the infrastructure is in place, and particularly if it provides for broadband wireless access, Giles and Hebert would say, then it is possible to do in rural areas anything that can be done in urban areas.

“Our technology is a clear advantage for people with high needs, such as businesses and in homes where they are interested in games or movies, or for people who want to work out of their home,” says Giles

InvisiMax executives cite several types of businesses using their broadband wireless service and like the results: rural hospitals that send X-rays to the Twin Cities for diagnosis, banks that like the reliability and security of data transfer, sales and service agents that need an on-line parts inventory.

They tell of local grower of specialized farm produce who, when his system was hooked up, could only say, “Unbelievable!” “It allows him to keep up with what’s going on in the markets for his products around the world,” says Giles