

ZAMTEL

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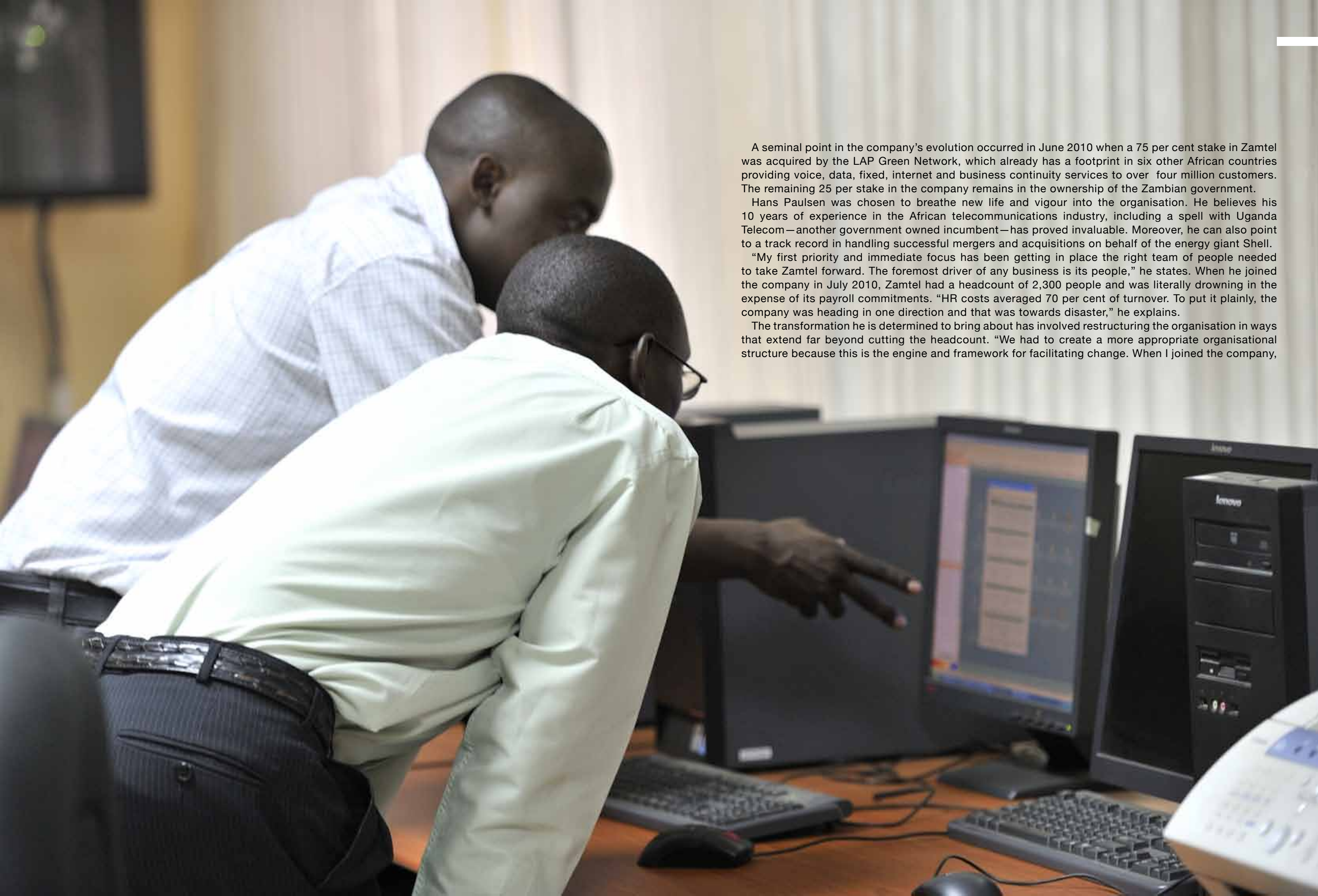
CORPORATE BROCHURE



New connection

Hans Paulsen, managing director of Zamtel, Zambia's only total communications solutions provider, talks to Jayne Alverca about the restructuring programme that is creating the foundation for a brighter future

Zamtel dates back to 1913 when the company was a pioneer in Africa's nascent telecommunications industry and the driving force behind Zambia's first telephone exchange. Yet despite attaining a unique competitive advantage as Zambia's only complete communications services provider, years of subsequent management inertia led the company almost to the point of bankruptcy.



A seminal point in the company's evolution occurred in June 2010 when a 75 per cent stake in Zamtel was acquired by the LAP Green Network, which already has a footprint in six other African countries providing voice, data, fixed, internet and business continuity services to over four million customers. The remaining 25 per cent stake in the company remains in the ownership of the Zambian government.

