The State Broadband Initiative

Small Business and Broadband

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Topics

- The Importance of Small Business, Broadband, and Small Business use of Broadband

- The Small Business Adoption Model

  - How Small Businesses Adopt Broadband

  - Effective Use / Adoption Maturity

- General Use of Broadband for Small Business

- Conclusion

- About the State Broadband Initiative

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The Importance of Small Business

Small businesses are considered the backbone of the U.S economy, are significant contributors to the nation's economy and will continue to grow in this role.

- Represent 99.7 percent of all employers, employing one-half of the U.S. labor force

- Produced 60 to 80 percent of net new jobs in the economy over the past decade.

- Produce 40 percent of all high- tech employment and produce 13 times as many patents per employee as large firms do in high-tech industries.

The Importance of Broadband

Broadband has become an essential tool for today's digital age.

- The significance of broadband is its ability to connect businesses, consumers and citizens to local and global marketplaces.

- Broadband has become an essential tool for doing business, for example:
    - connecting with customers,
    - working with suppliers,
    - enabling remote access to employees, and
    - improving operational efficiencies

- All of which are critical to compete in both a global and local economies.

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The Impact of Broadband on Business

Broadband has transformed the business environment by:

- Allowing businesses to communicate, collaborate and compete in ways never possible before

- Accelerating the speed of commerce and business communications,

- Allowing access to masses of information at speeds never realized

- Opening access to new markets and business opportunities never possible before

- Allowing greater access to education and online learning

- Streamlining operations by outsourcing functions and resources

- Allowing access to a greater selection of potential workforce candidates and modes of employment through remote working arrangements.

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The Importance of Broadband for Small Business

Broadband can significantly position small businesses to better compete and grow.

- Broadband is enabling a new entrepreneurial culture for small businesses, making geographic areas that are more affordable for commercial rent more favorable for small business growth.

- Broadband also enables the development of home-based businesses.

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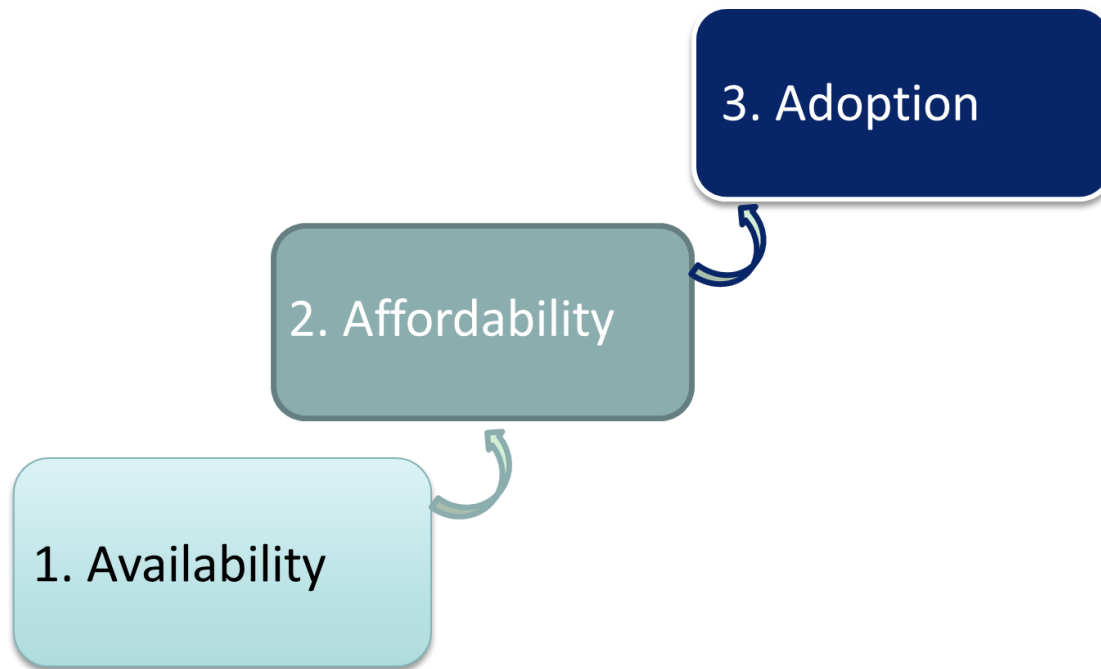# The Importance of Broadband for Small Business

The benefits of broadband for small businesses include:

- Increased market access ability to compete globally

- Increased sales and marketing effectiveness

- More efficient ways to service customers

- Reduced operational costs and communication costs

- Increased speed of access to knowledge

- Increase opportunities for online businesses

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Small Business Adoption of Broadband

Many small businesses have a knowledge gap about how best to utilize broadband tools, leaving important potential productivity gains unrealized.

However, in order for small businesses to adopt broadband, there are three levels that have to be taken into consideration:

3. Adoption

2. Affordability

1. Availability

Small Business Adoption of Broadband

❶ | Availability | = | - Infrastructure /Technology
- Accessibility
- Capacity
- Reliability
- Security

First, Broadband has to be available!

Availability includes such factors as:

- Is the infrastructure to deliver broadband available and accessible at the location of the small business?

- Is the capacity/bandwidth that is available sufficient for the small business's needs?

- Is the broadband that is available reliable enough for business use?

- Does the available broadband meet the security needs of the small business?

