Merit Network

Merit is a member-focused provider of network and related services; a trusted strategic partner to the education and non-profit community for over 40 years.

Don Welch
President and CEO
Agenda

- Merit’s Structure
- Michigan’s Recent Economic History
- Merit’s Recent History
- Merit’s Steps (and Mis-Steps)
  - Fiber
  - Services
  - Internal
  - Value
- Future
- Recession since 2000
- Balanced Budget State Constitution
- Higher Education
  - Funding for Last 5 Years
    - Michigan -13%
    - National Average +15%
  - Michigan 50 of 50 in Higher Education Funding
- Community Colleges
  - 1/3 State; 1/3 Local; 1/3 Tuition
  - Enrollments up significantly
- K-12: funding less than inflation
  - 2002 8/50
  - 2005 19/50
  - 2008 22/50
Merit’s History

- **Late 20th Century**
  - End of NSFNet and related funding
  - Commercialization of the Internet
  - Competition!

- **2000 - 2006**
  - No state funding / No mandate / No encouragement
  - 2004 effort by State to replicate Merit for government
  - Foray into additional business lines
    - all failed, some spectacularly
  - Change from cash to accrual-based accounting
  - High costs – reluctance to make hard decisions
  - Question Merit’s Value
  - Many changes in leadership
    - 4 CEOs
    - Two periods with no CEO
Product Warning and Use Labels

- Toilet Plunger
  - Caution: Do not use near power lines.
- Dremel Electric Rotary Tool
  - This product not intended for use as a dental drill.
- Hairdryer
  - Do not use while taking a shower.
- Christmas Lights
  - Warning: For indoor or outdoor use only.
- Mattress
  - Warning: Do not attempt to swallow
- Rat Poison
  - Warning: has been found to cause cancer in laboratory mice.
- Matches
  - Caution: Contents may catch fire.
- Auto-Shade Windshield Visor
  - Warning: Do not drive with sunshade in place.
- Laser printer toner cartridge
  - Do not eat toner.
- Cadbury’s Chocolate Animals
  - Suitable for Vegetarians.
- Portable Stroller
  - Caution: Remove infant before folding for storage.
- Toilet at Michigan Stadium
  - Recycled flush water unsafe for drinking.
2003 Fiber
- Fiber backbone build started in 2004
- By 2008 we have built/bought just about everything that makes financial sense
- 45% of our last mile connections are fiber

2006 Changed from cost-based to price-based pricing

Reengaged with our community
- They want services
  - Michigan had no good way to share services and get economies of scale
- Geographic Communities
- Professional Learning Program

Developed a Converged Services Program

Adopted flexible and agile budgeting
- “Plans are worthless; planning is invaluable.” – Eisenhower
Engaging the Community

- Merit Professional Learning
  - Workshops
  - Training
  - Meetings
  - Communities of Practice

- Geographic Communities
  - Get members and potential members to collaborate around networking in a geographic area
  - 1-3 years of work
  - A lot of patience
Services Portfolio

- MeritMail
  - Zimbra
  - Xythos
  - AdobeConnect (soon)

- MeritVideo
  - Proactive support for VTC
  - Streaming and capture
  - Repository

- MeritVoice
  - IP or Gateway to PBX
  - Dual Band Phones

- MeritNOC
  - 24/7 or Nights and Weekends
  - Networks and Apps

- MeritStorage
  - Tier 2
  - Xythos

- IPTV

- Security Audits
Future

- **Invest in Customer Service**
- **Converged Services Portfolio**
  - Portfolio tailored to our community
  - Services that make our network more valuable
  - Services that are more valuable on our network
  - Look for partnerships to bring more service offerings to Michigan
  - Look for partnerships to increase economies of scale with our current offerings
- **Grants for fiber builds**
“It's such a fine line between stupid, and clever.”

-David St. Hubbins as played by Michael McKean in “This is Spinal Tap”