

Consulting for Telecommunications Companies Upgrading their Broadband Facilities



George Wyatt
President & CEO

CEOCFO: *Mr. Wyatt, would you tell us the focus of Palmetto Engineering & Consulting?*

Mr. Wyatt: Our focus remains on our customers and clients; helping them achieve broadband distribution across their service areas. Our clients are trying to upgrade their broadband facilities like many other telecommunications providers across the U.S. One of our primary goals in providing consulting services for telecommunications companies is to help them achieve that.

CEOCFO: *What are some of the challenges in increasing distribution and what might you look at in assessing a project that others may not realize is important?*

Mr. Wyatt: There are a lot of challenges. We are in an interesting time in this industry. There is a convergence going on between technology, generational changes and the way we use communications. Many young people are leaving home and moving out on their own, not hooking up a telephone line. They are un-tethering and using their wireless device. This is quite a challenge because the video content and the high-quality HD TV signals that we enjoy for sporting events and movies on large screens cannot be obtained at the same quality with a wireless device. Teaching that concept to the next generation of customers is a challenge. Planning networks in an era when fewer and fewer people are connecting through the wireline, that is also a challenge. One of the things that we do to make wireline broadband more feasible is model the facilities that are being planned. We work closely with our customers to help them model, understand, and tailor their network's expectations.

CEOCFO: *What can be done to make it more like the wired?*

Mr. Wyatt: Wired and wireless communications are two sides of the same coin. I do not believe we are going to enter into a phase where you do not need them both. People enjoy mobility and it is a very compelling facet of daily communication. Wireless has its place, and its capabilities continue to expand. However, delivering the bandwidth required, over a shared network, for these new 4K and 8K ultra high-definition television sets (especially when you have two or perhaps three of them in a normal American home with family members watching different programming content simultaneously) that may be more than our wireless devices can handle. That type of usage and bandwidth demand is going to require fiber optic cables. As America installs more and more fiber optic facilities, you will see the untethering from the wireline stabilize. In fact, you may even see it return to people reconnecting with fiber optic cabling. Today's wireless networks are becoming more and more congested. To give wireless a capability that mimics a fiber optic wireline network will necessitate the build-out of many more wireless towers of various sizes and types. America is a very broadband hungry nation. Meeting that need over the next ten or twenty years is going to be huge challenge for every telephone company in the country. Both wireless and fiber optic wireline will play a huge part in that growth.

CEOCFO: *Did you know in advance that this was going to be a phenomenon?*

Mr. Wyatt: Today, we see it more clearly. I believe five years ago some of the more forward-thinking people in our industry, some of the communications futurists were seeing what was going to drive the next generation of demand. Back then, it was hard to identify the specific killer application that would emerge and fuel broadband usage. Today it is clearer that people want greater control of their content and desiring to move away from a bundled cable TV programming offering. Not everyone wants the Home Shopping Network in order to get ESPN. Subscribers want a la carte programming, and one way they are finding that is through over-the-top video offerings like Netflix. There is a large percentage of OTT use after six or seven PM. In the evening, in a growing number of American homes, the broadband connection is carrying Netflix, or similar, programming. People are moving away from these bundled packages and premium tiers to a more basic content diet. We did not see that coming. One of the things we think we see coming now is the use of big data, and the analytics of big data, to make our lives easier. The accumulation of more and more data is

amazing. Because we are headed toward the Internet of Everything (through wearable devices, home automation, machines talking more to machines, etc.) the data being produced is going to skyrocket. The average home is going to see an order of magnitude increase in the number of internet connections in the home. We think what is going to drive the bandwidth demand of the future could be: the proliferation ultra high-definition video (complete with a la carte content, the interconnectivity, and data analytics, surrounding the Internet of Everything, and the end-user applications that empower and give life to the Internet.

CEOCFO: *Would you tell us about the industries you serve and some of the other service Palmetto offers?*

Mr. Wyatt: I have been speaking a lot about telecom. Telecom drives about 70% to 75% of our revenue in any given year. We do a lot of telecom consulting across the country. We also provide services in the oil and gas production arena (where we enhance production reliability for oil producers by improving their electric power systems.) We do this by studying and analyzing their power lines to help them increase both the reliability, and the availability, of power in the oil fields. This has been a new and popular market niche for us over the last five years. We also have a software that we developed. Our firm is exceptional here because there are not a lot of consulting engineering practices that also market an in-house software product. We have written one specific product that excels at identifying and managing communications facilities for all types of utilities and municipalities. It is a GIS-based product and it is becoming very popular (we have sold it from Alaska to the Caribbean and in parts of Canada.) It is really taking off. Lastly, the remaining niche we are in provides engineering services specific to the distribution power needs of manufacturing entities. Large American businesses that manufacture need electrical engineering inside their plants to help them optimize their electricity and use it efficiently in their processes, and we are deeply involved in this business niche too.

“We are an exceptional company because of our people. In a service company, what differentiates is the quality of the services. We are able to provide tremendous value without compromising on the quality of the service. It is because our people care about their jobs, their clients, and their communities. They are extremely experienced and are highly motivated to do what we do best...love our clients.” - George Wyatt

CEOCFO: *Do you see facilities as a growing area for Palmetto?*

Mr. Wyatt: I believe we are at the cusp of new things like 3-D manufacturing. This technology is disruptive in that it will enable micro manufacturing in small facilities across this country. Soon even small businesses will be able to design and produce products that, up to this point, we have not been able to create, or provide on such a small manufacturing scale. I think, because of this, we are going to see employment coming back to America, especially if we can change some of the business tax rates and become a more attractive place to work globally. It's because of technology; the same convergence trends that are driving telecom are also impacting manufacturing in this country. We are seeing technology converge with the political awareness of the penalties from excessive regulation and taxation. Plus, we are witnessing a whole new generation of people, who have lived their whole lives with the internet and technology, coming into the workforce and bringing their life experiences with them.

