

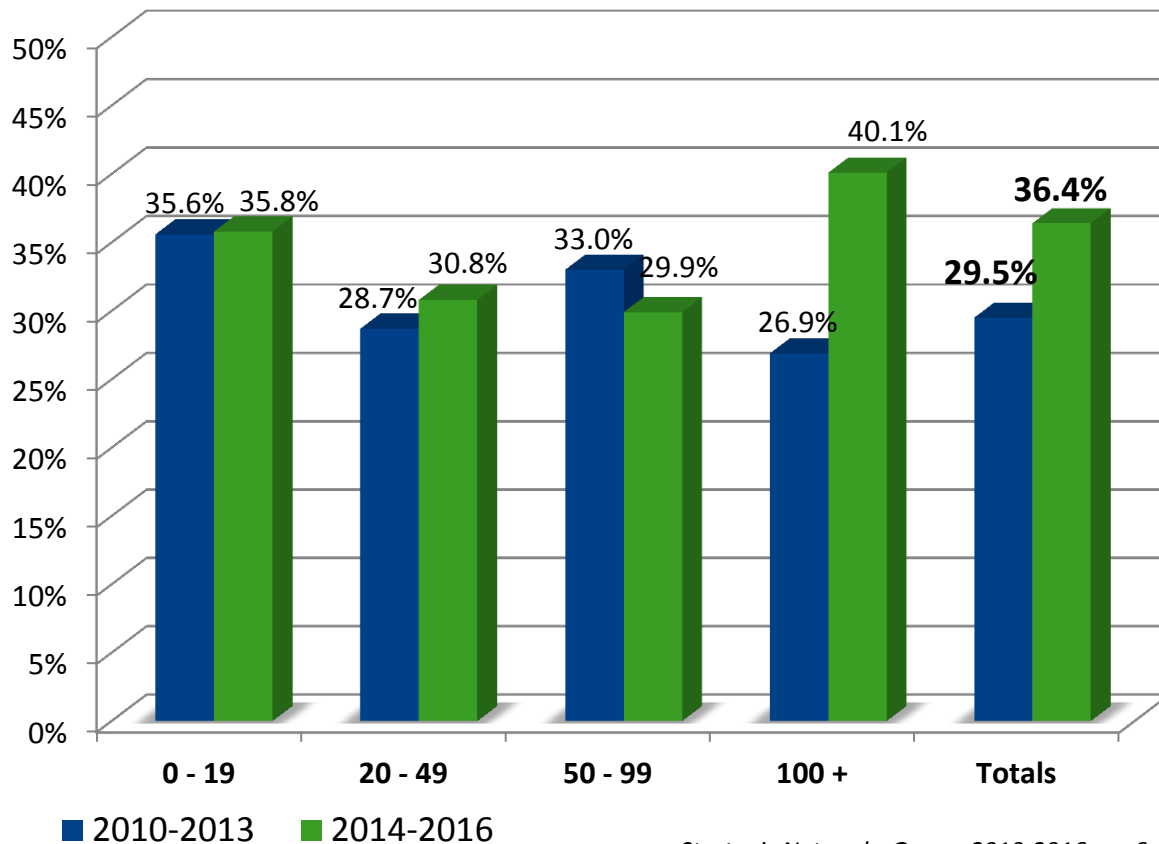
Connecting the Dots Between Broadband and Jobs

Online Presentation for SNG Broadband Toolkit
December 5, 2016



Broadband Means Jobs

Broadband enabled 36.4 % of all new jobs from 2014-16, up from 29.5% from 2010-13



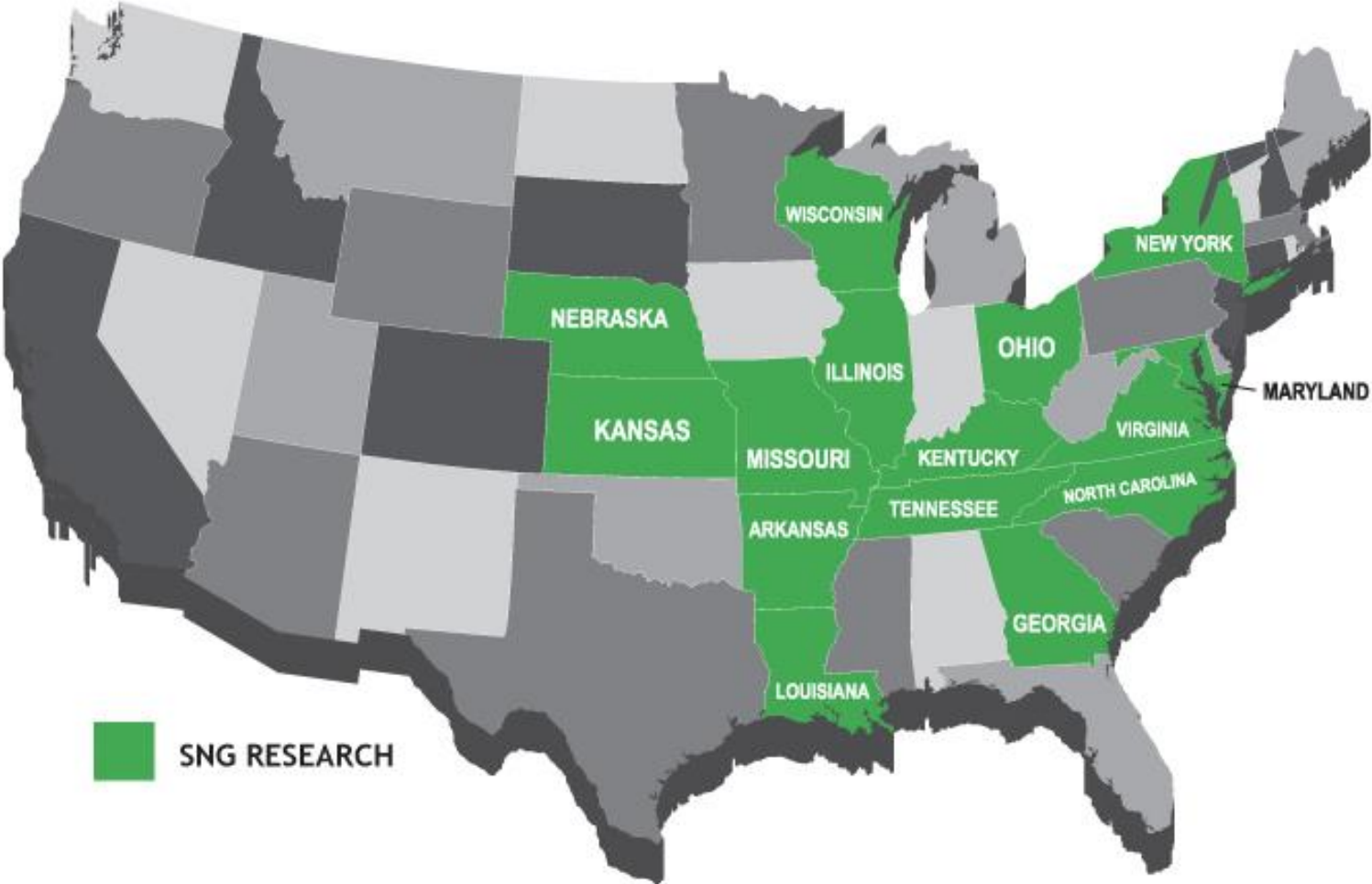
Impact of Internet on job creation has accelerated in the last three years