Hans Paulsen was chosen to breathe new life and vigour into the organisation. He believes his 10 years of experience in the African telecommunications industry, including a spell with Uganda Telecom—another government owned incumbent—has proved invaluable. Moreover, he can also point to a track record in handling successful mergers and acquisitions on behalf of the energy giant Shell.

"My first priority and immediate focus has been getting in place the right team of people needed to take Zamtel forward. The foremost driver of any business is its people," he states. When he joined the company in July 2010, Zamtel had a headcount of 2,300 people and was literally drowning in the expense of its payroll commitments. "HR costs averaged 70 per cent of turnover. To put it plainly, the company was heading in one direction and that was towards disaster," he explains.

The transformation he is determined to bring about has involved restructuring the organisation in ways that extend far beyond cutting the headcount. "We had to create a more appropriate organisational structure because this is the engine and framework for facilitating change. When I joined the company,



it had a very confused pay structure and grading system. People in non-critical positions were receiving more reward than key managers, simply on the basis of their length of service. As a result it had become impossible to attract the right calibre of people. We undertook a review and re-evaluation of all our HR evaluation processes and job descriptions to start putting in place a new performance-orientated culture."

The restructuring process has required that all posts be re-advertised with internal applicants applying on the same basis as outsiders. "We wanted to have continuity, but only if it was combined with talent and ability. Where talent existed, we have sought to retain it but with a new purpose and direction," he asserts.

The recruitment drive is almost complete and by January 2011, Paulsen expects all key positions to be filled. "Then we can start to really get to grips with our own internal processes," he continues. "A review has already begun to look at more efficient ways of working, especially with regard to automation. Now that we have fewer people, we need to eliminate labour-intensive manual processes wherever we can and identify more efficient and productive working practices."

Paulsen's third priority is the inherited investment programme that Zamtel is pursuing to retain its competitive edge. The company has already begun a project to decommission all old analogue landline exchanges and replace them with next generation network (NGN) exchanges. The modernisation programme will enable customers to get additional features such as fast and



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affordable broadband internet, audio and video conferencing, as well as new features such as missed call notification.

The first phase of the migration is due for completion early in 2011 and will see exchanges at Ridgeway, Chinika, Emmasdale and Lusaka Main overhauled and replaced with next generation technology. Phase two of the project will install new and advanced next generation network exchanges country-wide.

Another inherited project in progress, again nearing completion, is a nation-wide fibre optic network to provide broadband backbone connectivity. Zambia is a landlocked country and at present is heavily dependent on satellite communications. Zamtel is

working to integrate the national network into the international subsea cables that lie off the African coast and that can only be accessed by passing through a number of neighbouring countries. “The aim is to create multiple links that will place Zambia at the centre of a new communications hub, so we are never reliant on any one link. Broadband is one of the fastest growing areas and we need the additional capacity that these linkages will give us,” Paulsen adds.

Dates have already been set next year for a new service aimed at the Lusaka business community. The Lusaka Metropolitan Optic Fiber Network will have the capability of carrying voice services, data services, fast ethernet (FE), gigabit ethernet

(GE), broadband internet, video and multimedia services such as television. The network relies on a connection of strategic access points using high capacity optic fibre technology. These connections are in a mesh formation to provide alternative routing of traffic in case of a fault on any one link. On completion, it will offer a new level of resilience and a future-proof network for many new business platforms.

“We are working to complete, but also to enhance all of these projects,” Paulsen comments. “Sometimes we are finding that initial design plans and projections are no longer capable of meeting their objectives and some supplementary expenditure may be required, but we do not see this as a major barrier.”

The company will be spending close to US\$170 million over the next 30 months, says

Paulsen, with investment aimed at the roll-out of a 3G network in several urban areas; expanding the 2.5G network—the plan is to deploy 450 sites; expanding capacity to handle 2.5 million customers; upgrading of the fixed switches; investing in a state-of-the-art call centre; and automating the current back office processes.

“In a year’s time Zamtel will be a different company,” Paulsen says. “We have already made great progress in transforming the company and a great start on a journey that will see us with subscriber growth, an increase in market share and better technology and people. From a financial perspective, it is also very important that we deliver shareholder value and I am confident that our accomplishments will be reflected in a much healthier balance sheet next year,” he concludes. www.zamtel.zm ●

Business Excellence
ONLINE

Every business aspires to be excellent, but by definition, only a few can ever achieve that status. Even fewer can sustain it. A business that is excellent today can be overtaken tomorrow if it does not commit to continuous improvement. As others improve, standing still means moving backwards.

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