CEO Leigh Fox began his Cincinnati Bell career back in the dark days, but nearly two decades later the mood at the telecom-tech firm is decidedly upbeat.

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Cincinnati Bell CEO Fox riding a comeback wave

Cincinnati Bell CEO Leigh Fox has spent nearly his entire career at the company. He joined in 2001 – the bad old days when Bell was known as Broadwing after acquiring IXC Communications for $3.2 billion in 2000. The days before Bell sold off Broadwing’s assets at a 95 percent loss for $129 million in 2003. The days when its own employees talked openly about bankruptcy. The homegrown telecommunication and technology company has made an astounding boomang in the 15 years since then. Broadwing left it with $2.6 billion in debt. That’s been paid down to a healthier $1.1 billion, partially through the acquisition and spinoff of Cyrus-One. At the same time, Bell was a pioneer nationally investing $800 million in rolling out a fiber optic network, which now covers more than 75 percent of Cincinnati. Fox described that network as the highway of the future.

“I remember five years ago a distinct moment: ‘Oh my God, there’s a light at the end of the tunnel, and it isn’t a train coming at us,’” Fox said. “It is an exit, and it feels good.”

Fox succeeded CEO Ted Torbeck, who was brought on in 2013, on June 1, 2017. In one of his first moves, Fox acquired Hawaiian Telcom and Toronto-based OnX for a total of $851 million in July, giving Bell international reach overnight.

Those dual acquisitions speak to the two industries the company plays in, and how it’s going to grow beyond Cincinnati. The company has split into two complementary businesses: Cincinnati Bell, which provides the fiber optic network on which we surf the web and watch TV; and CBTS, which sells the software companies use to make phone calls, host video conferences and store their data on any network. With Hawaiian Telcom, Bell is expanding fiber into a new market; with OnX, it gets an international platform to sell its software.

Fox talked with Courier reporter Andy Brownfield at Bell’s downtown headquarters, with views overlooking the Ohio River, about how things have changed since the early 2000s.

How was it walking in here in 2001 as vice president of finance? Everyone was nervous. I was sold with a picture of a technology company, and I got here and it was scary. It was right when they were selling the Broadwing assets and they were trying to figure out what was going to happen.

If it was scary, what kept you around? I don’t mind being nervous about things, that’s business. The good old days of being able to see where your career would be in 20 years, those days are hard to find. Every business is changing so rapidly. I tell people you’re lucky to see a year ahead of time.

How do you think that colors your leadership style? We have to push more decisions down to employees and let them make decisions
and fall and pick themselves back up. I see how much I grew, and I want everyone to have that opportunity. Part of it is changing culture here to where employees make more and more decisions and take executive management out of it. You empower your employees and then you encourage them to adapt.

How do you think the atmosphere has changed from 2001? Things are more positive. But I do think there are still elements of uncertainty. We’re in a hard industry. Part of our business is shrinking – we still have landlines, and they’re not growing. They’re doing the opposite. But the good thing is we have another part of our business we’ve invested in (fiber) and it’s growing. I get questions like, ‘Hey, what is my future?’ And my answer is you have to make the effort to retrain yourself. (Landline) is going away and I can’t do anything about that. The fear and uncertainty has gone away, but there’s still a schizophrenic balance. We’ll have a great year, but in that great year we’ll have layoffs because part of our company is shrinking, and you have to (have layoffs). We’re still a publicly traded company. I have a responsibility to shareholders to manage this company as effectively as I can.

What advice would you give someone who was in your shoes back in ‘01? If you want to work for a healthy company, it’ll be fun and there will be opportunities. But if you really want to push yourself, you work for a company that isn’t healthy, that is struggling. I experienced that here and as a young person I got an immense amount of opportunity. They threw stuff that you probably weren’t ready for and it was sink or swim.

How do you view your role as CEO coming from the top financial job? I’ve now become a representative of the company, and that’s very different than being the finance guy who’s involved in everything. You have to take a different approach. I have leaders in the company I trust to lead. I have to let them lead. I can’t be as involved as I was as CFO. I have to be here for support and guiding strategy, but that’s really it.

How does your style differ from Ted Torbeck’s? I’m a big believer in servant leadership, and I’m probably a little quieter than he was. It’s easier for me to float in the background, which I like. As a CEO, it’s about the organization, it’s not about me. Too many times CEOs make it about them, and that’s a mistake.

Speaking to fiber, when you started building that out, was that seen as a risk? For sure. I give a ton of credit to Ted. He was CEO and I was CFO at the time. He basically said, ‘I’m betting the company on fiber.’ Where others started dabbling in it, he went big. At first it wasn’t taken well. I remember the first week of the announcement, we were out talking to investors and our stock tanked. We lost half our volume in one week, which is just unheard of. Well, two years later you’re a genius because suddenly everyone else is talking about fiber and playing catch-up. It goes to show, when you’re managing Wall Street, sometimes these folks don’t know the future. Sometimes you have to show them the future and take that risk.

Do you see Cincinnati Bell taking those kind of risks now? It’s more about strategic, focused growth. The thing we have to take little risk around is how do we break the glass ceiling of Cincinnati and being considered a Cincinnati company? When you’re in any one territory you have limited growth. We’re a pretty big company here, but how do you show growth beyond this? Part of the opportunity we have is we do have two companies that can move out of territory and be more than just Cincinnati.

Will there be more acquisitions like Hawaiian Telcom? It probably skews more to build out than acquisition. We got very fortunate in finding Hawaiian Telcom as a partner and having that opportunity. We continue to look for (network) opportunities, but they’re just not as bountiful as on the IT side. We’ll continue to build here for the next several years, and it’ll be the same in Hawaii. We do feel like that’s the future. We’re going to do it with our own cash flow; unlike in the past where we wanted to be really aggressive and borrowed money to grow. The opportunity on the IT side skews more toward acquisition than organic, but we’ll probably do both. The IT space is incredibly fragmented so you can see opportunities to buy smaller companies as tuck-ins. What we really liked about OnX is it took us from one city to a national approach overnight. Now you have breadth.

Where does that position Cincinnati Bell? It makes us a player on day one. If you look at what I was trying to accomplish when I became CEO, I’m a big fan of simplicity. We were way too complex. People looked at us and they thought that we were a fiber company. So what is all this other stuff you do? They didn’t pay any attention, but on the business side it was very successful. We had duplication even within our own ranks. In order to simplify we wanted to create two companies: one was the network company, and the future of that network company is fiber, so we’re going to build fiber and do that as efficiently as possible. The other is the technology services company. Now we have fiber in two territories and we can be the provider of the next generation network right as 5G (the successor to 4G wireless networks) is about to take over and right as big carriers want deep fiber everywhere. My goal is to get fiber everywhere. Ultimately it’s probably too expensive to get it everywhere, but I’m allowed to say it because I’m CEO. And I’ve got guys behind me saying time out, that’s not necessarily doable, but it’s a goal.

We want to get fiber everywhere.