

# HOT INTERVIEWS

## Paul Taylor

CEO, Botswana Telecommunications Corporation

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## Paul Taylor Rising to the Challenge

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Paul Taylor, CEO of Botswana Telecommunications Corporation is rising to the challenge of transforming the country's telecom incumbent into a customer centric, world class operator in preparation for the next phase of its evolution: **privatisation** and **backbone separation**.

Having worked as a telecom business leader in 60 countries on 4 continents, he has led successful IPOs, privatisations, acquisitions and license bids across the world. Enriched by his extensive global experience, Paul definitely is **the Man for the Challenge**.

I recently had the pleasure of talking with him about the intricacies he faces in transforming BTC, the plans in motion and what makes him the man for the job. This is what he had to say.

## The Challenge

Botswana Telecommunications Corporation (BTC) is still government owned and the only fixed operator in Botswana. In 2010, the government announced it was planning to partially privatise the company and to create a completely separate wholesale infrastructure business. Here is what Paul had to say about where this project stands at the moment and how he sees it impacting BTC going forward?

***'We expect between 12-18 months for the assets separation to complete and probably a period of time beyond that for stabilisation before the IPO actually takes place.'***

'To date, the government has decided which assets will transfer from BTC into a specially created vehicle called Botswana Fiber Networks. The current estimates are that the separation process will take between 12 and 18 months to complete and then the IPO will take place. However, a date of 20-something at the moment is speculative because what we first need to do is define the details of separation and the IPO beyond it.

There is a lot of work still to do in terms of operationalizing the assets that will transfer into the Special Purpose Vehicle (SPV), as the license conditions for the SPV are yet to be published.'

***'There are still some unknowns.'***

'There is a discussion ongoing at the moment about how services are deployed from the SPV. Whether it is staged over time such that we complete within the 12-18 months or whether it is a big bang at some point down that time continuum. But the situation is not entirely clear at this point.'

***'The most important challenge in this evolving environment is managing multi-dimensional change.'***

'Making sure BTC is ready for the upcoming revolution is quite a challenge and managing the different facets of change is the key to our success. Change comes in 4 distinct and discreet areas: the **first** one is about the organisational change, moving largely from a product led organisation to one which is much more market oriented and delivers against its Fixed Mobile Convergence (FMC) vision. At the moment we have a vision about convergence but the organisation does not really reflect that.

The **second** dimension is about moving towards a privatized entity.

The **third** is about the separation work which is ongoing which will take certain backbone assets and potentially local access network assets and put them into a separate facilities based carrier.

The **fourth** is of the result of those assets going into a facilities based carrier actually facing competition right across the spectrum of operations. And these are all going simultaneously.'

***'Botswana's geography brings quite a number of challenges.'***

'Firstly, the terrain is hostile in a number of areas, with the Kalahari desert sitting in the middle ground. Secondly, the population outside of Gaborone is fairly thinly and widely distributed. So keeping up network and services quality in that environment with significant distribution is a challenge in its own right. Also, offering these services in these conditions at a sustainable cost is a constant challenge.'

## The Plan

In some ways, the whole focus of BTC will change from a wholesale/retail company towards a model where retail is more dominant. This will change the nature of the company, the way it offers services and manages its people. Here is an insight of what Paul sees as critical steps to ensure BTC is prepared for this new phase and how he will ensure a successful transformation.

***'Aligning the business mentally and organizationally against a vision is key.'***

'What exists at the moment is an articulated vision of convergence but an organization that is not really placed to deliver against it. So a lot of work up to now has gone into a number of areas. We initially refreshed the mission, vision and values of the company and have introduced a new strategic framework so that we can assess our progress over the next 2 years against a number of well defined measures of success. With this in place, everybody can see how they are contributing to our long term success.'

***'We have spent a lot of time getting the basics right.'***

'2012 was about basics. It was about making sure that we have the right skills in the right places, with the right processes and that is a piece of work that is still underway.

The whole company needs to focus on doing basic things brilliantly well because until we have actually got a platform for change that is absolutely robust in place, change will be risky.

Change is ongoing because it is an inevitable part of where we are, but our number one priority is to create a very stable platform upon which all this change can be exercised.

2013 is really about a journey of beginning and hopefully completing the transformation to a large extent. And 2014, the third year in the strategic program, will be about delivering the vision in terms of revenue from FMC and data services.'

***'At the end of the day, the main goal is to eradicate the poverty of access to information.'***

'Here in Botswana, enabling information access is probably the most important thing. Our goal is to eradicate a poverty of a different kind: **the poverty of access to information**. That is certainly one of the key drivers in Botswana.'

## The Results

Botswana Telecom has been very successful in 2010-2011 with 11% growth in revenue, 25% growth in profit and 8% growth in EBITDA. So what is the key of this success in Paul's opinion?

***'I think two things really: the success of our mobile operation and the consolidation of our networks and platforms.'***

'Our fixed business, like most other incumbents around the world, is not growing phenomenally quickly. So the majority of the top line has come out of the mobile business. beMobile, which is the mobile arm of BTC, was introduced to the market in 2008. 4 years later, our market share is between 12-14% and we boast the largest coverage footprint in the country. Revenue from the mobile business constitute about 20% of the company's turnover and that has come from nowhere over the course of the last 4 years, which is obviously a significant contribution.

The other part of the success comes from consolidating our networks and platforms. As is the case with most operators, we have a legacy of a number of billing systems and a number of network platforms and some of our profit growth is partly attributable to a level of consolidation. But there is still a long way to go in that regard.'

## The Man

Paul is a visionary with a thirst for new experiences and no fear of challenges. I discussed with him what he thinks has influenced him to take this path and become the global citizen he is now.

***'I think the greatest influence in my career is the diversity of experience in the +20 years that I have been working outside of the UK.'***

'I have been fortunate enough to work in over 60 countries and live long term on 4 continents. So looking at different ways of doing business, different cultures, different environments, just that level of diversity in its own right is a significant influence on the way I look at the world and conduct business.'

***'Another key influence in my life was my grand-father.'***

'When I was a teenager, like most people that age I did not have a clear idea about what I wanted to do. I went to my grand-father in my late teens and I said to him *'I really do not know what I would like to do when I grow up'*. He would have been in his late 70s or early 80s and he used to walk around in this shroud of smoke from a pipe he continually smoked. He looked at me and said: *'If I were you boy I would go into telecommunications because that is the future'*. It was either a staggering insight or just good luck, as he was completely right and that is exactly what I did do.'

***'For better or for worse I followed his advice and here we are...'***

## The Author behind the Article:



Isabelle Paradis, President of HOT TELECOM is an international telecoms expert, with close to 20 years working experience in the Americas, Europe, Asia and Africa.

HOT TELECOM has been serving global operators, governments, equipment vendors and telecom investors for over 10 years, providing leading edge market research and consulting services to industry leaders around the globe.