

Sky Dayton Knocking Out the Hits

By Jim Rue

SKY KING

Young Sky Dylan Dayton is a billionaire. After high school he worked briefly for a graphic design firm setting up their Macs. Then he opened a coffeehouse in the Melrose district of Los Angeles. But founding Earthlink in 1994 was his ticket to greatness. In a time when AOL was capturing millions of new users and charging by the minute, Dayton worked out symbiotic relationships with ISPs, offering them marketing and billing structure and services in return for their bandwidth and the use of their modems. In the mid-nineties, all commercial internet users paid by the minute for online access, and some paid a subscription fee in addition. Earthlink offered users a flat \$20 monthly fee. This was welcomed. Earthlink had good telephone support too, even though the physical offices burgeoned with more employees than places to put them.

EARTHLINK: THE BONANZA

To the employees, Earthlink offered vertical growth. Dayton was twenty-two when Earthlink started in 1994. The firm went public in January of 1997. Stock prices quadrupled in the following 14 months, and Dayton has been a billionaire since. While Dayton's brainchild is still behind AOL, with \$1 billion in annual revenue and over 5 million North American customers, Earthlink runs a strong second.

Despite having skipped college, Dayton was selected as USC's Entrepreneur of the Year for 1999. He also sits on the boards of Business.com and Neopets. Business.com was the first domain name to be resold for one million dollars—quite the jackpot for the domain name speculator who bought it for, like, \$12! Neopets are just fun—keychain-sized virtual pets that fascinate schoolchildren and sell by the carload for big profits.

Unlike many hard charging technology innovators, Dayton knows how to relax. He lives in Malibu with his wife (a novelist), two children and a dog. He surfs regularly and is well known on the snowboard circuit.

There is little need to rake the coals of early web history for information on Earthlink. It quickly became one of the largest ISPs on earth, offering dialup numbers throughout the Americas and Europe. As quickly as DSL came into being, Earthlink offered high-speed connections to consumers. Now Earthlink has formed a partnership with a South Korean firm to offer wireless services in the United States.

WIRELESS COMING LIKE A SPEEDING TRAIN

The new firm, called SK-Earthlink, seeks to bring the advancing world of handheld computing to the United States. Wireless enthusiasts can

expect several new generations of handheld devices that offer versatile new features and roam seamlessly and without tears. These changes in technology have been in evidence in Asia for several years. Dayton wants to import the best of the Korean technology and 'close the gap,' using a business model similar to the one he used in starting Earthlink called an MVNO, or Mobile Virtual Network Operator. The concept, like Earthlink, allows the management to offer a wide variety of services by taking advantage of and licensing the needed parts of the existing aggregated network.

BOINGO

An interim step has been Boingo, a means of networking hotspots. The model worked—over 17,000 hotspots were recruited worldwide, and the Boingo wireless software does an excellent job of talking to hotspots, bridges and routers of many different types. The software can be downloaded free from Boingo.com, but Dayton is moving on to his South Korean model.

Innovations like handheld television and movies, multiplayer games and conferencing, sports and stock figures, buying and selling online, instant messaging and communication between unattended devices have been widespread throughout South Korea for some time now. With almost half a billion dollars in venture capital for SK-Earthlink, Dayton plans to help the western world to play 'catch up.' As with Earthlink and AOL before it, the master keyword is 'easy.' On this he is perfectly clear.

EGALITARIANISM

Despite an early childhood comprised of Birkenstocks, brown rice and seaweed, Dayton has emerged as an intensely competitive, business-like young man. In an interview on Business.com he says, "the idea of the Internet running over a wire is sort of odd — why do you have to be near a wire to be connected? The Internet should just be in the air. It should be all around you, like oxygen."

While Dayton is the example that every new technology executive is compared to, it may be that some of his parents' countercultural nature and values have rubbed off on him after all. His ventures are typically those of an aggregator and a coalition builder, and those are the values of the Birkenstock generations. 🌱

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