

Company's global ambitions start in Palmer

BY TODD L. DISHER

Frontiersman

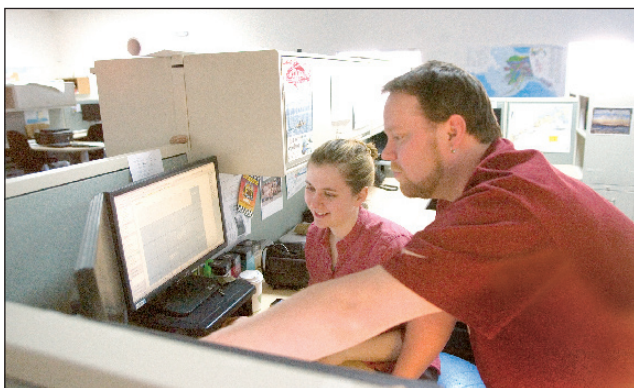
PALMER — At a recent meeting to discuss the business climate in the Mat-Su Valley, TerraSond was highlighted as a local success story.

Businesses can be based anywhere in the world, one commentator said, and the Valley needs to attract these companies by advertising its high quality of life.

While there are some concrete advantages for the terrestrial and sea floor mapping company to have a branch in Alaska, it's true the world headquarters remains in Palmer for more subjective reasons. However, hurdles remain in trying to manage a worldwide company from this corner of the 49th State.

TerraSond started in 1994 when a couple of local surveyors decided to strike out on their own, said co-founder and CEO Thomas Newman. Using sonar devices attached to the bottom of ships, the company mapped the contours and depths of seas, lakes and rivers, mostly in Alaska.

Now, TerraSond runs operations all over the world. The multibeam sonar provides a high-definition look at what's underneath the water's surface. The company can detect oil and gas pipelines and fiber optic cables in thousands of feet of water. A laser scanning process can create 3D modeling of oil rigs, bridges and other technical struc-



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At right, TerraSond co-founder and CEO Thomas Newman shows the different types of mapping the company does at its Palmer headquarters. Above, Brenna Poulson and Daniel Seamount discuss a mapping project.

tures.

TerraSond's largest client is the National Oceanic and Atmospheric Administration in the agency's efforts to update soundings on official depth charts. Oil companies use the sonar images to identify problems around offshore rigs, and villages have used the images to determine where to place hydrological electricity generators. Ships equipped with TerraSond personnel and equipment have responded to disaster areas to survey damaged ports.

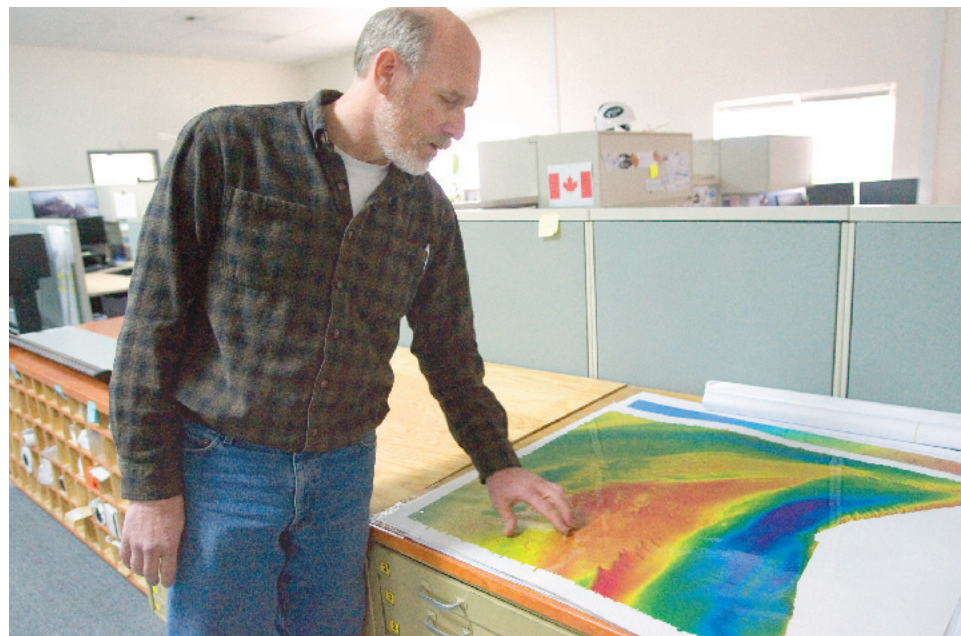
Being in Alaska, the company has access to jobs around the state it may not know about otherwise. TerraSond has expanded on the benefits of having a local office by opening other branches around the world.

After opening its first office in the Valley 16 years ago, TerraSond has two branches in Texas, one in

Seattle and another in West Africa. In all, the company employees about 90 people, about half of whom work at the Palmer headquarters. Asked why the headquarters remains in Palmer, Newman said, "Because I live in Palmer."

There's no way he could have controlled operations in the South Pacific from his first office along the Parks Highway in 1994, Newman said. Communication technology simply wasn't fast enough.

After fiber optic cables connected Alaska to rest of the global communication networks, projects in Haiti don't seem so far away. The back room in TerraSond's office on Industrial Way now houses a 100-terabyte server — more than 200 average home computers — to accommodate the company's massive database, website and e-mail system. Each branch has a smaller



server, but this is the central nervous system of the company that relies so heavily on electronic data.

"I think the barriers are dropping rapidly," Newman said.

But, that's not to say Palmer is the business city of Oz just yet. In each phase of running the business, Newman said he has encountered problems one might not face in a larger city.

First, there was a physical constraint of simply finding enough space. Moving the business from Wasilla to Palmer, Newman knew he needed an office of more than 6,000 square feet. The only space that large was a series of different offices in the Carrs mall. It was only through a friend of a friend who knew of a lumber yard going out of business that he was able to find the space

the company is in today.

Then there is the constant problem of finding people to fill this office. Alaska doesn't have a huge work force, especially people with the specialized skills he requires. For example, the 3D structure modeling work is based in Texas because the talent running that division didn't want to move to Palmer.

"I don't know why anyone wouldn't," Newman added.

When an employee is hired to work in Palmer, the cost of training becomes an issue. Working on software that often costs \$20,000 per user, it makes it cheaper to fly the instructor to Alaska than fly 20 employees to the software company.

Once the building is fully staffed with trained employees, communication still presents a problem despite

all the recent advances. TerraSond's office only has access to the Matanuska Telephone Association's cable Internet network, making it vulnerable without a back-up provider.

"We've been shut down by a guy digging with a backhoe on the corner," Newman said.

With all these challenges, Newman said the company has considered moving its headquarters to a more accessible location like Houston, Texas, but, it's clear Palmer still has a certain hold on the business for reasons less well defined.

"We would have to be a much larger firm," Newman said. "And I would have to retire."

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