

Internet firm growing according to plan

By KEVIN DiCOLA
Villager Staff Writer

David Koch and Kyle Bacon have struck upon a radical way to build a successful Internet business.

Make money.

It's true. Successful companies make money and pay their debts, said Koch, 44, president of Fiber Network Solutions Inc. on 6816 Lauffer Road in north Columbus, near Westerville.

"We've watched the dot.com phenomenon and we think you'll eventually see an end to that," said Koch, co-partner of the privately-held company valued at \$58.3-million.

He's talking about companies that build up millions in venture capital and public money on the promise that eventually, some day (they hope), they will turn a profit.

But put the cart before the horse, and the cart drags the horse down the hill.

"Pretty soon you burn through the cash and you're looking for more," said Koch, a Westerville resident.

Serious businesses draft a realistic business plan and stick to it through thick and thin. Any money that's left over each month is plowed back into the growth of the company until eventually the company is cash flow positive.

"Anybody can steam a mirror and call that a shell for their business," Koch said. "If you don't work your plan and plan your work, guess what? It doesn't work."

FNSI is proof positive that hard work and positive cash flow management are building blocks to success.

FNSI is ranked seventh out of 160 Tier One Internet providers by industry observer Boardwatch Magazine. It provides hospitals, banks and other organizations within a five-city radius with 24-hour guaranteed service.

"Any business-to-business service that is mission critical needs reliable Tier One service," said Bacon, who lives north of Gahanna.

The company is rolling out new services regionally and consolidat-

ing its Pittsburgh, Cleveland, Cincinnati and Detroit locations into its Columbus headquarters.

FNSI will turn offices in those cities into data centers.

The move is expected to add about 50 jobs in sales and sales support personnel to the Columbus headquarters by early 2001.

Within 21 months, FNSI's goal is to become an Internet presence in 51 markets.

FNSI buys the capacity for fiber optic communication from several different providers, so that if one line goes down in a catastrophe or power outage, communication can be instantly rerouted to another line.

From a 7,000-square foot bunker, Bacon and his crew monitor each fiber optic strand in a mission control room that looks like something out of a James Bond movie.

Each screen monitors temperature changes at router locations, shows the status of each fiber optic strand and tracks minute details of each regional contact point.

FNSI was an outgrowth of the join-

ing of two very different individuals.

Bacon, then 24, was a young entrepreneur running his own business, Your Connection World Wide Web Services.

"My mom thought I was crazy," said Bacon, who holds an electrical engineering and computer science degree from Ohio Northern University.

He met Koch, a former Lear Jet pilot and computer software engineer, in 1995.

"He said I have a great thing here and can make a million dollars, but if we team together we can make a lot more than a million, and he was right," Bacon said.

They decided to pool Bacon's technological prowess and Koch's keen financial vision to form FNSI in 1996.

But short on cash flow, Koch joined the company at a monthly salary of \$10. Two framed documents hang in the main lobby showing his offer and acceptance of the small sum.

"He still owes me that 10 bucks,"

Koch said with a smile.

After spending a year working on a business plan, the two men gathered less than \$1-million in seed money tied to a few credit guarantees, and launched the company from a little one-room office in Hilliard in 1997.

It quickly expanded and added new cities to its Midwest region.

But nothing happened by accident, Koch said.

"We had to be very efficient with very little money, but we never had to go back for additional capital," said Koch. "Instead of practicing the green matter approach, where you throw money at a problem to solve it, we practice the gray matter approach."

Koch and Bacon update their business plan at least once a year, each time with the goal of making projected numbers come as close to actual numbers as possible.

"The day our capital ran out is the day we went cash positive," Koch said. "That didn't happen by accident."