Internet Enabled New Jobs as Percent of all New Jobs Created by Businesses
By Size of Employer Group

Strategic Networks Group, 2010-2016, n= 6,164

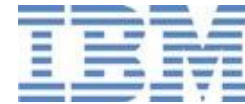


SNG research states



 SNG RESEARCH

SNG: some of our clients



KANSAS CITY
MISSOURI






Takeaway 1:

**Broadband impacts are driven
by meaningful use
of Internet applications**

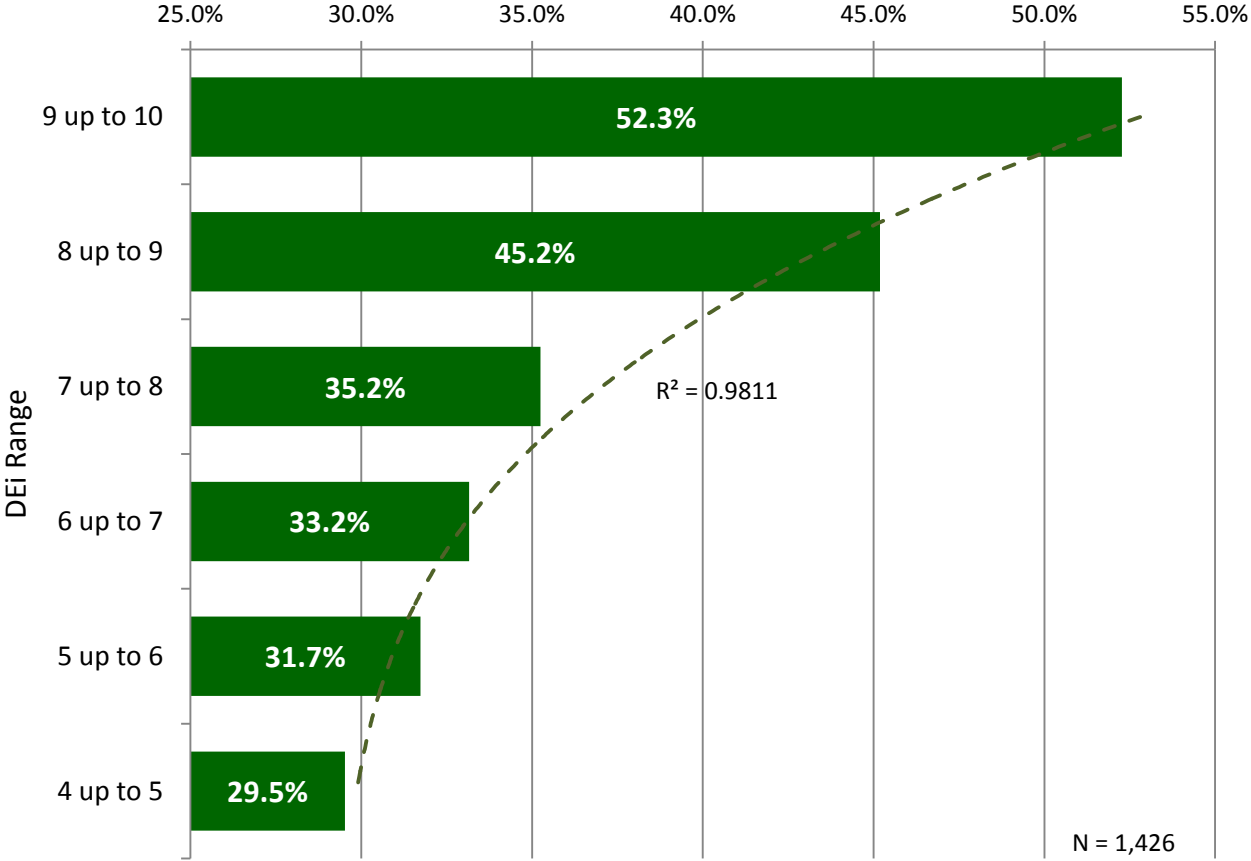
Measuring Meaningful Use

**Digital Economy index (DEi) is
SNG's scoring system (0-10) of broadband use**

-  **Benchmark competitiveness against peers**
-  **Personalize return on investment to business owners and managers**
-  **Share with local economic development agencies for impact-based broadband planning**

