

SKYROVE

SKYROVE - The sky's the limit

Start-up opens the way for more entrepreneurs

'I was a student who couldn't afford broadband,' says Henk Kleynhans, the CEO of Skyrove. 'I thought sharing broadband with my digsmates through WiFi would be a way to make it more affordable for all of us. That's how I came up with the concept of Skyrove.'

This is how it works: a coffee shop owner, guesthouse owner or student with digsmates signs up to be a hotspot provider with Skyrove. They've got to have ADSL or some form of broadband already. Skyrove sends a router through the post to the new provider - dubbed a Skyrover - for R795. The Skyrover plugs it in, and *voila*, a wireless Internet hotspot is created.

When a user (a customer, a digsmate) turns on his wireless-enabled computer, he will automatically be directed to Skyrove and asked to register. The user buys prepaid credits from Skyrove, which they can use at any Skyrove hotspot. The price differs according to the hotspot used. Skyrove then pays the Skyrover 70% of the credits used.

The user pays for the amount of bandwidth used. Instead of paying for time, the credits are based on megabytes. So, downloading a song will cost more than writing an e-mail.

'Prices [for broadband] are going down, while usage is going up,' says Kleynhans. This means Skyrovers can earn more money.

Kleynhans studied computer science and electronics at the University of Cape Town. He started developing software for sharing wireless Internet when he was in his final year, on his own time.

As Skyrove became a working product, Kleynhans realised he wanted to turn it into a full-time business. He launched Skyrove with his friend Allister Kreft, a marketing student, who wrote its business plan, did the market research, and all the other things that help turn a geeky product into something people will want to pay money for.

Skyrove went live in December 2005, and now has 2 800 users around the country. There are 65 live hotspots so far. That is not a huge number, but Kleynhans says it is rising quickly. In February, Skyrove realised month-on-month growth of 30%.

Kleynhans is trying to make sure Skyrove has the resources to cope with demand. 'More and more people want Internet access, and we are bringing the cost down by allowing people to share, while providing income for mini-preneurs,' he says. 'It's a no-brainer.'

An American company stumbled across Skyrove's website, and decided to finance the fledgling business. ('Having a dot.com site is very important when you want people to find you,' says Kleynhans.)

The Americans bought \$20 000 in equity in Skyrove, which gave it the financial impetus it needed to get going.

Others were impressed, too. Skyrove won the Enablis Business Report Competition in 2005, and the Technology Top 100 Award for Most Promising Emerging Enterprise in 2006, the highest accolade in the competition.

Kleynhans and Kreft entered the National Innovation Competition for students in 2004. 'We knew what we had was fantastic,' says Kleynhans. 'We were confident about winning. Since we didn't get called for third and second place, we thought we must be first! We started clearing a path to the stage. Then they called a different name. But we consoled ourselves: Bill Gates never won a business plan competition. And we knew we had something good.'

- ◆ *If you want to start your own small Internet business, visit www.skyrove.com.*

