

TELEPHONY ONLINE

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SPEED MERCHANTS

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As one of the original developers of ISDN at Bell Labs, he couldn't understand why telcos were fumbling the datacom market opportunity. Assisting U S West on ISDN deployment, he would go around to the telco's customers in the Minneapolis-St. Paul area pretending to be a U S West man. He'd explain the service in simple terms, showing them implementation didn't have to be so difficult.

Later, as ISDN product manager at U S West, he saw more of the same. ISDN and other data services weren't getting a fair shake from the telcos. "I kept seeing over and over again that the sales teams and the entire companies weren't ready to sell the solution. Only the pipe. There was no push on the telco side to really implement [ISDN and other data services]. That's what pushed me over the edge."

About the same time Altom was going over the edge, the summer of '95, Twin Cities entrepreneurs Mike O'Connor and Ralph Jenson were 7 months into launching an ISP. Their secret sauce: Willingness to connect ISDN data calls, which other Twin Cities ISPs wouldn't do. In fact, U S West's limited availability of ISDN had failed to stir much notice at all in the ISP community.

O'Connor and Jenson spent an awful lot of time simply negotiating for anything they could get with a guy at U S West. Guy by the name of Altom.

Today, Altom is president of gofast.net, a small St. Paul-based ISP bringing high-speed data to small and mid-sized business customers. The company he helped grow with O'Connor, Jenson and another partner, Dan Cummings, four summers ago has succeeded with ISDN and is doing the same with DSL. In fact, Altom says gofast.net has about 120 DSL customers in the Twin Cities and surrounding counties.

Not bad for a small ISP focused on one second-tier market. But the ISP business is still a very tough one for companies made from that mold. Consolidation has been rampant. ISPs still get gouged by ILECs on wholesale access deals. Being able to provide advanced services while having the whole thing pay off is tricky.

Altom says gofast.net has been able to avoid the pitfalls of the business by sticking to the strategy that fueled its launch.

"The telcos struggled with the marketing side of data technology, but implementation is where they really fell off," he says. "We stay focused on the smaller business market that others don't address and are well-differentiated by the systems integration side that others don't have."

The company also has avoided a financial squeeze by operating conservatively. Altom: "We've been very judicious about expenses." In practice, that meant signing the right wholesale Internet access deal. That's the part where many ISPs falter. They end up settling for something that leaves them with only a bite-sized profit margin. One more bite, and it's gone.

Gofast.net found a good deal with Nap.net. The regional provider had just five POPs but a knack for low-cost, reliable service. GTE Internetworking bought Nap.net but kept that approach intact, dubbing it the ISP Direct service. The service's ISP-dedicated support team helps keep overhead low but quality high.

"Having a dedicated team is important because one [ISP] with trouble could be affecting 100,000 users," says Susan Birkenheier, ISP Direct service line manager.

That's more than many wholesalers offer. But Altom says the wrapping paper isn't overly frilly: "They don't do a lot of things that ultimately drive up our costs."

That's conservative operation in one sense, but Altom wants no one to confuse gofast.net with a conservative operation. The company's small but growing staff seems laid back and easy going-if you don't believe it, check out the staff photos at www.gofast.net.

"We started the company because we wanted to control our own destinies, and we have fun keeping it from becoming a Dilbert organization," says Altom. "We think we can keep that up as we manage our growth." However fast that might be.

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