More Effective Internet Use Increases Revenues

Average % Revenue from Internet Use



Benefits to Businesses

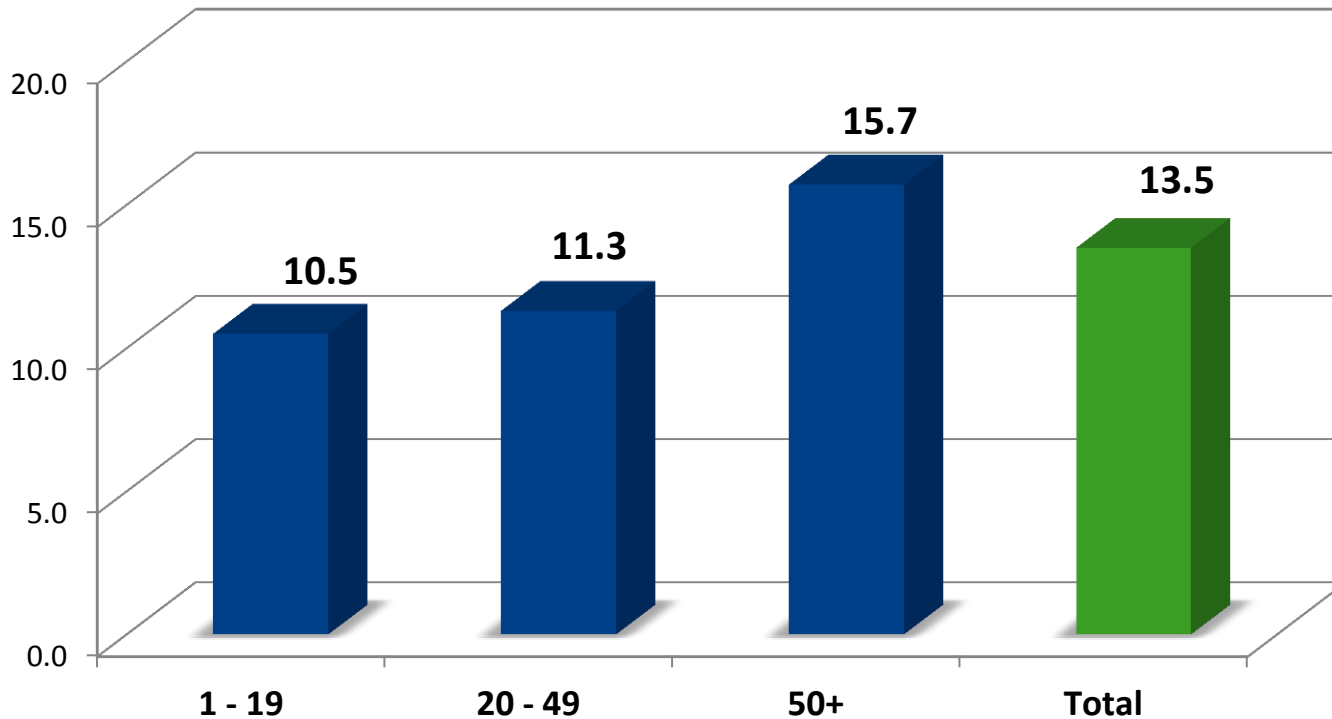
Businesses' Stated Goals for Going Online



Strategic Networks Group, 2014-2016, n=6,599





Jobs Gained from Internet Use

Technology Ratio: Net Jobs Gained From Internet Use
Compared to Jobs Lost



Strategic Networks Group, 2014-2016, n= 1,805

Why Broadband Matters ...

-  Improves business competitiveness, innovation, and growth... leading to job creation
-  Key for business retention and expansion
-  Enhances local quality of life
-  Increases opportunities for new and better sources of household income

**Community benefits are not considered by ISPs,
as they are outside of their business case**

Impacts from Driving Meaningful Use

Broadband Economic Impact Estimate for Kentucky

Measure	Impact
Businesses Adopting	2,428
New Revenues / Business	\$61,400
Annual GDP	\$ 185.0 M
Annual Tax Revenues	\$ 6.88 M
Total New Jobs	2,726

For example of statewide assessment of broadband supply of broadband, see:
<https://www.tn.gov/e cd /section/broadband-survey>

Impacts from Driving Meaningful Use - Regional -

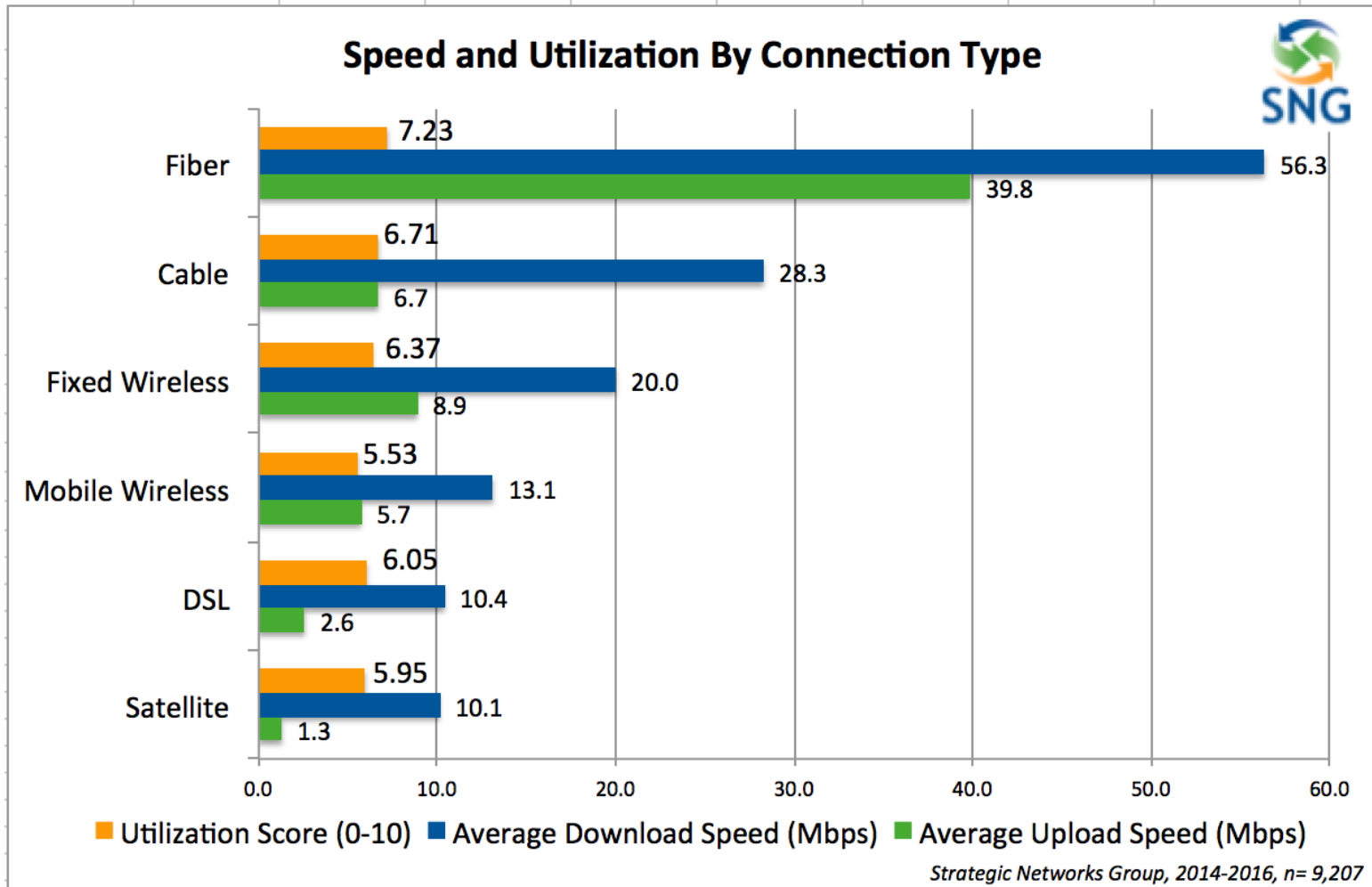
Broadband Economic Impact Estimate for Kentucky River Area Development District

