

# **TaraWAN**

## **Business Plan**

**Bringing Wireless Broadband to Co. Meath**

### **Group 5**

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TaraWAN is a private limited company setup by its three directors and founders Daniel Kane, David Bowles and Jonathan Mahady.

**Background to date:**

TaraWAN was formed when an opening in the broadband market in Co. Meath was noticed. It was found that there were large rural areas of the county in which broadband was not available. From living in the locality the founders of TaraWAN knew that there was a need for the service and that there were many people in the area who wanted broadband internet access but were unable to get. Initially the idea was to set up a private wireless network providing broadband for the use of the three founders, but it was soon realised broadband could be provided to others in the area as well. At the time TaraWAN was formed, COMREG (the communications regulation authority) invited applications for licences in the 3.5 GHz radio band for the purpose of supplying wireless broadband. TaraWAN applied and secured a licence for the Tara area. The initial interest in wireless networking came from a group called IrishWAN. IrishWAN is a group of small localised wireless networks operating around the country. These networks are used for network gaming, file sharing and in some areas to share DSL connections. Most of the groups on IrishWAN are using an older wireless standard (2.4GHz) and are run as not for profit, self funding groups. The potential of these networks was seen and TaraWAN wished to explore how the idea could be expanded. The securing of the 3.5GHz licence also meant that new, more powerful technology could be used to implement the network. This new technology also meant that services could be provided to a much larger geographical area and without concern for

obstructions such as trees and buildings that prove a huge barrier to successful implementations of wireless networks based on the 2.4GHz standard.

### **Management and organisational structure**

TaraWAN is a small company with three employees. Although each employee will have a distinct area of responsibility, there will be no managerial hierarchy due to the co-operative nature of the venture and the TaraWAN concept.

Sales & Marketing : Jonathan Mahady,

Procurement : Daniel Kane and

Technology Development: David Bowles.

Each and every employee of TaraWAN will be an experienced Computer Scientist with experience in the area of establishing large scale wireless networks.

### **Market**

TaraWAN provides long range wireless network access to its customers. The technology used has been specifically designed for this purpose (3.5GHz wireless). The high-speed network will allow TaraWAN to deliver many great services to all customers. One such service is broadband internet access. The target-market includes all residential areas and businesses in the Tara area. TaraWAN has an initial coverage radius of 20 kilometres from the access point located

at Tara, Co. Meath. This coverage radius will give TaraWAN access to a large number of potential residential customers (approx 8000), along with businesses in the area.

## **Competition**

One of the main reasons why TaraWAN was setup was that it was discovered that there are currently no companies supplying broadband services to the area of the Tara hinterland. This gives TaraWAN a very large advantage as the first company to provide a broadband service to the people of this area, all of whom are potential customers. Due to the fact that broadband is currently unavailable, TaraWAN will have access to a market with no competitors. Due to the continuing expansion of other providers, this competitive advantage may not last more than a number of months and TaraWAN are poised to exploit this advantage now.

One of the main competitors is Digiweb, a wireless broadband provider who cover an ever expanding area of the North East of the country. They do not yet provide a wireless broadband service to the area that TaraWAN will have coverage in, and it does not look like they will target this area in the near future. However they are the wireless broadband providers that are closest to Meath and they are the most likely company to encroach into the area that TaraWAN will be providing wireless broadband to. This could feasibly happen in the future and therefore they are the closest competitors. Digiweb have been in the business of selling broadband for a number of years and have a much larger budget than TaraWAN, they also employ a lot more staff.

As one of the first broadband internet providers to set up in this country they have developed a very good knowledge of the industry and the technology which is used.

TaraWAN's advantage over Digiweb and other competitors is that TaraWAN will be using a licensed frequency and therefore are the only company able to use this radio frequency in the area. Digiweb are operating on a licence free frequency which limits the power they can output from their base stations severely and faces becoming extremely congested as wireless home networking becomes more popular. This technology is also starting to become dated and superseded by newer, more specialised equipment.

