

Granite Telecommunications: A Testament to the Imperishable Spirit of Entrepreneurship

By Shashikanth Peetla

In 2002, while telecom companies jumped onto the wireless communication bandwagon and the giants like AT&T, Verizon and CenturyLink were turning their backs on their analog businesses, Rob Hale found the silver lining in the same disarray. He observed that if a retailer has thousands of stores spread across the country and every store had at least four telephone lines, he would end up owning thousands of such lines. The telecom service provider would need to generate bills for each of these lines. Hale saw

an opportunity in the form of middleware that can consolidate telephone bills from a huge number of telephone lines into a single bill. This idea led to the founding of Granite Telecommunications, LLC.

For over a decade, since the inception of Granite, Hale saw his company rise from being an innovator in an antiquated product and market segment such as Plain Old Telephone Service (POTS) to disrupting the way modern voice and data services such as broadband and VoIP are aggregating for multisite businesses. "Last year, Granite touched a long-awaited milestone that I've long wanted—\$1 billion in annualized revenue," extols Hale.

However, Hale's journey to build a billion-dollar company wasn't a smooth ride but more like a roller coaster dotted with failures and successes. "From childhood, my parents encouraged entrepreneurialism. My father, Robert T. Hale Sr., taught by example, starting and managing an import business," says Hale. He was supported by Hale Sr. when he wanted to pursue the opportunity of working in telecom in the mid-1990s and start a competitive carrier. Hale Sr. helped his son with the initial capital for his first business, Network Plus, a telecom service aggregator. The business grew to \$150 million in just a few years. "But we leveraged that success utilizing funds borrowed from outside investors, who in the early 2000s turned against our business model, and this culminated in us having to sell the company," says Hale. "Despite the falls, my father and I never lost our entrepreneurial spirit. We launched Granite just months later to provide superior telecom products and services to businesses," he adds.

Hale started the Quincy, Massachusetts-based Granite in 2002 with an \$800,000 investment from his father. He planned to follow the typical telecom business plan, reselling services until he had the critical mass to deploy switches to improve margin. "That changed when a client, one of the largest retailers in the

world, asked us to take on the complex task of consolidating their phone bills at all of their U.S. locations with thousands of different rate plans for all carriers," says Hale. At this time, Hale had to decide to either stick to the existing business model or adapt to respond to the client's needs by becoming a consolidator of communications billing and services. He decided to go with the client's wishes and perfected the 'middleware' service offering that very few others in the market were interested in competing in, and the rest was history.

"In many ways, Granite is the restart of our prior company," reflects Hale. Unlike before, Hale has no outside investors. All of the decision-makers work at the company and take a long-term view of what's best, even if that may not be what leads to the most profit in any one quarter or year. "Most other carriers are saddled by debt, we have none," he declares. "We're free to take risks where other public companies cannot." This has also become the deciding factor for Hale. He is leading Granite toward development of a geographically redundant network to deliver Multiprotocol Label Switching (MPLS) data services and IP-based, business-class voice services. The network is enabling Granite to rapidly expand into the data marketplace.

Aggregating Voice and Data Services for Multisite Businesses

Granite has taken huge strides in the past few years. The company has built a state-of-the-art MPLS network, complete with a

new network operations center (NOC), and rolled out a unique Granite Grid product. Both of these offerings from Granite are robust options that support reliable, quality data and voice services, and provide clients with new flexibilities in their communications. For instance, Granite Grid provides shopping mall operators and their tenants a more elegant unified communications setup. "With Granite Grid, we installed a fiber-based network at a shopping mall utilizing a state-of-the-art Cisco backbone and fiber distribution framework to provide symmetrical data connections," says Hale. Granite Grid builds on and enhances the more standard model of unifying a single multi-location company's communications into one comprehensive solution across locations, services and regions. "A model for which Granite was a trendsetter years ago," Hale adds. In addition, Granite offers unified communications solutions for POTS and VoIP local and long-distance voice services. "We call them 'L2 Bundles,' and it enables customers to pay single flat-rate prices that include line charges, local and long-distance usage and standard business class features," he says.

"Our comprehensive one-stop-shop solutions have allowed customers to significantly decrease the time, money and resources they spend to manage their telecommunications," says Hale. Granite's solution have worked for more than 85 of



Here we are today as a \$1B company and it's because we listened to what our customers really wanted and adapted to suit their needs

the Fortune 100 companies in the U.S. as well as in Canada.

"Granite's success has given me the opportunity to share our good fortune with our community," says Hale. Granite has been repeatedly named as one of the most philanthropic companies in Massachusetts, having donated over \$32 million to charitable organizations and has been among the top 20 charitable contributors in Boston every year since 2009, including many millions of dollars to Dana-Farber Cancer Institute.

Advice to Budding Entrepreneurs

"Listen to your customers, embrace their demands and adapt to their needs," advises Hale. One customer approached Granite with an incredibly complicated request to consolidate their billing across all 50 states. "The request was outside of our business model, but we adapted and saw an opportunity to better serve our customers," he adds.

"Second, be cautious when taking on outside debt. If you can remain debt free, you will have the keys to the future of your business and you can do what's best for your customers and employees," advises Hale. He concludes by saying, "Finally, do what you're passionate about and the financial rewards will follow." CR



Rob Hale,
Founder and CEO

