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Business

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Entrepreneurs create local ISP Partners connect South Sound to Internet with Zhonka Broadband

Clubside Cafe owner Kenny Trobman warms up Dave Olson's coffee as Olson and fellow Zhonka co-founder Jay Stewart enjoy Internet service now provided at the downtown Olympia eatery.



Steve Bloom/The Olympian

ALEX GOFF FOR THE OLYMPIAN

A second chance can be a golden opportunity, or so Jay Stewart and Dave Olson hope.

Former managing partners of South Sound Internet service provider OlyWa.net, Stewart and Olson sold that business to California-based Advanced TelCom Group, or ATG, in 2000.

Stewart and Olson stepped away from the business altogether. And ATG has since filed for bankruptcy, and most of its assets have been purchased by General Electric.

Now, Olson and Stewart are back and have moved into the old OlyWa.net offices and set up Zhonka Broadband -- an Internet service provider offering digital subscriber line (DSL) services to subscribers in Western Washington.

"We've sort of come full circle," Stewart said. "But we've learned a great deal in the meantime. We spent the better part of the last six months working on our business plan and looking for investors. The lessons we've learned have allowed us to cut our costs considerably."

Zhonka sees itself as a competitor to providers such as MSN, which has similar monthly rates. Zhonka offers no content, but plenty of bandwidth and service.

"It's just a big, fast pipe," Olson said. "We're the friendly local guys who support the community with all the perks of some of the larger ISPs."

Zhonka manages its own network, monitors outages and handles questions. Stewart said other ISPs depend on the phone company to do much of that.

By using techniques such as e-billing and concentrating on the type of faster connection most customers seem to want, Stewart said operating costs will be about a tenth of what OlyWa's were. The pair has about a dozen subscribers since launching two weeks ago, and expects to break even at about 500.

That number is certainly attainable -- OlyWa had 1,500 -- Olson said, because "there's a big demand for a local ISP."

"We see a clear need in the market," Stewart said. "Consumers are faced with a choice between impersonal, out-of-state providers and well-meaning, but often underpowered, local firms. We've designed Zhonka to fill this void by offering cutting-edge services coupled with responsive customer support."

Which begs the question: Why did Olson and Stewart sell to ATG?

Zhonka Broadband

Internet service provider with monthly rates from \$15 to \$40.

- **Owners:** Jay Stewart and Dave Olson

- **Location:** 1430 Evergreen Park Lane, Olympia

- **Telephone:** 360-701-6958

- **Web site:** www.zhonka.com

"It seemed like a good marriage," Olson said. "And there were some cost savings involved. But ATG's model turned out not to be our model of doing things."

A big part of the Zhonka model is being part of the community -- whether that is providing services and Web page space for nonprofits or setting up complimentary wireless Internet access points in various downtown locations.

Zhonka's laptop and palmtop users can access the net at cafes wirelessly. The zones already have been set up at The Other Guys' Internet cafe and the Clubside Cafe, both on Fourth Avenue in downtown Olympia. Zhonka is in discussions with Olympia Farmers Market for a hookup there also.

"It's certainly an emerging technology, and it's also something that gives us a presence in downtown," Olson said. "I was down at the Clubside Cafe the other day and listening to the Vancouver Canucks game on Web radio."

"The key part of it is to make sure there are no interruptions," Stewart said. "When we got everything connected, I would log on to a radio site like National Public Radio and keep it on for 24 hours to ensure it's a smooth connection. People are willing to pay more for good and fast connections. They don't want interruptions."

Stewart and Olson moved back into their old offices because of the fiber optic line already installed there, but it's been a strange reunion.

"There's a little bit of deja vu involved, that's for sure," Olson said. "But we've seen a lot with the bottom dropping out of the Internet economy and new technologies coming through. We've learned a lot about making the Internet efficient."

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