Growth Entrepreneurs in America’s Great Plains

Allo Communications is a high growth entrepreneurial venture providing telephone, cable and internet services competing with the likes of Century Link (formerly Quest) and SPRINT. The unlikely location for Allo’s corporate headquarters is Imperial located in rural Southwestern, Nebraska. The total population for the entire county where Allo and Imperial are located is just over 4,000 residents.

As inspiring as this story is, it is not totally unusual. Where we find entrepreneurial culture, there are entrepreneurs like Brad Moline and Russ Pankonin with dreams growing remarkable ventures. The domain of growth entrepreneurs is not just thriving urban centers but communities all across America. This reality is important and begs the questions – why here and what can other communities to create the right kind of environment where entrepreneurs root and grow?

Allo Communications

Information technology is essential for modern society and commerce. Allo Communications provides telephone, cable and internet services focused on the communities of “308” telephone exchange in Western Nebraska. Founded in 2003, Allo serves regional trade center communities in Western Nebraska like Scottsbluff, North Platte and Alliance. Allo’s competition are historic incumbent phone companies like Century Link (formerly Quest) and SPRINT. The competitors are giants in the industry, but Allo like other entrepreneurial growth companies has found the formula to compete and is growing rapidly. When asked how Allo can be successful against major telecommunication companies, founding entrepreneurs Brad Moline and Russ Pankonin talk about competitive advantages rooted in what they do right and what the competitors are doing wrong. Keys to Allo’s success include the
failure of competitors to meet the need of customers in this rural region. This failure created an opportunity where a combination of smart technology and old fashioned personal customer service has produced a winning combination. A favorable and progressive state regulatory environment also helped Allo get a foothold and grow.

Allo takes pride that it has staffed offices where customers are greeted in person and phones are answered by living human beings not automated systems. Allo’s approach to high quality customer service includes basing staff in communities and encouraging active corporate engagement in local civic affairs. Allo sees itself as a part of the communities where it provides services – not just another market where a buck can be made.

Coming Home

Brad Moline and his wife grew up in Imperial, moved away to the city and made their careers, but they wanted to come home. They returned to Imperial to take over Brad’s parents’ grocery store. So often we find returning residents bring talent, motivation and new opportunities to their hometowns. Brad illustrates this principle very well.

Russ Pankonin and Brad Moline

Russ (picture right) is a newspaper publisher and has spent his life in Western Nebraska. Russ and his family acquired the Imperial newspaper, and he calls Chase County home. Brad grew up in Imperial, moved away, went into telecommunications as a career and chose to come home – taking over his folk’s grocery store. Brad saw an opportunity rooted in the disinvestment and poor services being provided by phone companies in Western Nebraska. He had an idea that a new service could be created that could compete. Brad sensed the time was right and the town was ripe for a new startup company that could give corporations like SPRINT and Century Link a run for their money. Brad and Russ began to talk and Allo Communications was created.

Brad (on the left of this picture) knew telecommunications and Russ knew Western Nebraska. These two remarkable entrepreneurs have the right stuff. They are passionate, smart and willing to learn. Instinctively, they network to find the right people, technology and solutions to be competitive. They learned that where poor and costly service existed there was room for a competitor. Making money from their hard work is important, but, in taking with them, one can also sense a strong commitment to hometown and community. They take pride in bringing better service to the communities of this region. They believe that what they are doing is helping an entire region
become more competitive and successful. They are driven to succeed and in their success they are providing the residents of this corner of America with state of the art telecommunications services. They are also proving that growth entrepreneurial ventures can root in all kinds of communities including rural places like Imperial.

**Lessons Learned**

We asked Brad and Russ about the challenges they have and are facing in creating and growing Allo. They identified the following three items...

**Capital.** Accessing capital to enable growth is challenge number one. They have been creative- employing their own resources, working with great community banks like Adams Bank, employing government financing programs and engaging private investors. The greatest opportunity they identified for enabling growth is securing necessary capital to finance additional investment.

**Human Talent.** Both Brad and Russ talk a lot about the importance of their team. Having talented and motivated workers is central to their competitive approach and advantage. Securing human talent is a challenge. Finding the right folks who genuinely want to live in rural communities is important. They want capable workers, but also workers who take pride in their communities and are willing to become civically engaged.

**Technology Bets.** Technology is changing fast and both Brad and Russ freely admit that making the correct bets on technology is important. They noted other companies that went down different technology roads and have failed. There is a sense appreciation on their part that luck played a small role, but they have also found the right people to help them sort through their technology choices and investments.

Another lesson inferred relates to the environment where Russ and Brad live and work. We asked them if basing in Imperial has made a difference. Both indicated that Imperial was home and doing this from home was important, but they also indicated that Imperial and Chase County played an important role in their success.

**Imperial & Chase County**

We at the Center for Rural Entrepreneurship have worked for Imperial and Chase County for nearly 30 years. We have observed that this community is unique when compared to hundreds of other rural counties and communities throughout America’s Great Plains Region. Imperial and Chase County have
a progressive and can do reputation. There is a long history of innovation and entrepreneurship not present in so many other rural communities in this vast region. We asked Brad and Russ their perspectives on their hometown. The question sparked their interest and the following insights…

**Progressive Tradition.** Russ suggested that Imperial is unique because of a tradition of smart movers and shakers that have been present in the community for as long as he can remember. He used the illustration of their annual summer county fair that is known as Western Nebraska’s State Fair. Chase County does things right.

**Location.** Russ also feels that Imperial’s location has mattered. Its distance from competing communities has given it some protection and allowed it to sustain a more robust and diverse business community. He shared an interesting factual insight that, over the years, only one local business has failed to transition to new ownership. Throughout rural America and urban neighborhoods, one can see the loss of local businesses through the prevalence of liquidation sales and vacant store fronts, so the rate of successful business transitions within Imperial is unusual and speaks to the renewing ability of this community to remain economically relevant despite changing times.

**Big Thinkers.** Both Russ and Brad talked about big thinkers who were willing to take risks. There is a history in Imperial and Chase County to support new ideas (like Allo Communications) that have made a difference in this community’s success. For example, Chase County has one of the most diverse agriculture crop and livestock mixes in Nebraska.

**Community Bankers.** It is clear from our interview that both Russ and Brad believe that capable and willing community bankers are important to their success and the community’s success. Having community bankers committed to working with new ideas is powerful and important to the entrepreneurial ecosystem of a community.

**Success.** Finally, they suggested that new ideas followed by success are also important. There is a genuine hope that progress is still possible at both a personal and community level. Success creates a positive climate for other ideas, and it is clear that Chase County is proving successful based on the data. Imperial and Chase County are willing to invest in themselves as illustrated by a pattern of investments into education, health care, housing, library services and public amenities like parks. Our case study illustrates these investments.

*This story was produced by the Center for Rural Entrepreneurship. Don Macke with the Center researched and prepared our story of Russ and Brad, and Allo Communications. Use of this story is encouraged with proper attribution to the Center. For questions about this story contact Don at don@e2mail.org.* All rights reserved. Permission Required for Use. 11.08.13