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Subject:	Broadband Opportunity Council
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Thank you for this opportunity – there is so much more research we have to provide – please let me know if we can help.

Doug Adams
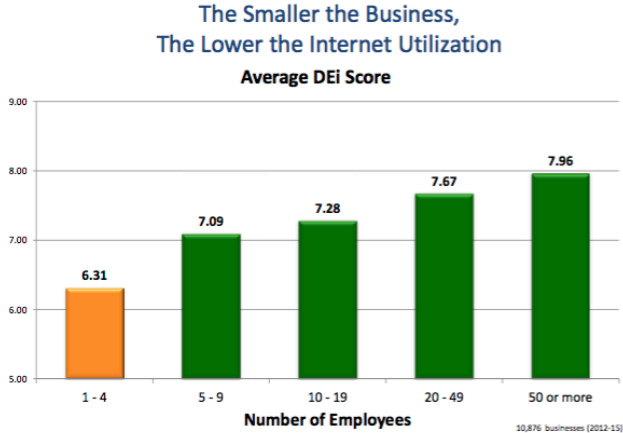**VP Communications**

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1. How can the federal government promote best practices in broadband deployment and adoption? What resources are most useful to communities? What actions would be most helpful to communities seeking to improve broadband availability and use?

The ARRA stimulus program did a good job at both addressing and fostering builds and availability. BUT to accurately answer this question it is critical to decouple availability from use. Actual use, or utilization, is at an alarmingly low number in 2015 among many of our nation's businesses, no matter the availability.

For businesses in 2015, resources need to be dedicated to overcome a new digital divide, that small businesses who do not have the time or resources to translate "speed" to their potential business benefits.

Using Strategic Network's Utilization measure and assessments with more than ten thousand US businesses, we are able to quantify utilization of Internet applications. And the smaller the business, the lower the utilization – no matter the industry.

http://sngroup.com/wp-content/uploads/2015/05/dei-score-by-size.png

Household adoption *and* utilization is being driven by the **benefits** of applications, many of them entertainment-based. Businesses with more than two hundred employees have IT departments driving application use, collaboration, communication and maximizing ecommerce opportunities. Meanwhile, small businesses (more than 9 of 10 American businesses) are left trying to understand the benefits that high "speed" broadband brings them.

At the root of this challenge are well-intentioned efforts to categorize broadband a utility. On the one hand, this is an easy position to support – and we do. On the other,

just classifying broadband a utility does not drive effective utilization of its applications the same way water or electricity's solutions are, as the **benefits** of each are ingrained in our society.

5. How can the federal government best collaborate with stakeholders (state, local, and tribal governments, philanthropic entities, industry, trade associations, consumer organizations, etc.) to promote broadband adoption and deployment?

The government needs to help address the small business digital divide by driving meaningful use. This needs to be done by deploying programs that clearly illustrate the benefits and business case for Internet utilization, personalizing the value of broadband to small business owners. The biggest barrier for small businesses today is that they do not have the digital literacy to understand which Internet applications are critical for their business to be competitive.

28. Are there gaps in the level or reliability of broadband-related information gathered by other entities that need to be filled by Executive Branch data collection efforts?

Strategic Networks Group (a global leader in broadband research) is the only firm measuring **utilization of Internet applications.** The challenge in 2015 is that utilization is the focus is still on "speed" and adoption when SNG's research shows that benefits are the result of effective utilization, regardless of speed.

While at first glance, adoption and utilization may seem like the same thing, the fact is that they are not. Adoption is akin to purchasing a gym membership. However, the membership has no benefit if you do not go to the gym to use the equipment on a regular basis to maintain your health and grow strong.

It is the same with Internet applications enabled by broadband. SNG's research in more than ten States shows adoption does **not equal utilization.** And the benefits and financial impacts come with utilization, not mere adoption.

SNG's research shows that no matter what the Internet speed is, small businesses (according to the 2010 US census, 92% of American businesses) are [falling behind](#) in that there is an inability to keep up with online business practices. Larger businesses are utilizing the Internet faster and more effectively than their smaller counterparts. There are a variety of reasons for this, including a gap in understanding the benefits of and what is required to implement Internet applications. This is occurring at both the micro (business) and macro (regional) level.

What's needed is for businesses to see the value in adopting new Internet practices. Businesses need to be able to gain an understanding of what investing in utilization of Internet applications will return in terms of revenues and cost savings.

When businesses utilize the Internet's applications effectively, SNG's research shows significant job growth. Reviewing SNG's job creation statistics across ten states reveals that Internet utilization has been a huge driver in job creation in organizations across the board since 2010. Between 2010-12, the percentage of jobs created within small businesses was highest (33%) for businesses with less than 20 employees.

http://sngroup.com/wp-content/uploads/2015/05/Screen-Shot-2015-05-19-at-1.29.37-PM-450x420.png
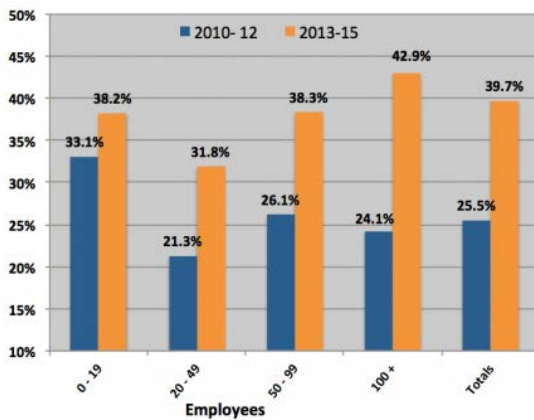
29. What additional research should the government conduct to promote broadband deployment, adoption, and competition?

In SNG's experience, small businesses don't know what they don't know in terms of the Internet and its applications. They are missing growth opportunities for their business and slowing job creation. Furthermore, when they do understand the benefits of Internet applications, they are often stretched too thin to choose and implement the right solution(s) for their operation.