

# ALTECH UEC SOUTH AFRICA

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# TECHNOLOGY THAT TOUCHES LIVES

*As 2012 begins, Jannie Viljoen, manufacturing director of the new Mount Edgecombe site of Altech UEC South Africa, is presiding over the African continent's most advanced facility of its type. Jayne Alverca reports*





Advanced testing  
to ensure quality is  
maintained

The digital migration across Africa is finally gaining in momentum. After years of deliberating, the South African government has decided on a way forward and analogue technology will soon be consigned to the history books. South Africa is opting for a revised and updated version of the European Digital Video Broadcast-Terrestrial (DVB-T) standard. Now the race is on to implement DVB-T2, not only in South Africa but also across the SADC region and in many other African countries.

The potential total television household market in sub-Saharan Africa is approximately 60 million sets, and all must upgrade by June 2015. In South Africa, there is an even more ambitious timeline, with December 2013 set as the cut-off point. This translates into a pressing requirement for set-top boxes; and no-one on the continent can compare to Altech UEC when it comes to expertise in their design and manufacture.

The company is a leading developer and manufacturer of digital technology for the African broadcast industry, operating under the umbrella of the listed Altech group of companies, which provides global services to the converged multimedia and electronics market. Altech UEC focuses on the international converged broadcast and broadband industry, specialising in the provision of fully-integrated solutions,

particularly customised set-top boxes, innovative software solutions and services, and systems integration capabilities, as well as global logistical support services, supplied via Altech Global Decoder Logistics (GDL). The subsidiary was formed to facilitate a complete service offering, including after-sales support and decoder repair capability.

2012 is literally the start of a new era for manufacturing director Jannie Viljoen, as the company gears up in preparation for double-digit sales growth in Africa over the next five years. Six months ago, manufacturing operations

switched to a new 13,500 square metre, world-class facility at Mount Edgecombe, dedicated to the manufacture of digital set-top boxes. It is Africa's first high-tech facility of its kind and will extend the company's reach throughout Africa and the Middle East with the capacity to manufacture

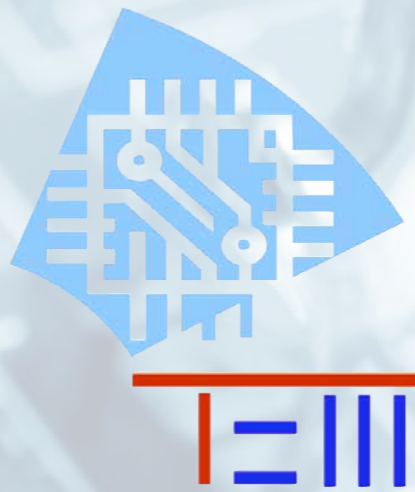
more than three million television set-top boxes each year.

"Our manufacturing operations are now consolidated in a single entity, giving us the platform and the capability to significantly ramp-up production, with numerous operational benefits," states Viljoen.

He explains that manufacturing used to take place across a number of different sites, a situation that had arisen by accident as a legacy of previous organic growth. "Each time demand increased we would

**60**  
**MILLION SETS**

Potential total television  
household market in sub-  
Saharan Africa



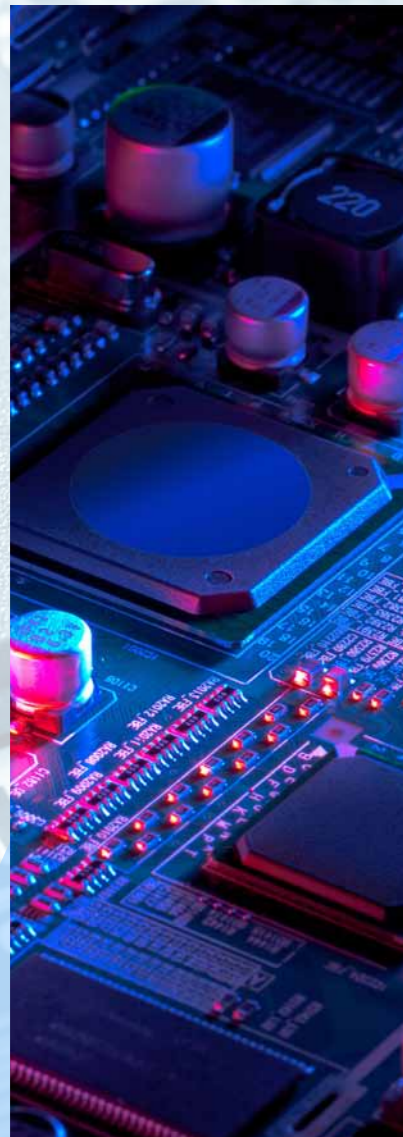
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The DSD4121 is a full-feature, high-definition, DVB-S2 satellite decoder delivering market leading performance with the additional benefits of enhanced security

simply find a new corner. Over time, we became more and more inefficient, so the decision was made to make a substantial investment in a single, ergonomically designed facility equipped with state-of-the-art robotics and automation.”

The investment was envisaged as part of a relentless drive to eliminate non-value added activities. Already though, it has introduced a wholly new revenue stream. “The new facility led to a decision that we would not only manufacture products designed by ourselves but also for third parties on a contract basis; and we started

**THREE  
MILLION-PLUS**

.....  
**Annual Mount  
Edgecombe set-top box  
manufacturing capacity**

on our first partnership with a multinational electronics and information technology company in October 2011 to produce flat panel LCD TVs on their behalf,” he comments.

The electronics market is characterised by some of the fiercest competition in the world, so how does

Altech UEC compete on price? “That is a hurdle we addressed several years ago, when we initiated a process to automate various aspects of our operations and train our staff, as well as implement strict quality controls.” Viljoen joined the company four years ago, along with most

of the current senior management team, who possess a shared heritage of years of experience working with top automotive and electronics OEMs. This insight led to the development of a carefully crafted plan to systematically drive out every scrap of non-value added activity.

“Three years after we began implementation of the plan, the cost of our products is now in line with similar offerings produced in China on a landed basis,” he continues. “This is largely due

to the massive investment we have made in mechanisation, which has enabled us to streamline our operations to ensure efficiency and quality is maintained throughout our manufacturing process.”

Securing a competitive advantage through technology does not come cheap. There is an annual sum of R20 million to R30 million allocated simply to ensure that the company can keep pace with technological advances in the industry and is not left with either a price or quality disadvantage

“THE COST OF OUR PRODUCTS IS NOW IN LINE WITH SIMILAR OFFERINGS PRODUCED IN CHINA ON A LANDED BASIS”



State-of-the-art plastic moulding machines



Automation machines installed

through the method of manufacture. “Surface mount technology is the most capital-intensive area for a company such as ours, but we have also spent a great deal on the final assembly process. Another area we have heavily automated is testing, where we have improved the man-machine interface to make the process more cost effective,” he adds.

Altech UEC also exhibits an unusually high degree of vertical integration which offers the advantage of superior quality control and a capacity to support total end-to-end solutions. “It is something that sets us apart—we are able to offer plastic moulding, printing and electronic assembly as well as final integration, all from a single source. Each of these areas have been highly

automated to a world-class standard.”

However, despite his pride in the company’s achievements to date, he is keen to sound a cautionary note. “I see us positioned on just the first step of a continuous journey. Demand in our export markets is very strong, but here in South Africa we suffer from an inflationary economy and a very volatile exchange rate. We can never afford to sit back and relax but have to respond with a constant stream of new ideas and new ways to add value and cut costs,” he concludes. **BE**

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