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New Masergy CEO has 'mandate' for growth, expects more hiring

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James Parker may be new to the job of chief executive officer at Masergy, the Plano company that sold for more than \$950 million in 2016, but he's hardly new to the idea of leadership at businesses focused on technology.

He spent years at Microsoft (Nasdaq: MSFT) and most recently was working for Tata Communications. Now, he's ready to bring the next stage of growth to a company that serves some of the world's largest enterprises.

"There's just a huge opportunity, certainly for Masergy, to be successful and to continue its growth agenda and path, and that is very exciting – very exciting," he said.

The company has expanded to about 600 employees, adding roughly 140 in the past year. And more are coming, Parker said, with plans for an additional 160 workers in the next year.

Parker officially joined the company less than a month ago after longtime CEO Chris MacFarland announced her was stepping down from the post in September. MacFarland has since taken on the role of executive chairman and chief technology officer. MacFarland's hallmarks as CEO include getting the company sold to investment firm Berkshire Partners LLC.

Masergy provides services around networking, cloud communications and managed security. Customers have included Amgen (Nasdaq: AMGN), LinkedIn and E-Trade.

Parker's career path began in Canada and has stretched around the globe, landing in places such as China and Europe.

The following is edited for flow, clarity and grammar:

Why was this a good move for you?

I start with the market and the opportunity. Generically, when you look across enterprises, they're all going through digital change in some form or fashion. And it's only accelerating. The underpinnings to enable those digital shifts? There are many things. There's cloud. There's certainly applications. But really at its core it's the network – an enabler to really support the



digital ambitions of enterprise customers. When we're looking at Masergy – and the direction in which the technology is going – it's becoming more and more software-defined. Masergy's history and its foundation is based on a software-defined network and platform. And the industry to enable these digital ambitions, certainly from a network lens, will have to become more agile, more capable. It's going to be the software that's a core enabler to give these enterprises the capabilities they need.

While you're new here, what opportunities do you see?

The mandate that I have is to drive growth. The mandate is to get scale and growth. If we take that mandate and look at our capability, the opportunity for us to continue our double-digit growth on top line and bottom line certainly is there. The opportunity for us to scale that up over our historical performance is also there.

Even with growth in the past?

Yeah, the market is huge, and the opportunity for us is equally huge. The differentiation of what our offering is and how we can go to market and capture that scale is there for us.

How do you get this to work? What pieces are there?

It's a combination of things. When we think about scaling the business, a lot of times folks will jump right to the go-to-market or the sales engine, and to scale, it means we have to have operations function well to take on the higher

levels of demand. It's not any one group that we look at that we have to say, 'Improve one function or this function.' There are always different areas that you have to have hot spots on. But we are certainly looking at the overall system and the things we need to do to get scale across the business. And then there's the market opportunity as well.

What markets do you like?

If we look at our typical client, it is in the large enterprise space. It's a multinational. They'll have multi-sites. It will be international in nature. So, sites across the U.S., sites in Europe and Asia. We help clients reach over 100 countries and be able to reach their customers in those markets.

Do you want to focus more on sales or profits?

It is both, but not to the point in which we won't invest ahead of revenue.

What's your leadership approach?

Many things in which I got engaged in over the course of my career have been driving some sort of transformational change. And that change in figuring out the puzzle, let's say, is extremely enjoyable work. As you get to solve the puzzle, that's extremely rewarding with the team.

What's something you've picked up in your career?

It's really important to go ... at the pace in which the system will allow. That's not an easy thing to determine. Certainly, what I've learned is that you have to keep pushing and turning it up as you go through, but you can't go too far for all the obvious reasons – things can start to slow down and be counterproductive and fail. But knowing the capability of the organization and that speed and pacing – and getting on the right momentum – can really help you accelerate through different change curves. The playbook doesn't work the same everywhere.

What are your thoughts on acquisitions for Masergy?

I think that's always an option. But at the forefront is organic growth. If the right opportunities come to us, then absolutely, we'll evaluate that.