

Regional and State Networks Creating Opportunities During Challenging Economic Times

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Panel Background

- Many of our members in budget reduction planning process for 2009-2010
- The Quilt and StateNets held joint teleconference in early January to understand impact of economy on these organizations
- This presentation focuses on the highlights and summary findings of this teleconference



Summary Findings

- Impact of downtown dependent on business structure
- Some organizations seeing a range of 10-20% in budget cuts for 2009
- Opportunity or threat?
- Common strategies to weather economic downturn



Opportunities

- Increase in network participation through leveraging existing infrastructure
- Reduce costs of services
- Implement value add or shared services
- Deploy dark fiber



Funding Strategies

- Explore ways to grow and diversify participant base
- Position organizations as cost-effective alternatives in the state or region
- Support members on formal advocacy projects for the network
- Anticipate increase in network participation through state and regional efforts to leverage existing infrastructure and resources



Service and Pricing Adjustments

- Focus on value add or shared services such as enterprise applications or collocation opportunities
- Maintain current fee-for-service prices through cost reduction negotiations with vendors



Operational Cost Adjustments

- University-based organizations on hiring and travel freezes
- Independent organizations being mindful of member resources
- Investment in customer support staff



Capital Outlay Adjustments

- Deferral of capital investment for network upgrades
- Deferral of capital equipment purchases for personnel



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