CEOCFO: *Would you tell us about your GIS software and how it is superior?*

Mr. Wyatt: One of the reasons our *CrescentLink* GIS software is so appealing is its simplicity. It was designed from the ground up to be totally integrated with Esri, which is the most widely adopted GIS based platform in the world. Most of our governmental (municipal and county agencies) have some form of Esri already in their operation with 911 or Countywide mapping. When we go into cities we find that they already are using Esri to manage their water & sewer infrastructure. Some towns already use Esri to help manage their power lines. One of the things I think really differentiates *CrescentLink* is instead of just having programmers and application developers create and roll out a software, we have tremendous input at every point with our telecom engineering team. We consistently meet with our programmers and developers and talk through how telecom facilities act and react to various scenarios. This is exactly what we wanted to achieve and through this interactive methodology we pushed our engineering expertise deep into our *CrescentLink* code. Companies that utilize our GIS product for their fiber, copper, and coaxial networks recognize the level of engineering that went into the product. They appreciate how intuitive, fast, and easy to learn that it is, and they really enjoy how *CrescentLink* seamlessly upgrades when Esri rolls out new releases. These main benefits are very compelling. That is what differentiates our software.

CEOCFO: *How do people find PEC on all the different levels? Is it recommendation, search, conferences?*

Mr. Wyatt: We have business coming to us through many different paths. I was amazed at the level of interest that has been generated through our website. We have sold our software I know of personally at least four times, from leads that have come in straight from the website. There is also a lot of positive word-of-mouth driving our business. Many things we

do in the telecom world are very much reputation based. The barriers to entry are very high to serve our independent telecom clients, and it takes a long time to build traction in that industry. Very seldom do you see store front people drive by and say “oh I am going to buy some engineering today, I think I will pull in and buy a Latte and some GIS software”; that does not happen. In the manufacturing world reputation gets out into the marketplace either through word-of-mouth or through the projects themselves. We enjoy some new business from that as well. We do not pursue a lot of advertising publicity. But, we do attend a lot of trade shows in our specific markets. Several of our partners speak on topics of interest at trade shows and industry-specific events. We’ve seen firsthand the power of momentum as your reputation builds in a positive fashion!

CEOCFO: *In the beginning of 2014, you merged with CT&T. How has that changed the company?*

Mr. Wyatt: Our merger has been a wonderful experience. The CT&T folks had a very viable, and stable, practice. For 32 years, they have run their operation with great success. I look at their wisdom and what they do, and I see that we went in and bought a great ally. We were not that much bigger than CT&T when we purchased their company, and the advice that we received from our merger and acquisition specialist is you have to treat it like a merger culturally. You cannot treat it like an acquisition. If you are a hundred-man firm and you buy a ten-man firm that is one thing, but when you are eighty folks and you are purchasing seventy more, that merger is like worlds colliding and you have to be very sensitive as to how those cultures interact. We have been sensitive, and because all parties are trying hard to make things better, it has been very successful addition. The changes we have implemented have always been eyes-open to foster our unification. We have done things with total consensus between the two firms. There is a lot of collaboration now, and I am very happy to see how this star is rising. We are almost two years into it and it is very gratifying to watch the companies come together with strength and unity. The trajectory for the combined firm is far better than the two individual parts. I see true synergy between PEC and CT&T.

CEOCFO: *Early on, did you recognize the challenge of combining 2 companies?*

Mr. Wyatt: I am not so sure I did. I read a lot of books about the necessity to move rapidly and to complete your integration in the first ninety days and how important that was. After I got involved with these folks and saw what an excellent group of people they were, I realized the downside to making such radical changes so quickly. I am going to say I was not very confident in our own ability to integrate with CT&T so quickly, which necessitated a slower response. This was the first time we had done anything like this. Naturally, we were not good at it and we all knew it. We took it slow, and I am so glad we did. I cannot say there was a great deal of wisdom and insight on my part, it was more fear and reaction, but it has worked out amazingly well and I am very happy about it.

CEOCFO: *What is next on the agenda?*

Mr. Wyatt: I think we are in the middle of consolidating what we bit off. I think we are going to see the adoption of the software continue; it is experiencing an inflection-type exponential growth right now. I think we are going to see that trend continue to take off and propel us nationwide. With the advent of the operation in Little Rock, we have a very solid base of operations in the center of the country. We have recently starting doing some mapping of facilities for Alaska Communications (ACS). That has pushed us way out in the far west. I would love to see us within the next three to five years move into some permanent facilities in the northwest part of the country. That would give us bases of operation across the entire U.S., and I think, barring some unforeseen economic crisis, you could see us easily achieve 250 people and become a nationwide firm. That is the next goal for us.

CEOCFO: *Why is Palmetto Engineering & Consulting an exceptional company?*

Mr. Wyatt: We are an exceptional company because of our people. In a service company, what differentiates is the quality of the services. We are able to provide tremendous value without compromising on the quality of the service. It is because our people care about their jobs, their clients, and their communities. They are extremely experienced and are highly motivated to do what we do best...love our clients.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine



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