

# Resilience And Perseverance

An Interview with Rob Hale, Co-Founder and President, Granite Telecommunications

**EDITORS' NOTE** *In addition to leading the tremendous growth and development of the business and team at Granite, Rob Hale and his family are perhaps best known for their charitable and philanthropic work. Hale was awarded the Boston Red Sox Jimmy Fund Award in 2014 for his long-time commitment to the lifesaving mission of the Dana-Farber Cancer Institute and the Jimmy Fund. In 2017, Hale and his wife, Karen, were honored by the Breast Cancer Research Foundation with the Inaugural Carolyn Lynch Humanitarian Award. In 2018, the pair were honored by Brigham and Women's Hospital with the Heritage Key Award. Additionally, Partners Healthcare saluted the Hales with the Jack Connors Philanthropic Leadership Award. For 2019, The Chronicle of Philanthropy listed the Hales as one of the top 15 most generous philanthropists in America. Granite has also been recognized as the Most Charitable Company in Massachusetts. Hale has held or holds leadership roles at Boston Children's Hospital, The Massachusetts Soldier's Legacy Fund, The Dana-Farber Cancer Institute, Deerfield Academy, his alma mater Connecticut College, and the Brigham & Women's Hospital. Hale and the entire family of teammates at Granite host an annual Saving by Shaving event to benefit the Boston Children's Hospital. Hale is also an owner and Director of the 17-time World Champion Boston Celtics of the National Basketball Association and the owner of the Boston Cannons of Major League Lacrosse.*



Rob Hale

today as a byproduct of resilience. I have great teammates, and without great teammates, none of this is possible. Having said that, without resilience, none of this is possible. In 2002, with my previous company, we had stunning defeats, including bankruptcy, law suits, and even death threats. Those were harrowing times, and some people would have probably folded up the tent, but I was completely convinced that we were right and if we would have stayed the course and not gone the public route with our previous company, we would have continued to flourish. In the spring of 2002, coming out of bankruptcy, I was so determined. We are in a regulated business and there are requirements that take some time to get in place, and those four to five months were difficult because I could not wait to get back to work since I needed redemption and needed to prove that we were right.

**Did you know that you had the resilience to bounce back and start all over again?**

I didn't know. I remember my father saying to me that we should try to get through the process without bankruptcy, and we tried everything possible to make that happen. He said to me that some people can handle going through a bankruptcy, and some people can't. It is emotionally gut wrenching, and there was a time for three to four months when I couldn't sleep and would wake up early every morning violently sick because of my nerves. It was intense – the feeling that you are letting down your teammates and letting down your investors. The morning that the bankruptcy occurred, I had to tell all of our salespeople that they no longer had jobs. My wife took a call that afternoon at our house, and the person said that because of what her husband had done, he was going to come and kill her. It was a gruesome day, and except for the day that my father passed away, it was the worst day of my life.

The next day, I said to myself that I had tried everything I could to make the company work, but it didn't work, so I was going to do everything in my power over the next month to sell the company in order to save as many jobs as I could, and then I was going to start another company. The previous company was sold at auction on March 15 of that year, and that is

the day that I left. From that day until June 3 when we got regulatory approval for the new company, it was challenging as I couldn't go to work since there was no work, and I felt like I was a loser and lost my dignity. From June 3 on, my mind switched when I had the chance to go back to work and reclaim my dignity, and I can promise you that we were working fast and hard to make that happen.

**When you look back to that time and creating your current company, Granite, has the journey been what you had envisioned?**

It is important to remember that when we launched Granite in 2002, the telecom world had just blown up along with the dot-com world. We had concerns with the regulatory environment which was not defined and we did not know how it may impact our business so, to be honest, my early vision was making sure that we were able to survive. In the Fall of 2003, I remember getting a call at 7:30 PM from our controller at the time mentioning we had a profit of about \$700,000 and I remember having a euphoric feeling that the business was going to work and we would in fact survive. It was around this time that we changed our business model from being a regional player to being a national provider which really changed who we were.

We were very fortunate early on at Granite to sign up Walmart and Walgreens as customers and they were interested in wholesaling the phone lines they had, so we did a beta test in Boston first and then we expanded it to New England and then to the entire Northeast. They liked the consolidated billing and discounting and decided that the wholesaling was good for their business and that they would do it for the rest of the country. They decided to wholesale their phone lines in their stores which caused us to have to make a decision about what we would be – a regional player in the Northeast or a national wholesaler to provide a one-stop shop for organizations like Walmart and Walgreens. We decided to redefine who we were going to be, which was a company with great service that provided consolidated billing and support as a one-stop shop for national retailers.

It is somewhat ironic that we have won awards and been credited for this business model, because to be honest it wasn't really our idea, but rather the idea of our customers. Our model has not changed for the most part over the past two decades.