Measure	Impact
Businesses Adopting	67
New Revenues / Business	\$41,200
Annual GDP	\$ 3.5 M
Annual Tax Revenues	\$ 0.13 M
Total New Jobs	52

Takeaway 2:

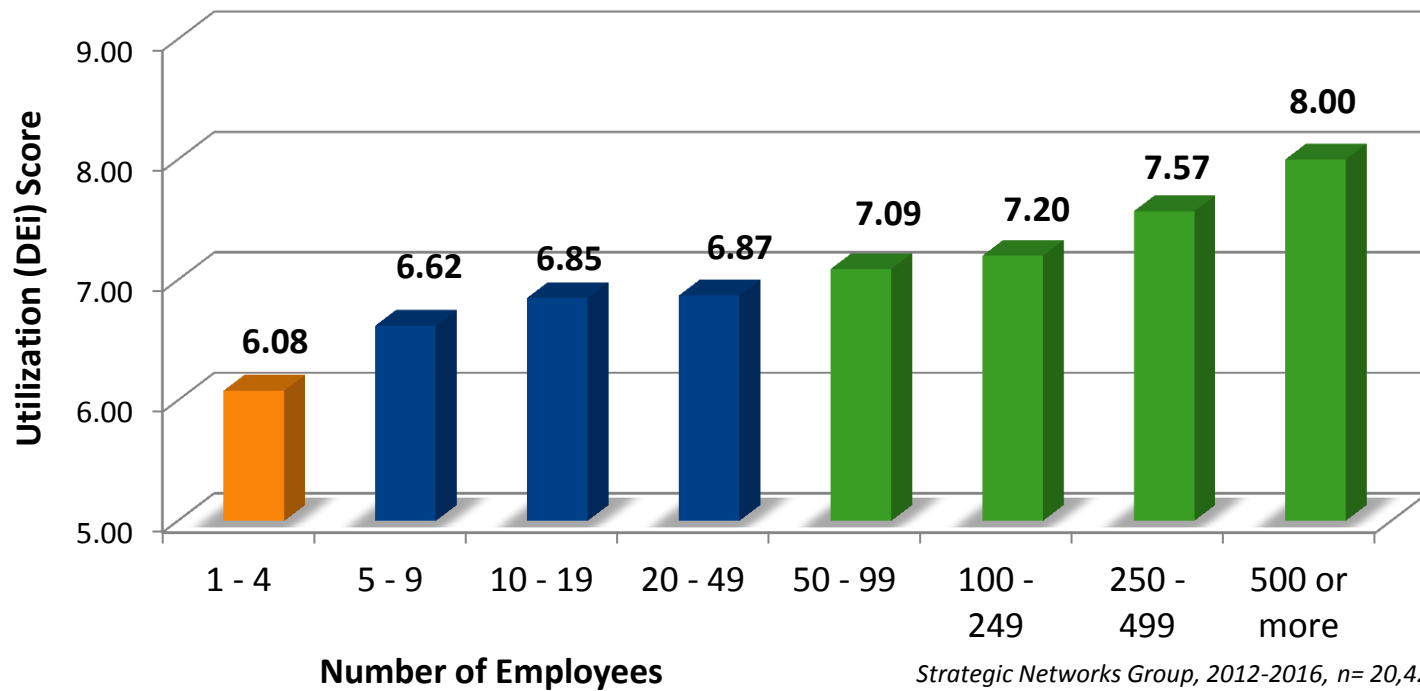
**It's more than just
availability/speed...**

