

FrontRunner Network Systems to close

By: Nicole Sheldon



Raj Shah

FrontRunner Network Systems Corp., an East Rochester subsidiary of Williams Telecommunications Corp., has announced that the company will cease all operations effective March 31.

Williams Communications is based in Mississauga, Ontario, Canada.

"This closure has been brought (on) as the result of a combination of changes in its core lines of business, liquidity issues and simple economic

conditions which make ongoing operations no longer viable," a company press release said, adding, "advances in technology have rendered some of the company's services increasingly obsolete. It deeply regrets any resulting hardship to its 40 faithful employees as well as its remaining customer base and suppliers."

FrontRunner CEO Jim Williams would not comment on the matter beyond the press release.

The closure comes as a surprise to FrontRunner employees, although another area firm, Convergent Telecom Inc., has agreed to hire six former Frontrunner employees.

Shannon VanGrol, former account development representative at FrontRunner, said that employees were called to a staff meeting at 2:30 p.m. on March 11. She estimates that 20 of FrontRunner's 40 employees gathered in the conference room and a man from a third party informed them that FrontRunner would be shutting down, effective immediately.

Employees were instructed to leave and to schedule an appointment to gather their personal belongings. Technicians who drove employee vehicles were handed \$50 to take an Uber home.

"We all looked at each other in shock," said VanGrol at FrontRunner. "Some employees were still out on jobs and meeting with customers. People were coming back to the office and then finding out, from what I heard. A lot of us had been there for many years, so it was awful."

VanGrol had been with FrontRunner for 22 years, including the era before it was known as FrontRunner. The former telecommunications equipment provider acquired ICS Telecom from founder I.C. Shah in 2013, turning it into a wholly owned subsidiary of FrontRunner.

FrontRunner's roots in Rochester date back to the 1970s, where it began as Rotelcom Inc., which was a subsidiary of Rochester Telephone Co. Rochester Telephone became Frontier Corp., and FrontRunner spun out of Frontier in 1998.

FrontRunner is headquartered on Main Street in East Rochester with additional offices in Albany, Buffalo, Syracuse and Highland, Ulster County. FrontRunner also serviced Plattsburgh and parts of Otsego County.

VanGrol explained that her direct report, vice president and general manager Jim Keegan, was nowhere to be seen for a few days before the abrupt closure. His email had an automated response that stated he was out of the office, and VanGrol and her colleagues noticed picture frames

missing from his office.

VanGrol said that employees received no word from CEO Williams except for a letter they were handed that stated employees would be paid through the end of the day and that accumulated paid time off would be coming to them.

"We're hoping we all get paid what we deserve this Friday," said VanGrol.

Duane Bratz, a former master technician who worked in FrontRunner's phone division from his home in Syracuse, said that the third party representative that informed them of the news said that FrontRunner had not been in good financial standing for the past couple of years. Bratz said he was not aware of this.

Bratz said his first thought upon hearing the news was utter surprise that they were left in the cold so quickly. His second thought: What about all of the customers?

But Raj Shah, president of Convergent Telecom Inc., hopes to pick up some of the pieces.

Shah is the son of I.C. Shah, who founded ICS Telecom in Rochester in 1976. Shah grew up in the family business but decided to break away after FrontRunner's acquisition to start his own telecom company.

Shah launched Convergent Telecom Inc. in 2013 with his wife, Adrienne Shah, who serves as national project manager. Convergent was in the deployment business, helping clients with large telecom transition projects. The company's first big client was the University of Virginia, which needed help transitioning their aging and failing phone system. Within 15 months, Shah and his team migrated 22,000 lines and 20,000 phones among 400 buildings to a new system.

Shah refers to Convergent as "vendor agnostic," meaning they will deploy any system or platform of their client's choice. Convergent did not sell telecom systems nor were they in the break and fix arena like FrontRunner. Therefore, when Convergent completed a project they did not service the system further.

But things have changed dramatically for Convergent in the past week.

As of Monday, March 16, Shah hired six former FrontRunner employees, including VanGrol and Bratz. Shah and the six new employees already had a level of trust built from their time working together at ICS Telecom.

Doubling his staff was not Shah's intention when he reached out to his former colleagues.

"I wanted to find this group of people new homes and give them ideas on who might be able to support them," said Shah. "That didn't pan out well with them and there were some mixed feelings about competitors in town."

The six former FrontRunner employees reached out to Shah and his wife on Friday in the hopes that they could come together under Convergent. Once all parties agreed that they were all in, they got right to work. Shah immediately hopped on the phone with Mitel, the voice systems company ICS Telecom and FrontRunner sold and serviced for customers, to re-establish relationships.

The addition of these six employees means that Convergent now has two types of businesses under one roof. Shah plans to continue with deployment projects like he's been doing since Convergent's inception. The new division is the hardware and software selling space that FrontRunner's voice division previously handled. This isn't

unchartered waters for Shah, though, since he used to sell and service Mitel products at ICS Telecom.

"Now we're in the business of supporting and servicing customers on a reactive and proactive basis, and also selling systems to K-12 and other businesses that need phone systems, whether it be a cloud-based system or their own server," said Shah. "We use Mitel for that."

Shah objected to the claim by FrontRunner that some of its services are obsolete. He noted that business telephony is still a widely used tool and that it's difficult to run a business of more than a handful of people using smartphones alone.

"Smaller businesses increasingly look at going with hosted or cloud-based systems of all types versus buying servers or telephone systems," said Shah.

"However, the internet is not infallible and premise phone systems still have their place in medium-to-larger size businesses, hospitals, K-12 schools, et cetera."

VanGrol and Bratz have maintained the same job titles at Convergent. VanGrol confirmed that so far her pay at Convergent has remained comparable to what she was making at FrontRunner. According to Bratz, the details of his compensation have not yet been worked out as of Tuesday, March 17, but he said, "I have 100 percent trust that I will likely be making more" at Convergent than he was making at FrontRunner.

"We're hoping to salvage the customers at Convergent that we had good relationships with," said VanGrol of Convergent's plan to help former FrontRunner clients who have or will be losing their voice services. "We want to help them out, especially with the coronavirus, so they can make it through."

Shah said he was confident in making the decision so quickly to take on six new employees because of the lean and prudent way he runs Convergent. He added that he expects significant revenue in the short-term with COVID-19 leading to many businesses seeking ways to access phone systems remotely.

"I'm a pretty conservative guy by nature, so if it was super risky I certainly wouldn't want to risk anybody's livelihood as well as my own," he said. "I feel grateful that they're coming aboard, and it gives me joy to be able to help."

Shah said he perceives continued, steady growth for Convergent. He expects a 15 to 20 percent increase in revenue year-over-year after adding six team members and a new component to Convergent's business. Shah also plans to add another three or four employees by the end of the year, and that he doesn't intend to only hire former FrontRunner employees.

Due to COVID-19 forcing the general population to practice social distancing, all Convergent employees are working remotely for the foreseeable future. When things begin to clear up and policies are lifted, Shah said he plans to look for a small business space in the southeast part of Monroe County near the Thruway to house their new inventory.

"I know I'm in good hands with Raj and Convergent," said Bratz. "The situation might be a blessing in disguise because I know Raj knows what he's doing and he's reputable in Rochester and in telecom in the country. I think we're going to be successful."

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