

Paul Savoldelli:

The Man Behind DirecPath

Last month, Bryan described the sale of MediaWorks to DirecPath; here's more detail

By Bryan Rader ■ *DirecPath*

A number of years ago I met Paul Savoldelli. We were on a conference call discussing how our two companies could work together. I represented a large REIT and was trying to negotiate a good cable TV agreement. He was with a fast-growing West Coast Private Cable Operator that was interested in expanding its reach.

That was 1995. I didn't have kids yet. The Internet was a vague concept. The Yankees hadn't won all of those World Series. And Y2K wasn't even a fearful concept.

Fast-forward Ten Years

Paul Savoldelli enters my life again. I hear his name again from Bill Burhop, the head of IMCC. "You know this guy?" he asked.

"Yeah," I said. "We were on a few conference calls together a long time ago in another life." Then I thought to ask, "Why?"

Rolling Up is Hard to Do

"Savoldelli said he is coming back into our industry and wants to roll up some of the quality PCOs," Burhop said. "You know, another mom-n-pop roll-up plan. Haven't we heard this idea before?"

"We sure have," I said. "It makes a great written business plan but it's very hard to execute."

Over the years we have heard from many different groups interested in accumulating small local operators to grow the business into a national platform. All of the small local guys just need access to capital and more efficient purchasing power, to make an effective roll-up... or so the story would go.

Burhop and I had met with count-

less roll-up experts in the past few years. They all said they had the smarts, the management talent, the capital, and the contacts. It had become a broken record, and so many of them never got off the ground because of their inability to execute.

"So why should we listen to Savoldelli?" Bill asked me. "I could recite his business plan in my sleep. Yet, he does have lots of experience and his head is screwed on straight."

In fact, his business plan was not that unique. And in fact, when we had our first meeting in the summer of 2005, he did not yet have a capital source, a technology partner, or an acquisition pipeline. So what made him different?

I wasn't sure, but I did like his background. He had been a key part of the successful build-up of a large PCO in the mid-90s, which eventually lost its way after he left and his partners were bought out. He really understood the operating side of the business too, because he had done it before.

In the years since we last spoke, he led a group that created the largest cable holding company in Latin America (with more than 2.5 million subscribers) by rolling-up, integrating and modernizing more than 120 small companies. In other words, he had executed on a large scale with five separate companies in four countries.

But I was more convinced in our first meeting. We spoke about how to structure win-win relationships with owners. We discussed the need for service, and the focus on "people" in our business. And we talked about discipline, thoughtful growth, and the guts to say no to a prospective deal outside our footprint.

And after our first meeting in July 2005, I watched as he methodically brought Hicks Holdings (a large media and cable investor – his capital source) to the table, brought DirecTV in as his technology partner (and as an investor), and developed the beginnings of a strong management team with an emphasis on operations.

Make no doubt about it. The year-long process of getting engaged to his new venture was challenging, sometimes rocky, and always exciting. But when Paul said, "I want MediaWorks to be a key part of the foundation for our team," he meant it. And he never gave up; our deal was completed in mid-October.

And now when people ask me, "Should I pay attention to Savoldelli and his new company DirecPath?" the answer is an emphatic "Yes, because the team has demonstrated that they can execute!"

In this short period, he has accumulated more subscribers in the Southeast than any other private operator. DirecPath is about to be the largest non-MSO provider our industry has seen in quite some time.

I guess looking back during our conference calls more than eleven years ago, I am not really surprised. Sometimes things just don't happen on a "direct path." **BBP**

About the Author

Bryan Rader is now Executive Vice President, Business Development and Marketing, for DirecPath, Dallas, TX. He can be reached at brader@direcpath.com or at 678-230-8402.