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Shooting for the stars at BTI

BY SHANE SNIDER

RALEIGH - As nocturnal light cast by distant stars travels through an eternal sea of darkness, Joe Cece peers through his telescope in awe. It's what astronomers call "good seeing."

Back on Earth, the 49-year-old Cece is busy focusing on Business Telecom Inc., the company that New York investment firm Welsh Carson Anderson & Stowe in September hired him to lead as chief executive officer.

Guiding a company is a bit different than passing time watching the stars, but when Cece looks at the balance sheet for BTI, he hopes for the same clarity.

"You're observing objects and looking for whatever combination is prominent in the sky," Cece says from his office on the top floor of the BTI building in describing his hobby.

Watching the skies might serve as a pleasant diversion for a guy who is leading a company that in the past year was almost bled dry by \$390 million in debt.

The company's founder, Pete Loftin, bowed out of his position as CEO after giving up his majority stake to save the company. Welsh Carson returned the favor by buying back the majority of BTI's outstanding bond debt.

Losing control of BTI "definitely hurts, but life goes on," Loftin told *The Business Journal* in a November interview.

And BTI's life is going on with Cece, who says that Raleigh is the place where he would like to raise his four children. "There's an amazing amount of culture here for such a small market," he says.

Cece says his journey into the executive world started, of all places, in the mailroom of Ride Hope Publishing, a Connecticut magazine publisher. "I'm the mailroom to CEO story," Cece says.



Joe Cece has brought in his own team to run Raleigh's BTI

▼ Joe Cece

- Title: **Chief Executive Officer at Business Telecom Inc.**
- Age: **49**
- Education: **B.S. in accounting, Fairleigh Dickinson University**
- Family: **Wife, Mary Laurie; daughters; Charlotte, 4, Margaret, 3, and Callie, 2; son, Griffin, 3**
- Hobbies: **Astronomy, music**
- Summary: **"You have to measure and monitor every step of the way."**

After working in the mailroom, Cece graduated from Fairleigh Dickinson University with a bachelor's degree in accounting.

In 1983, when media mogul Rupert Murdoch was beginning to buy up publications and news outlets around the world, Cece climbed aboard Murdoch's News Corp. He was placed in a key position as head of magazine development.

Cece's involvement with the acquisition-hungry Murdoch would pay off when the media baron sent him to serve as president and publisher for his TV Guide magazine.

"That was an interesting time," Cece says. "I was handed the biggest magazine in the country. One of the challenges I faced was to reposition the magazine to be more cable-friendly. With cable channels proliferating, we created a number of system-specific magazines. The very fact that you are running this big, influential publication is a little overwhelming."

As was the case with many publications, Cece also had to contend with declining newsstand sales. "Despite all that, while we struggled with declining circulation, it was clear that an interesting development was coming."

That development was the increased use of the Internet, and Cece knew his publication had to create a Web site that would lure cyberspace travelers and complement the print addition. TV Guide now has such a Web site.

Of Murdoch, Cece says, "It was amazing. He would come in and tell you exactly what was going on with your part of the business. He would know more than you about your own numbers."

After four years at TV Guide, Cece decided it was time for a change. He became president and chief operating officer of Suburban Cable, then the country's 10th largest cable television provider.

From there, he switched to telecommunications, joining Digital Access, a competitive local exchange carrier like BTI. "I didn't know a megabit from a megahertz," Cece says.

Digital Access went under - something Cece attributes to a lack of cash. He says he has no intention of letting the same happen to BTI. Steve Rabitt, former chief operating officer at Digital Access, says Cece is a sound leader.

"I think he's dynamic," Rabitt says, adding that the collapse of Digital Access

had more to do with the capital markets than with Cece's management capabilities. "If you would have told me that \$450 million in equity investment wasn't enough to keep the company going, I would have told you that you're crazy. Who could have forecast that?"

Outside of the day-to-day drama at BTI, Cece has suffered through some challenging situations at home. He and his wife, Mary Laurie, spent years trying to conceive a child naturally - eventually opting for in vitro fertilization to help with the first three. The fact that Callie, the fourth child, was unplanned was nothing short of a miracle, Cece says.

"I was just like, 'You've got to be kidding me,'" Cece says. Now, Cece proudly displays pictures of the children: Charlotte, 4, Margaret, 3, Griffin, 3, and the 2-year-old miracle, Callie.

"My wife is just a fabulous parent," he says. "She has the desire and opportunity to spend vast amounts of time with the kids. And this job allows me enough time to be home to play and put them to bed."

Cece says he doesn't care what his kids aspire to be, as long as they aspire to be something. "One daughter says she wants to be an actress," he says. "She can do that, or she can be an astrophysicist, and that's fine too. It's important that my kids have the chance to be what they want to be. Basically, all anyone wants is for the family to be happy and healthy."

What Cece wants for his family goes for BTI as well. "Pete was a visionary," Cece says of Loftin. "Back in '83, he saw and sensed a market opportunity to provide long-distance service. After 1997, he tweaked the business again as a competitive local exchange carrier."

Cece says he's in town to make Loftin's vision complete. "I just have to take that entrepreneurial investment and apply more planning and measurement," he says.

Cece also is quick to assert his own vision, and it's no coincidence that members of Loftin's inner circle vanished this year, each writing "voluntary" resignation letters as Cece put his own team in place.

He brought in Chief Financial Officer J.W. Braukman III in January. Thomas Erdman, a former AT&T sales executive, was appointed chief marketing officer. Cece has stated that his goal for the company is to make it profitable.

In a telecommunications market that has yet to turn around after two years of hardship, Cece might be hoping for another miracle ... or at least some "good seeing."