Relationship between Utilization and Speed



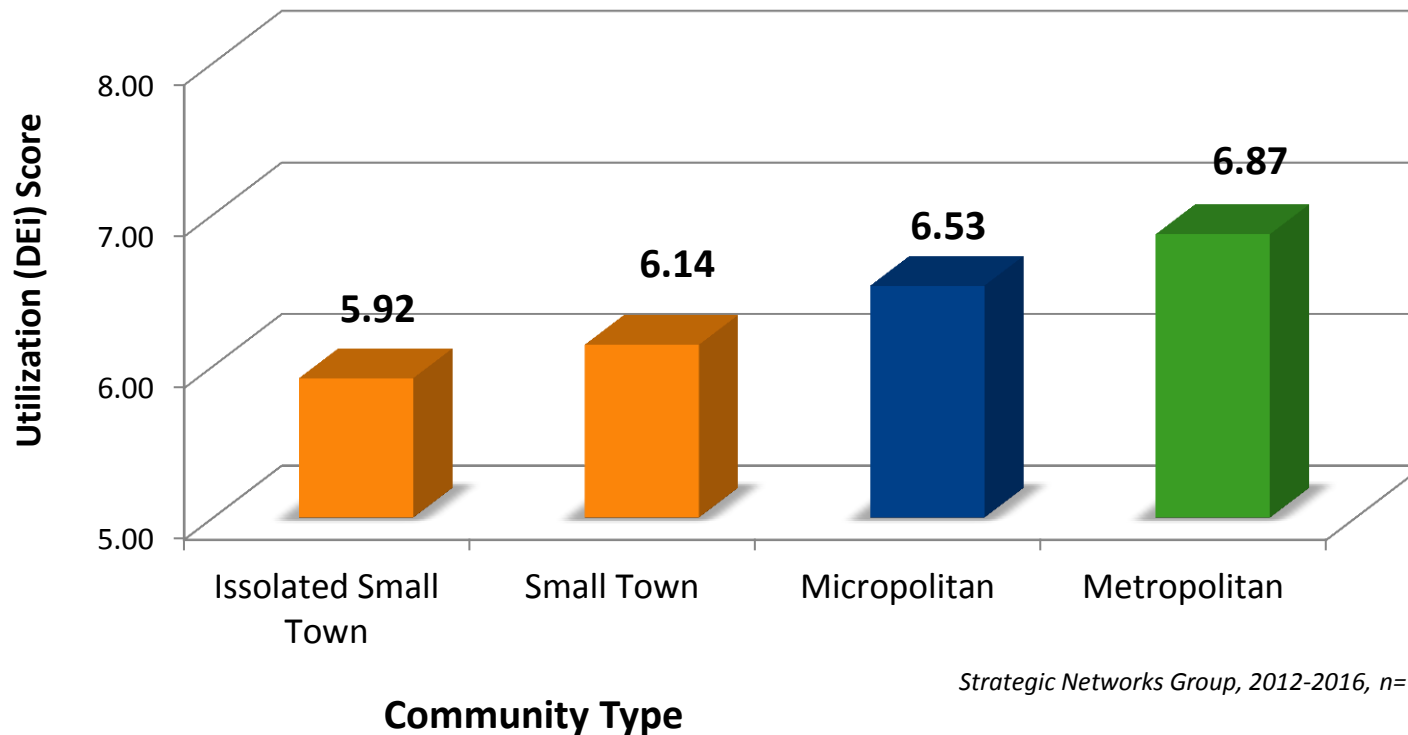
Challenge: The Smaller the Business, the Lower the Internet Utilization

The Small Business Digital Divide



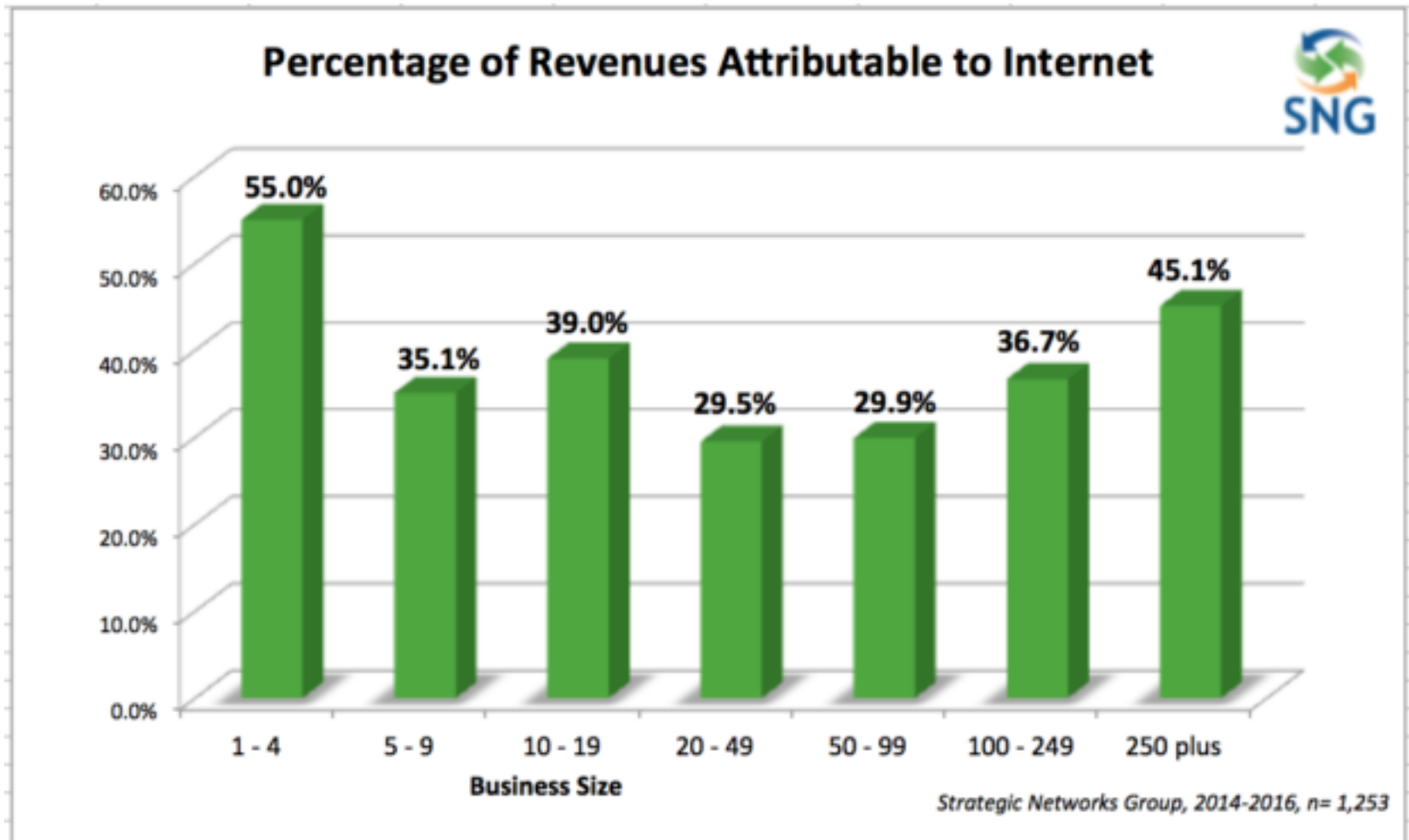
Compounding Challenge: Rural Businesses Lag Farther Behind