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Small Business Adoption of Broadband

❷ Affordability =
- Infrastructure costs
- Subscription costs
- Technology Apps/Device costs
- Training/Implementation costs

Second, Broadband has to be affordable

Affordability includes such factors as:

- Is there a need for upgrading the infrastructure or expanding it to the small business location? And if so, is it affordable to the small business?

- Is the cost to subscribe to the needed broadband package affordable?

- Can the small business afford the technology, devices, equipment, applications needed to adopt the use of broadband into their operation and business?

- Can the small business afford the time and/or cost for training the staff or hiring resources to integrate broadband-related solutions into their business?

Small Business Adoption of Broadband

❸ | Adoption | = | - Knowledge
- Effective Use
- Benefits Realized

Third, Broadband has to be adopted

Adoption at this stage includes such factors as:

- Do small businesses have the awareness and knowledge on how to adopt broadband into their business? Or are they in need of technical assistance to adopt and leverage the technology?

- Are they effectively integrating internet-enabled tools into their sales, marketing, operations, and customer service?

- Are they realizing the benefits from adopting it and are they measuring that success? Is it helping them compete and grow or reduce cost in their operation?

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General Use of Broadband for Small Business

Small businesses can adopt broadband-enabled solutions in all areas of their business:

- **Planning**
  - Market Research
  - Obtaining Competitive Intelligence Online
  - Identifying and Qualifying Strategic Partnering Opportunities Online

- **Marketing, Sales and Customer Service**
  - Online Marketing and Lead Generation
  - E-commerce
  - Bidding on Contracts Online
  - Global and Instantaneous Exposure to Markets and Potential Customers
  - Online Support Services
  - Customer Communication

- **Operations**
  - Online Purchasing
  - Virtual Inventory and Online Inventory Management
  - Online Collaboration Across Supply Chain
  - Online Customer Service
  - Support of "Green" Operations

- **Finance/ Investing**
  - Online Billing
  - Electronic Credit Checks for Streamlined Qualification of Potential Customers and Suppliers
  - Electronic Payments Convenient for Customers
  - Streamlined Accounts Payable
  - Support of "Green" Operations

- **Hiring**
  - Advertising Job Openings Online
  - Accepting Job Applicants Online
  - Search Online for Specific Talent
  - Using Online Resources to Offer Competitive Employment Packages
  - Offering Remote Working Arrangements

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Opportunities to Address Broadband Issues

In assessing broadband needs for small businesses and other sectors across the state, interested stakeholders can collaborate to:

- **Aggregate demand to reduce cost**
  - In building out infrastructure
  - In getting better service agreements
  - By building community networks
  - Consolidate funds for consortium purchases

- **Aggregate demand to acquire the needed funding**
  - Make the business case for addressing needs
  - Apply the best sources of funding

- **Create Economies of Scale**
  - Share resources through shared services
  - Leverage use of networks across sectors
  - Share technical resources to increase adoption

- **Share Ideas and Information**
  - On potential solutions across sectors
  - On statewide initiatives with broadband impacts and opportunities across stakeholder groups
  - Possible and existing funding sources
  - Lessons learned and best-practices
  - Technical assistance programs

About the State Broadband Initiative

Background

- Broadband is the foundation of our infrastructure and a necessity to business, education, healthcare, public safety and government services.

- In 2010, Congress requested the development of the first National Broadband Plan that lays out a roadmap to improve access, speed and adoption.

- This created available funding through different grants and programs.

- New Jersey Office of Information Technology was awarded a State Broadband Initiative federal grant by the National Telecommunications Information Administration (NTIA) for a five-year period beginning 2010 through 2014 under the American Recovery and Reinvestment Act (ARRA)

- The program is called ConnectingNJ

About the State Broadband Initiative

Grant Objectives

The objectives of the grant include the following :

✓ To build complete, accurate state broadband maps that provide valuable information on broadband coverage, capacity and technology

✓ To build awareness and determine broadband needs and issues related to availability, affordability and adoption across the state including communities, educational and healthcare institutions, libraries, government and businesses

✓ To provide technical assistance and educational resources on effective ways broadband technology can be adopted and utilized for competitive advantage

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About the State Broadband Initiative

Much like electricity, transportation and the telephone, broadband is an essential backbone to our economy, quality of life and delivery of services in all sectors.

Goal

The overall goal of the grant is to:

- Support economic growth, global competitiveness and job creation in the state

- Facilitate a forum to solve existing gaps and identify opportunities that provide measurable business value

- Form a statewide Broadband Advisory Team to formalize NJ's strategy and goals related to broadband

- Help ensure that New Jersey is positioned to have the competitive advantage it needs with broadband to thrive in today's digital economy

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Partner with ConnectingNJ

Connecting NJ is seeking to partner with different community stakeholders and agencies and associations focused on small business to:

✓ Determine small business broadband adoption needs and gaps, and share survey results and findings to-date

✓ Identify underserved small business communities and different opportunities for helping them improve broadband adoption

✓ Inform agencies and institutions supporting small businesses about the broadband-related technical assistance and resources available on our site

✓ Determine how we can support associations to augment their programs to include a broadband adoption program they can use to train their constituents

✓ Educate stakeholders about the State Broadband Initiative, mission and efforts

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Interested in Getting Involved?

If you are interested in learning more,
or would like to get involved with this important initiative,

Contact us through our website

http://connectingnj.state.nj.us

And visit the section on small businesses
at http://connectingnj.state.nj.us/small-businesses.html

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