**COMPANY BRIEF** *Granite Telecommunications (granitenet.com) is a leading communications services provider for businesses with multiple locations. Granite provides one-stop solutions for voice, data, Internet, wireless, video and secure network options throughout the United States and Canada. Granite understands that no two businesses are run the same way, and creates a flexible communications solution tailored to each customer's needs today and in the future. Granite's scalability allows its clients' businesses to grow with imminent demand.*

**Will you discuss your career journey and how resilience has played a critical role in that journey?**

We have had ups and downs – dramatic downs and wonderful victories – and I sit here

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**Will you highlight the experience and expertise of the Granite team?**

The first 70 teammates at Granite all came from my previous company. At a personal level, this was so meaningful to me since they believed in me and trusted that I would rebuild and provide them with career opportunities. In the early days of Granite, we could only fund new employees when we had growth, and this was difficult since there were many previous teammates that wanted to come back, but we could not afford them at that time. When I reflect on the first 70 teammates who believed in me and came with me on the Granite journey, I love the fact that most of them are now millionaires.

**How critical has it been to maintain culture as Granite has grown in size and scale?**

It has been very important, and it is challenging. This is the responsibility of leadership as we have experienced rapid growth from the early days and we have done this without ever doing an acquisition, ever having debt, or ever taking outside investment. We are fortunate that as we have scaled up to where we are now with about 25 offices nationwide, the first six or seven offices were led by our teammates who had been with us for years and had lived our culture. They knew the expectations and were able to replicate our model. We have extremely low turnover, and the fact I have worked with most of the people on our management team for more than 20 years is very helpful since we have mutual trust and an understanding that we are in this for the long haul. Granite is a lifetime job, and our teammates believe that, and I believe that. When you have this mentality, you focus on promoting from within so as our people grow and assume other roles, they have already experienced and lived the culture.

We do everything we can to push decisions to the people who are closest to the customer. I have found that the best ideas always come from the customer, because they tell you their needs and then it is our job to come up with solutions to address them. I make sure to spend time with customers as much as possible, and I would describe our culture as customer-centric, because at the end of the day, Granite is in the customer service business and the relationship business.

**Where did your passion for philanthropy develop, and how do you decide where to focus your efforts?**

I was raised in a family where taking care of the community was part of our culture. I think as you achieve success, any leader if they are being honest with themselves will realize that those successes are a byproduct of a great team and a great community. As I began to have even modest success, I realized that my success was firmly a byproduct of a great community, and if we had these successes, we should share them with our community. This has become part of who we are as a company, as well as who me and my wife, Karen, and our kids are as a family, and it is truly joyous to be able to do philanthropic work.

Karen and I have organizations that we support that are important to us as a family, but all of that philanthropy is a byproduct of Granite's successes. The fact is that I am part of Granite, and Granite is part of me. There are choices that we make as a family for who we support, and there is another facet which I am honored to be part of which is supporting causes that our Granite teammates are interested in supporting. While my family philanthropy and Granite's philanthropy are independent, they are in many ways intertwined.

A key aspect when we evaluate an opportunity to support an organization is who the leader of that organization is and how that leader is driving the mission of the organization. We look to build relationships with the leadership of the organizations we support, because it is not just about giving money, it is also about giving your time, ideas, and expertise to support the mission.

**What led to your decision to provide financial support to graduating students?**

We have done this for five or six years in a row now, and those are some of the best days of my life. The schools we try to support are generally with students who are first generation, a high percentage are minority, and many are working two jobs – these are students who are busting their butts to earn a diploma, and I am so proud to be able to support them. We give them \$500 to celebrate their work, and then we give them another \$500 and ask them to give it to an organization or an individual who could use it more. When you look at the backdrop of who these kids are, many of them have most likely not had the chance to do this before. The idea of introducing philanthropy to them is wonderful because it allows them to experience

the same joy that Karen and I get in helping others.

**What interested you in becoming a professional sports team owner?**

I played lacrosse in college, so becoming involved with the Boston Cannons and the Premier Lacrosse League came naturally to me. It was a great opportunity to invest in a sport that I love.

My involvement with the Boston Celtics came out of the blue. I was approached by them and as someone who grew up as a huge fan and adored the Celtics, the idea of owning a modest piece of the Celtics was stunning. I was delighted to be a part of the equity team, and then to scale up over time has been great. It has been an amazing opportunity to be able to share in the enthusiasm of this treasured institution.

**Do you still think back to 2002 when you went through such a difficult time?**

I have to be honest that after what I went through in 2002, there is a fear of failure that exists every day, and it is very real. It is like permanent scars.

**What impact did your father have on your career?**

He was my best friend. He was not a telecom person – he was businessman. I was able to go to him with many business questions, and he was there to provide advice and guidance. My father meant the world to me.

**You mentioned your wife, Karen. How special is it to be able to work together on your philanthropic initiatives?**

She is in charge – let's be clear about that. We are partners, and Karen and I have stated goals to give away a certain amount of resources every year. More often than not, Karen is the one who leads those discussions. It makes it even more special to be able to do this work together.

**What advice do you give to young people starting their careers?**

It starts with basic things like go to the office. It is the same thing I tell my kids – go to the office. The fact is that jobs are relationship-driven, and you are going to learn more and build better relationships when you show up. I also tell them to meet with customers. The best ideas come from your customers, and you need to make the time and effort to be with your customers in order to build deep and long-lasting relationships. ●