The Rural Business Digital Divide

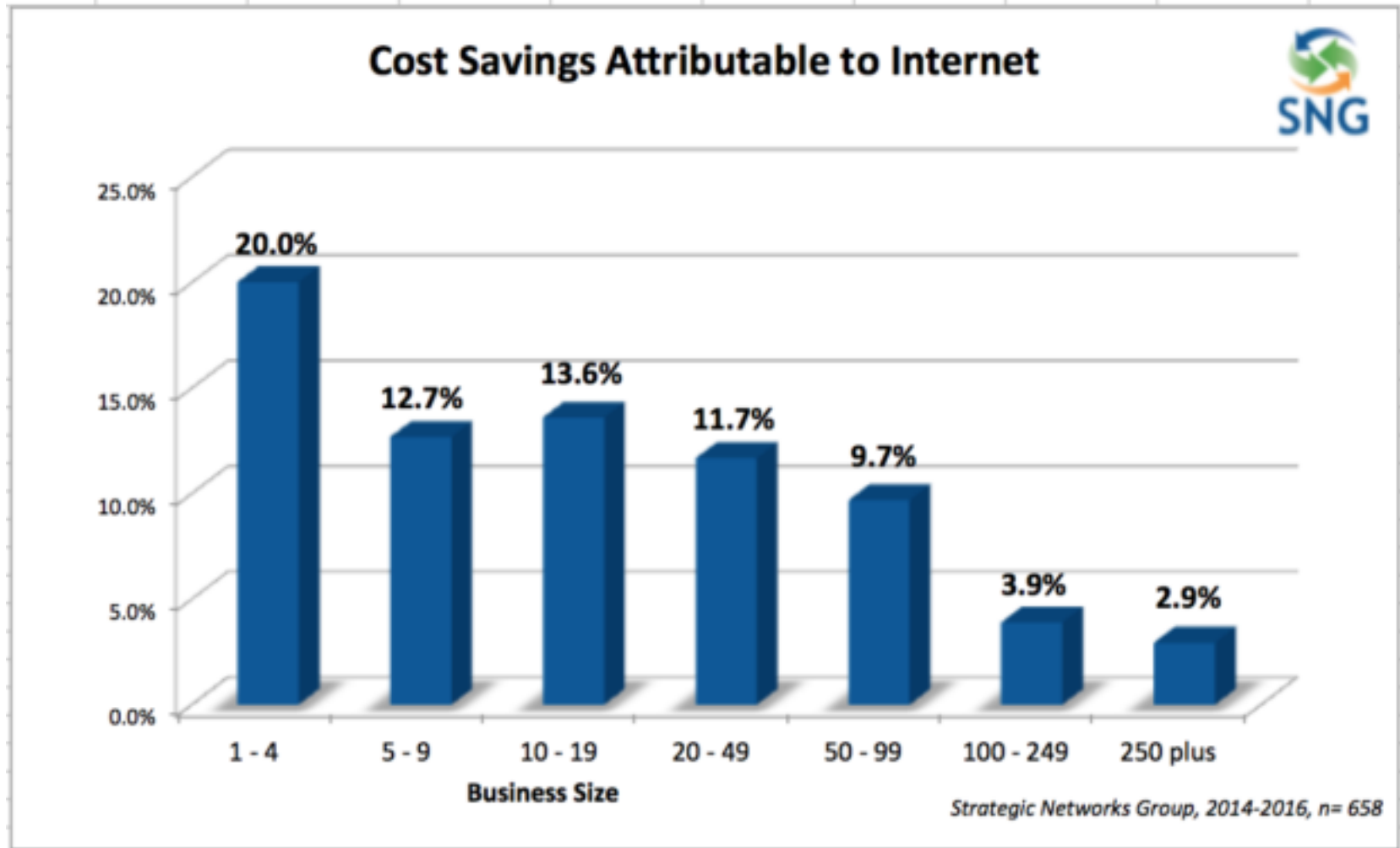


Strategic Networks Group, 2012-2016, n = 23,845

This is Troubling as Small Businesses Have Much to Gain in Terms of Revenues...

