

# Success for the MDU Industry

It takes a special kind of insight to foresee trends a decade in advance.

By Bryan Rader / *Bandwidth Consulting LLC*

I met Scott DeGarmo in 2004 at an industry conference. He introduced himself as the new owner of what was then called Broadband Properties. He explained his background and history in journalism and publications, including a long stint at Success magazine.

During this discussion, it was clear to me that Scott had a reporter's curiosity. He also had a real vision of the changes occurring in the multiple-dwelling-unit (MDU) sector. He asked a lot of questions about the industry. He wanted to know more about the technologies used, the pain points expressed by property owners and the competitive landscape.

I remember him asking me about fiber in the MDU market. "Do you see it being deployed today? Do owners ask about it? Are they ready for it?"

I thought about this. These were great questions, and private cable operators (PCOs) were in a perfect position to leverage networks enriched with fiber. However, I wondered about the timing. This was 2004. Fiber wasn't yet being deployed by any major operators. Verizon had not yet launched FiOS. AT&T wasn't discussing U-verse, and the big cable guys weren't yet pushing fiber deep into neighborhoods.

Google wasn't even a public company, much less thinking about launching gigabit fiber.

According to Vertical Systems Group, in 2004, fiber penetration in the United States was barely 10.9 percent of all commercial buildings. Over the past decade, this figure has jumped to more than 42 percent. MDU buildings have followed a similar trajectory, though there is no similar census.

That is incredible progress in the deployment of fiber. How did someone from Success magazine see this trend back in 2004? At that time, average cable modem Internet speeds were around 2 Mbps (according to comScore). HDTV penetration was barely 3 percent of all U.S. pay-TV customers. And the majority of consumers were still subscribing to analog cable rather than digital.

What did Scott see in these numbers – which reflected such low acceptance rates for current advanced services – that made him so sure fiber deployments were needed? What was he looking at that told him the MDU segment and, in particular, apartment residents, would ever demand that their services be delivered on a next-generation network?

Scott told me, "I bet this will be a great opportunity for PCOs to take advantage of." It's easy now, in retrospect, to see the truth of this statement, but it's much harder to identify a trend of this kind when all the data suggest otherwise. I remember Scott saying, "Fiber is a real difference maker. And I think it is a perfect fit for the apartment industry. Does your industry see it, too?"

After that meeting in 2004, I watched Scott move the magazine and its conference in a broader direction, attracting many new areas of the MDU, FTTH and municipal broadband markets.

As most people know, Scott became ill this spring and passed away in August. I was very fortunate to get to know him personally and work closely with him over the years. We always seemed to connect late in the evening after everything else slowed down to talk about something going on in the industry.

## KEEP UP THE CHARGE

In my last phone call with Scott, he said to me, "Please keep up the charge in the MDU market. This is a very important segment for us and one that I see growth and potential for in the future."

I knew what he meant about this "charge." He saw that the MDU market was dynamic, growing and experiencing unprecedented customer behavioral change. Scott saw this as a tremendous opportunity for PCOs.

The MDU market always had a special place for him. He knew that the magazine and conference grew up in this market. He respected its heritage and saw it as one that could really benefit from new technologies. He funded great research that showed how much owners demanded very fast Internet and how much residents valued it as well.

I will miss the wisdom and leadership that Scott exhibited over the past decade. His memory will be honored by the energy, innovation and "success" we experience in the MDU industry in the coming years.

Please join me in keeping up this charge. ❖

*Bryan Rader is CEO of Bandwidth Consulting LLC, which assists providers in the multifamily market. You can reach Bryan at [bryanrader@yahoo.com](mailto:bryanrader@yahoo.com) or at 636-536-0011. Learn more at [www.bandwidthconsultingllc.com](http://www.bandwidthconsultingllc.com).*