Other possible threats come from wireless providers such as Irish Broadband and Net1. However the chances of DSL providers entering this market are slim as DSL is constrained by distance from the telephone exchanges. Because of this it works much better in urban areas where the concentration of houses is much greater than that in the countryside. There simply would not be the demand from the houses that would be close enough to the exchanges to avail of the service. This eliminates certain broadband providers and limits the potential competition to TaraWAN to just the companies who offer wireless or satellite broadband.

TaraWAN is in a unique position. Although there are potential competitors with much greater budgets, resources and employees, none have entered this specific market as of yet leaving TaraWAN the sole broadband provider in the area. If a large enough customer base can be

established before the level of competition in the market rises then the threat from these other competitors can be greatly reduced.

## **Pricing**

To ensure simplicity in the initial stages of the company, both for the employees and the clients, a single pricing plan will be used.

Customers will be charged a once off charge of €150 for the installation of the equipment.

Although the actual price for an installation is calculated as €250, it is felt that this is too high a price to charge the customer and therefore it is a better idea to subsidise the initial install charge as there is no doubt that it will be recouped. The price for the service will then be €40 per month for each customer and the customer will be required to engage in a one year's contract.

## **Advertising and Promotion**

TaraWAN's main source of promotion is its website at <http://www.tarawan.net>. The website contains all the information necessary for the customers, and also contains forums which allow people to galvanise interest among themselves. The website and boards allow us to keep the interest of customers and potential customers once they have found out about TaraWAN.

The initial introduction of the majority of customers to TaraWAN is through the standard methods of advertising. Airtime on local radio has been purchased as well as ads in the local newspapers. Advertising signs have also been placed in all the local shops and garages around the areas that contain potential clients. Flyers have also been used to promote TaraWAN, and are being dropped in to the residents of potential customers.

Every single piece of promotional and advertising material contains the TaraWAN website address. This ensures that people will be able to understand fully the scope of the service that they will be receiving as well as register their interest, contact TaraWAN for more information, request a signal test and become involved on the boards.

### **Sales Management**

It is hoped that through the use of the TaraWAN website, sales costs can be kept to a minimum. Jonathan Mahady will be the main employee with responsibility for sales and for the care of the client once they have expressed an interest in the product. The process will be as follows

1. Customer register interest on the TaraWAN website
2. Employees are dispatched to perform survey to confirm customer can receive the service
3. Customer is contacted, contracts are signed and a time is arranged with the customer when the antenna can be mounted

4. Customer is then connected to the service

This is a streamlined process that will result in a quick and productive sales turn around time.

Jonathan Mahady will also be responsible for the advertising and promotion of the services provided by TaraWAN. Details of the processes involved are included above.

### **Sales Forecasts**

We predict an initial slow uptake of 5 customers in the first two months, followed by an additional ten members for every two months there-after. We attribute this to the popularity of the service increasing as its quality and existence become more widely known and the market penetration of the TaraWAN product increases.

### **SWOT Analysis**

#### **Strengths**

- Knowledgeable employees with previous experience in this area
- Good financial backers
- Little or no competition due to location
- Have a confirmed high-site at Tara
- Have client base who have expressed interest



## **Weaknesses**

- WiMAX technology is due to arrive within a number of years and will be a strong competitor
- Although no competitors in the proposed area, surrounding areas contain competitors

## **Opportunities**

- Untapped customer base desperate for any broadband product
- Have the equipment, technology, experience and are ready to begin selling the product

## **Threats**

- Competitors may enter the market with their greater name presence

## **Operations**

### Premises

TaraWAN will operate from its head quarters in Navan, Co. Meath. A high-site in Tara has been secured and will be the basis for the access point providing the connection to all customers.

### Equipment

TaraWAN will be using a new technology which operates at a frequency of 3.5GHz, this technology does not require line of sight from base station to client unlike older wireless implementations giving us the edge on competitors. This new equipment also allows for much

faster speeds and bandwidth. It will allow more customers to be connected to a single access point in comparison to older wireless technologies.

#### Sources of supply

Antenna:      [www.stelladoradus.com](http://www.stelladoradus.com)

[www.wi-pipe.com](http://www.wi-pipe.com)

Radios:        [www.airspan.com](http://www.airspan.com)