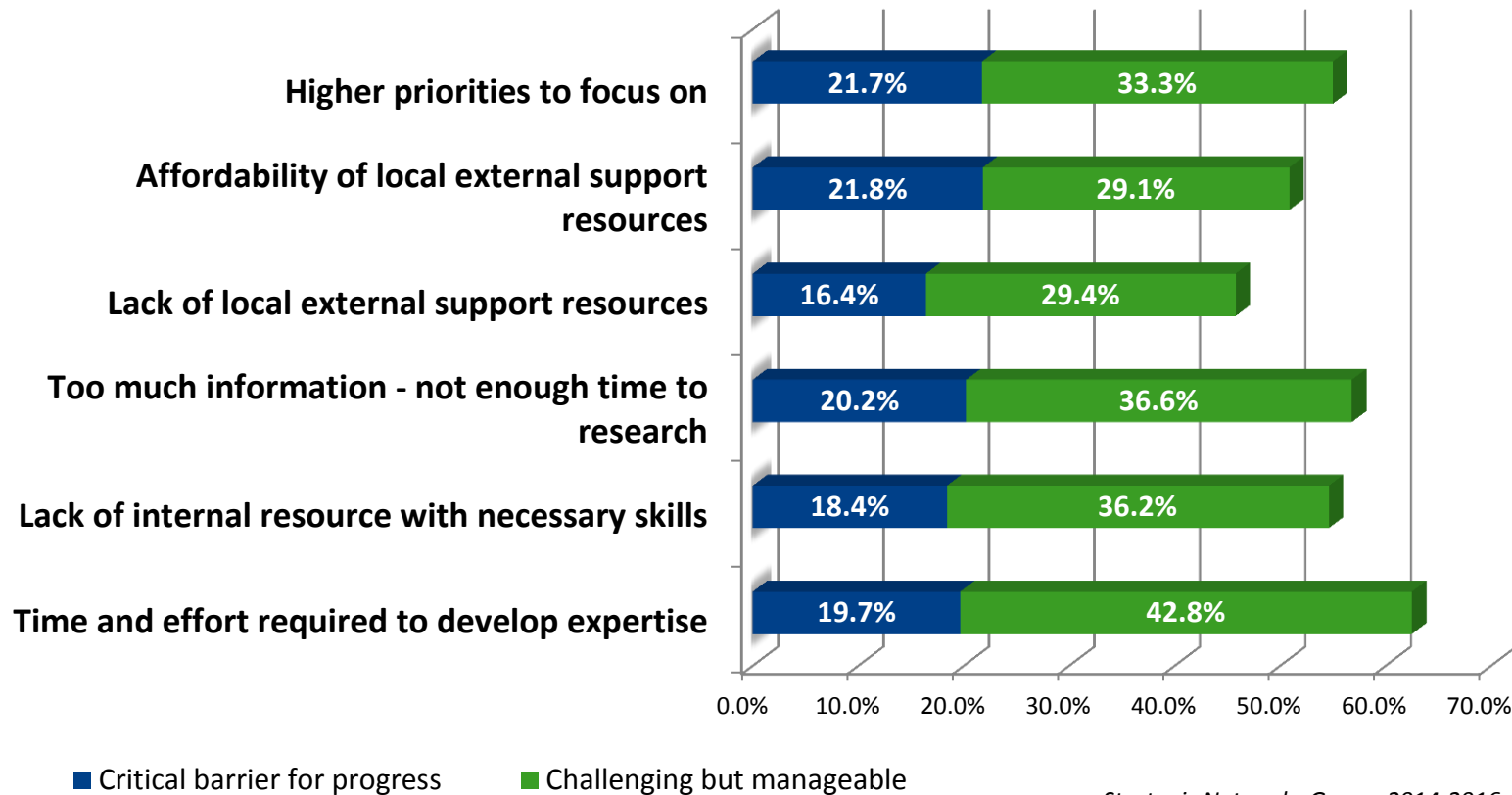


...And Cost Savings!



What's Preventing Businesses from Meaningful Use?

Barriers to Acquiring Internal Expertise



■ Critical barrier for progress

■ Challenging but manageable

Strategic Networks Group, 2014-2016, n= 6,960

Drive more effective internet utilization

This is a process!



Personalize the Value of Broadband to Local Businesses



Help them understand the **benefits** of going online – not just ‘nice to have’




Provide information and tools to **drive meaningful use** of Internet applications





Develop a **business case** for each business to take action

Personalized Incentives: DEi Scorecard

A DEi Scorecard is delivered to each business and organization

-  Individualized 'broadband assessment' that:
 - benchmarks competitiveness against peers (by size and industry sector)
 - estimates ROI from increased utilization
 - provides links to local advisors and support

-  Data based on the individual's current broadband utilization against industry average

-  Shared with local economic development agencies so they can raise awareness, increase adoption, and drive utilization



This scorecard compares your current level of Internet use to other organizations of similar size in your industry sector. The Digital Economy index (DEi) is a score based on the Internet-enabled applications (e-solutions) that you use.

By using this scorecard you can uncover additional e-solutions that can bring the greatest potential impact to your organization through improved efficiencies, innovation, and increased profitability.

Acme Parts Supply
MANASSAS PARK VA

Industry sector: Manufacturing / Processing
Organization size: 20 - 49 employees

Opportunities to improve your score

Increasing use of e-solutions (and your DEi score) improves your organization's productivity, competitiveness, and bottom-line - and how you rank against your peers.

Below are the top three e-solutions identified for your organization where the opportunity to drive new revenues and/or cost savings are the most significant.

e-Solution	Annual Impacts*	
	Percent	Amount
Selling goods or services		\$ 561,880
New revenues	8.1%	\$ 560,640
Cost savings	0.03%	\$ 1,240
DEi increase		0.78
Advertising and promotion		\$ 345,460
New revenues	4.9%	\$ 343,370
Cost savings	0.05%	\$ 2,090
DEi increase		0.58
Customer service and support		\$ 278,400
New revenues	3.6%	\$ 253,750
Cost savings	0.56%	\$ 24,650
DEi increase		0.78
Total annual impacts from NEW e-solutions		\$ 1,185,740
		per year

* Based on averages for your industry and size. Actual results may vary.

Strategic Networks Group (www.sngroup.com)

VABB-00906

Digital Economy Index (www.digitaleconomyindex.com)

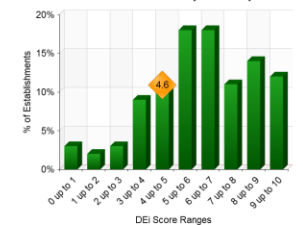
DEi Digital Economy Index Scorecard

The Digital Economy index (DEi) measures your current use of Internet-enabled applications (e-solutions) on a scale from 0 (none) to 10 (maximum).

Your DEi score: **4.6**

Your Industry Sector: Manufacturing / Processing
Sector DEi: **6.2**

Statewide DEi Distribution for your industry



Percentage of organizations in your industry sector with a higher DEi score: **81.0%**

Getting started

To get started now, please contact

Ann Mills
your business adviser with our partner

Northern Region

email: a.mills@northern.org

phone: (888) 555-1267

For 'actionable' background information on how you can benefit from e-solutions, please follow the link below:

Actionable Information

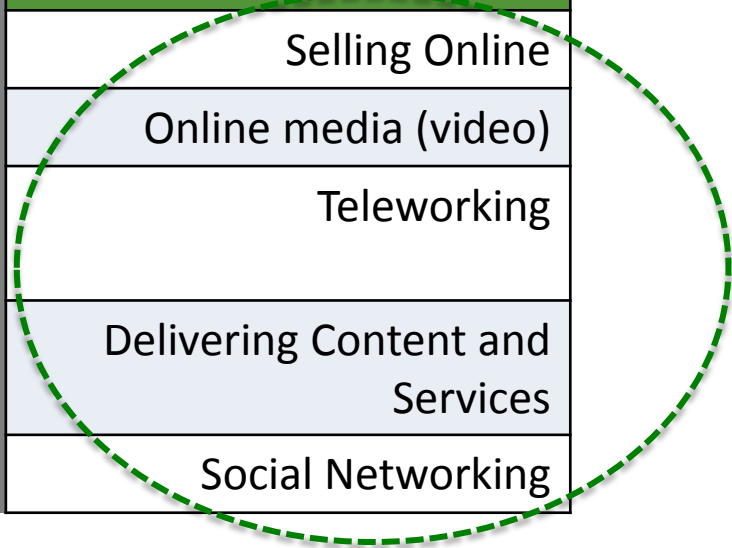
To take the next step please follow the link below and an advisor will contact you.

