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Champaign native heads up first black-owned Internet service provider

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You heard about the Million Man March. Now comes the million member march, the ambitious goal of BlackCyberSpace OnLine Inc. to narrow the digital divide and sign up a million subscribers in five years.

The company, which claims to be the first completely black-owned national Internet service provider, went online in July and officially launched this past September. So far, it has fewer than 1,000 paid subscribers, but its Web site at www.blackcyberspace.com attracts 1,500 hits a day, said Nathaniel "Nate" Causley Jr., a company co-founder.

"If we can turn that 1,500 hits into 1,500 people joining our service, I would be happy," Causley said.

A Champaign native, Causley is a 1981 graduate of Centennial High School (he was known as Jody then). He now serves as senior vice president and chief operating officer of BlackCyberSpace OnLine. His home and corporate offices are in the historic district of Camden, N.J.

BlackCyberSpace OnLine provides Internet access in all 50 states and will be available this year in Canada. Of all the black-owned Internet service providers, BlackCyberSpace has the largest infrastructure, Causley said.

The company's goal is to be the Internet service provider of choice for the African-American community, but people of any ethnicity are welcome to subscribe.

BlackCyberSpace doesn't signify black people in cyberspace, Causley said, but stands for "Being Linked and Creatively Known, Creating Your Brilliance and Interpreting Reality" in cyberspace.

But by targeting blacks, the company is going after a potentially huge market.

A 1998 Nielsen survey showed that from 6 million to 9 million blacks use the Internet but didn't specify whether access was through their home or workplace.

"The majority have access through their job," Causley said. "One of our goals is to increase the online presence of African-American Internet users through home."

That largely untapped market is the main reason James C. Smith, CEO of Systems Engineering and Management Associates Inc. of Alexandria, Va., invested \$750,000 in BlackCyberSpace OnLine.

Smith, whose own company does computer and telecommunications systems integration, now serves as chairman of BlackCyberSpace and pro-



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vides it with administrative offices in Alexandria.

Smith's Systems Engineering and Management Associates was listed last year among Black Enterprise magazine's top 100 black-owned industrial/service companies, with \$27.2 million in sales.

Smith's investment helped BlackCyberSpace OnLine contract with an Internet backbone provider and financed a promotional campaign leading to its official launch. Besides Smith and

Causley, the other major shareholder is co-founder Anthony M. McCollum, who serves as CEO.

Smith said he started talking to Causley and McCollum about a year ago.

"They gave me the concept and all," Smith said, "and it seemed to me that they wanted to do for the Internet what Black Entertainment Television (BET) has done for cable and television."

Smith said he believes BlackCyberSpace OnLine has a great future and that it will reach its goal of a million subscribers.

"The African-American community is an under-subscribed community," Smith said. "That's one of the reasons I was so interested in investing in it because it's a wide open field. It's the last frontier for the African-American community to help themselves, and if they don't do something to help themselves they're out of the picture."

But Smith said BlackCyberSpace OnLine faces the same dilemma of most new minority businesses: a lack of sufficient seed or developmental money.

He joked that most businesses get their first line of financing from "friends, family and fools."

The second line is what Smith called the private placement memorandum, or putting up of stock to bring in money, and massive advertising.

That's where BlackCyberSpace is now, he said. It plans a \$1 million advertising campaign in the major black media including Essence, Ebony, Upscale and Black Enterprise magazines.

"We'll try to do the TV spot on cable with BET and national radio," Smith said. "We've had all those initial discussions. Now we need to bring those ducats along with us."

"We have several very interested parties who want to invest the seed money. We're going to have to put up some equity to have that happen, but

that's just natural business."

Once that happens, BlackCyberSpace OnLine plans an initial public offering, Smith said.

He said there are a few other Internet service providers aimed at the black community, including one that is 20 percent owned by AOL. But BlackCyberSpace OnLine, he said, is the only one completely owned by blacks.

"Even with how long they've been out," he said, "we've outstripped what they've done by our structure and what we propose to do with our services."

BlackCyberSpace charges \$17.95 a month for unlimited access and uses Internet Explorer, Netscape Navigator and Communicator.

The company says it also offers customer service 24 hours a day, seven days a week, and has a local dial-up in Champaign-Urbana and dozens of other cities.

Besides providing Internet access, BlackCyberSpace also offers goods and services (such as cosmetics and clothes) aimed at blacks, as well as bookstores, banking, stock and mortgage services. The company also offers Web site design and development.

"We have a Web design team, working with African-American organizations like the African-American Chamber of Commerce in Philadelphia," Causley said.

Most of BlackCyberSpace's early subscribers live on the East Coast, but people in other states are logging on, too, Causley said. BlackCyberSpace has about 40 people nationwide working from their homes, doing sales and marketing.

Its employees include Causley's father, Nathaniel Causley Sr. of Champaign, vice president of human resources, and sister, Lisa Causley of Champaign, who is regional vice president of sales for Illinois. Nate Causley's mother is Hattie Paulk, director of the Champaign Schools Family Information Center.

After Smith signed on with BlackCyberSpace, Causley discovered he and Smith had the same alma mater: Southern University in Baton Rouge, La.

The 36-year-old Causley also has a law degree from Drake University in Des Moines, Iowa, and was involved in a variety of enterprises before starting BlackCyberSpace OnLine.

"I got a law degree so I could learn about the business world," Causley said. "I figured if I was going to run the company one day it would be an advantage to know the law. My minor was in accounting. Most of the people who run the country are either lawyers or accountants."

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