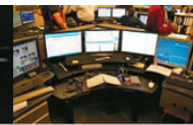




Communication & IT



AzulStar: Carving an Independent Niche Across Michigan and Beyond

By: Jeremy Martin

Since 2005 the goal of independent wireless provider AzulStar has been to provide high-speed, low cost internet connections for business and multi-tenant homes.

As of this writing, the company founded by Tyler Van Houwelingen had inundated themselves in twenty three cities in both Michigan and New Mexico.

In November the company executed a plan to begin offering services to the Kalamazoo, Muskegon and Lansing markets.

"The roll outs that we did in Lansing, Kalamazoo and Muskegon came online pretty quickly. Our goal was always to perfect the technologies across a few cities and once we have a nice profitable business model than to expand that," Van Houwelingen the company's CEO said.

AzulStar's model involves offering its services not to individual homes but to businesses, multi-resident units such as

apartment complexes and government agencies.

"It's a little bit easier to compete in the niche markets, but we also feel that, that's where the wireless technology has evolved to provide the most value for customers," Van Houwelingen said.

'Value' is a word that Van Houwelingen often uses, and it is his hope that AzulStar can spread this message of value across a wide swath of America.

"Our long term goal is to be the leading wireless provider to business and multi-tenant institutions across the mid and southwest," Van Houwelingen said.

Standing in AzulStar's way however are two imposing forces; the established phone and internet corporations and trees.

That's right, the gentle green giants that dot Michigan's landscape, though scenically beautiful, provide a real challenge for the young company's growth.

"Because of (current) wireless technology, the trees actually have a pretty big

impact on our business. In Michigan there are just some area's that we cannot get service to because they're just so deep, buried in trees," Van Houwelingen said.

Making inroads into the less populated, though foliage deficient state of New Mexico has allowed AzulStar to perfect its service without the physical limitations that bar coverage to some of the more rural areas of Michigan.

The other obstacle, competing with the big telecom companies has less to do with physical barriers and more to do with acquiring clients.

"Our goals are two percent of the market. We have noticed some reaction from the phone companies. I know in one apartment complex we did, they immediately dropped their prices and increased their speed," Van Houwelingen said. "In the commercial side of things, the government side of things I think they just view us as a small player, and that's fine, two percent of the market is worth a tremendous amount from our stand point."

It's in these large apartment complexes where Van Houwelingen expects the most resistance from its competitors.

"We're going and taking half their customers, I do anticipate that there is going to be some sort of reaction coming. This is a brand new market, we feel like we just kind of invented that market. We're offering 50 megabits per second at an extremely good price. I do think there

will probably be some kind of reaction coming. They've (big telecom) has never seen anyone set these things up and take their customers away," Van Houwelingen said.

Lucky for AzulStar, the wireless market is increasing rapidly enough that the company only needs a small market share to be successful.

"It's a multi-billion dollar business so we only need to get a little bit for us to be very profitable," Van Houwelingen said.

So instead of competing with the likes of AT&T, Verizon and Comcast on all fronts, AzulStar has opted to carve a small, but profitable niche in an ever growing market.

"A while back we used to try to bring intent directly to people's homes. It's a lot more challenging to do, there's a lot more competition in the market, we could maybe save someone five bucks a month," Van Houwelingen said. "If we compare that to the commercial side of things, or the multi-tenant side of things, we're delivering a tremendous amount of value. We can save a business thousands of dollars or up to in some cases tens of thousands of dollars a year just by switching their internet."

In the coming months AzulStar will look to expand further into Michigan, including the Battle Creek market, and make headway into 'the larger cities of Ohio and Indiana.'

"A lot of it now is order driven, so we are ready in Battle Creek. If we had a customer or an apartment complex that wanted service, we could turn them on in ninety days," Van Houwelingen said.

Beyond its expanding coverage area, AzulStar is also planning on making physical expansions. A plan to move its Michigan headquarters from Grand Haven to Grand Rapids is in the works as is a plan to begin hiring more staff members.

"In about four or five months time, we're expected to get the green light to expand into at least ten cities and so we're always taking resumes, sales guys and tech guys those are really the two key areas and guys that don't mind climbing on a rooftop or up in an attic," Van Houwelingen said

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