Request for follow-up by an advisor

All Internet Applications Are Not Equal

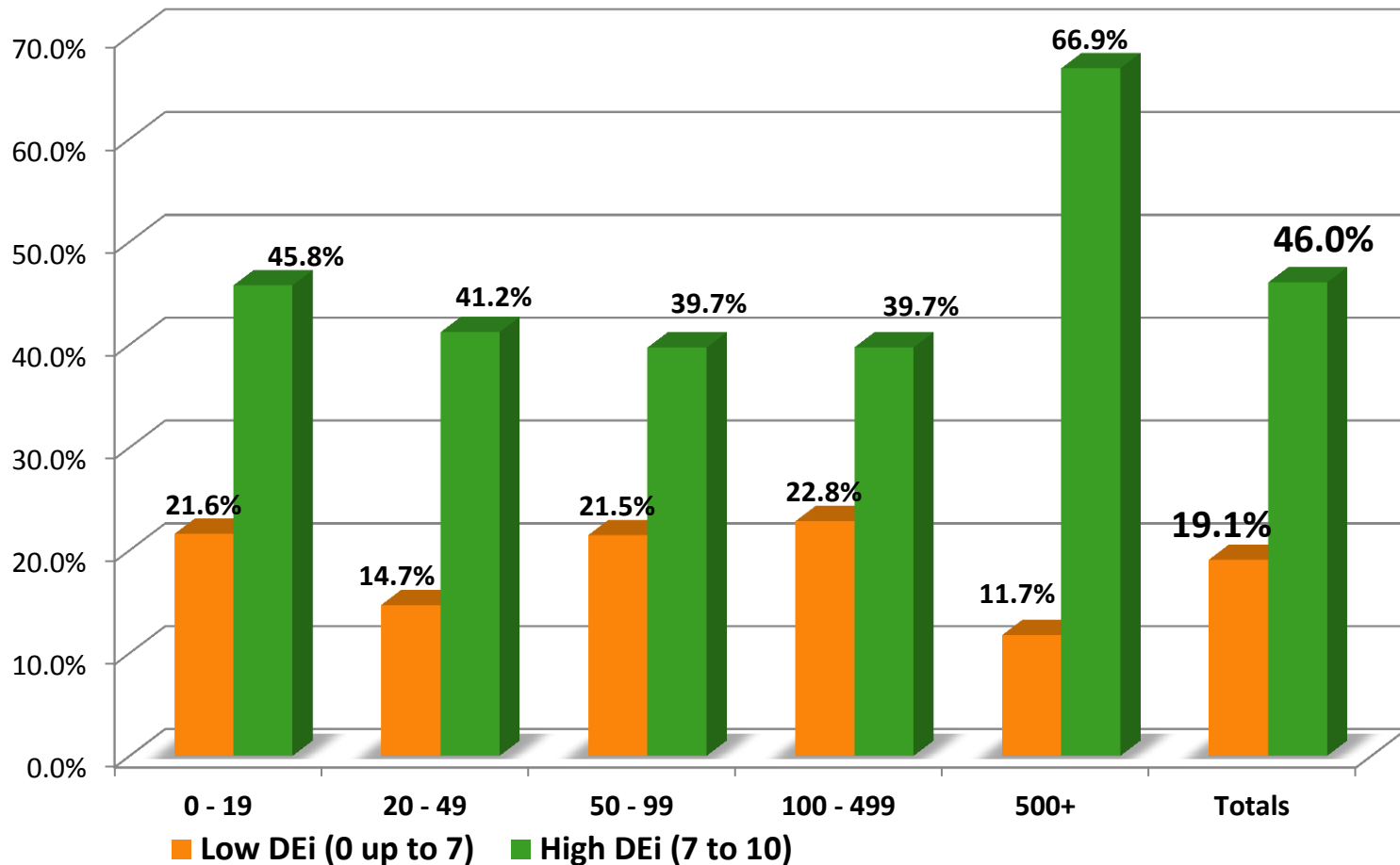
Quick to Adopt 'Laissez-faire' approach	Slow to Adopt Need awareness and support
Business Applications	Business Applications
Buying Online	Selling Online
Basic Website	Online media (video)
Research and accessing information	Teleworking
e-mail	Delivering Content and Services
Document transfer	Social Networking

**BIGGEST
BENEFITS**



The Payoff from Driving Utilization

New Jobs, Low versus High Internet Utilization



Strategic Networks Group, 2014-2016, n = 1,805

Benefits to Local Business Retention and Expansion





**For a business,
increasing utilization by 10%:**

 **Increases revenues 24%**

 **Decreases costs 7%**




Benefits to Community / Regional Economy and Workforce

For a region, increasing utilization:

-  **Drives business competitiveness, increasing retention and expansion**
-  **Creates a demand for high-skilled workers and well-paying jobs**
-  **Adds fiscal revenues**
-  **Grows markets for service providers**



Tips and Tools to Drive Economic Development through Broadband

-  **Understand how to assess current broadband availability and use at the micro-level**
-  **Use tools to identify gaps, barriers, and opportunities for growth – basis for partnerships to drive utilization**
-  **Find out the tried and true services that drive local growth and improve the quality of life in your community**

The Win-Win-Win



Local business retention and expansion through better use of technology

+



New good-paying local jobs in technology and media

=



Investments that maximize local economic growth

Thank you. Now let's connect.



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@SNGroup