

Connexion Technologies

Cutting-edge telecommunications services for residential properties

by Laura Clark

During his term as mayor of Cary, North Carolina, Connexion Technologies' founder and CEO Glen Lang discovered a better way to offer communications services to the citizens of his town. A survey conducted by the city to measure demand for services such as high-speed Internet, television, and telephone upgrades showed that citizens were not only aware of such advanced amenities—they were eager to have them in their homes.

"The residents were having trouble with service in town," Lang says. "With the one or two available providers, the rollout of services would take a few years. We didn't want citizens not to have high-speed Internet service."

From there, Lang founded Capitol Broadband and its subsidiary Connexion Technologies, which installs fiber-optic infrastructure in single-family, multifamily, high-rise, and residential complexes, and manages an advanced communications network that hosts an array of providers. "We install fiber-optic infrastructure for multiple providers to deliver services, so residents have a choice of providers," Lang says. Unlike copper wiring, fiber allows for virtually unlimited bandwidth, according to the Connexion Web site, allowing homeowners to "future-proof" their residences. That is, keep up with burgeoning technology without having to constantly change infrastructure.

As a result, the choice of providers has only grown since the company's founding in 2002. When Connexion launched, it had a handful of service providers in its portfolio—Dish Network; FDN, now NuVox; and the

SERVICES

Fiber-optic infrastructure allows for:

- High-speed Internet, including wireless hot spots
- Digital television and most HD channels
- Unlimited local calling and deeply discounted long distance

Providers:

Dish Network, Primecast, DIRECTV, ADT Security Services, Beyond Communications, Cavalier Telephone, Nuvox, Madison River Communications, Magnolia Audio/Video, Guesttek, simplikate, CenturyLink, Ygnition, CenturyTel, Hargray, Windstream Communications, and Castle Rock Security, Inc.

Project Highlight:

For the 12,000-resident Laguna Woods Village retirement community in Southern California, Connexion will manage the telecommunications network for the delivery of services such as telephone, high-speed Internet, and TV.

North Carolina-based Madison River Communications. In the eight years since its inception, the company has expanded to include 7 of the 10 largest phone companies, for a total of 14 different companies, including Dish, DIRECTV, and Time Warner Cable.

"It's an open network, and service providers lease the network from us," Lang says. "The more service providers the better."

Connexion has also grown in the number of territories it serves. In 2002, the company operated in two states. In 2009, its services were available in 260 developments in 29 states. In fact, the company was even ranked on the 2009 Inc. 500, which noted its rapid growth with revenues jumping from \$659,312 in 2005 to \$12.4 million in 2008.

The company has altered its focus since its founding. In the beginning, Connexion looked primarily at new housing complexes as places to lay its groundwork. "In 2007, that market crashed," Lang says. There was an overbuilding situation. As a consequence, he adds, "existing condos, apartments, and even manufactured homes were now possible customers." In fact, in 2009, "95 percent of business was existing apartments," Lang explains. "We invest \$2,000 for every apartment unit to bring the entire apartment complex up to speed."

Lang adds that apartments become more rentable because they receive a monthly stipend, which he likens to a cell-phone-tower scenario in which a landowner erects the infrastructure and then leases it to companies that provide services. "We spend hundreds of thousands of dollars to update and lease that to apartment owners," he



GLEN LANG, FOUNDER & CEO

Glen Lang has been in the technology-marketing business for 25 years, and has held positions with Sun Microsystems, Control Data Corporation, and Intergraph. Lang has also handled mergers and acquisition consulting for Fortune 500 companies, and participated as a founder in two communication-company startups. He was elected to Cary Town Council (North Carolina) in 1997 and was elected as mayor of Cary from 1999 to 2003. Lang holds a bachelors in mechanical engineering from the University of Minnesota.

THE DIGITAL GO-TO: Connexion Technologies provides high-speed Internet, digital TV and HD channels, and local- and long-distance-calling services. Additional service options include hospitality service modules, remote-data back-up, low-voltage wiring, inside-wiring and fiber-equipment assurance plans, technology concierge services, and home electronics integration.



explains. "[Service providers] pay us rent, and then we pay the apartment owner. It's a double positive."

Those services have helped Connexion to grow at a rapid pace. The number of subscribers in the second half of 2009 alone doubled from 30,000 to 60,000. Lang expects the latter number to double again during 2010 and to reach 200,000 subscribers in 2011. Lang says that the company's growth strategies are relatively straightforward. "In the last six months, we've called on real-estate-investment trust MHPI, Sun-manufactured home communities," he says. "Instead of one apartment complex,

we get a whole portfolio like Landmark Residential, The Lynd Company, and Bell Partners."

The company's largest partnership to date is the Laguna Woods Village retirement community in Southern California, with 12,000 units.

The telecommunications amenities that Connexion offers help not only the apartment or property owner but also the dwellers themselves. "In this economy, it's difficult for people to pay their bills," Lang says. "These advantages help to keep apartments full." [P]