



# MTN

WHERE OTHERS FEAR TO TREAD





# WHERE OTHERS FEAR TO TREAD

*MTN specialises in going where it is most needed – anything less like a ‘me too’ telecoms provider would be hard to imagine: it is a strategy that is paying off in terms of growth, most of it driven by innovation*

WRITTEN BY: **JOHN O'HANLON**  
RESEARCH BY: **JEFF ABBOTT**



MTN in  
Afghanistan



It's becoming axiomatic, if not an absolute cliché, to talk about how Africa has leapfrogged the 'north' in adopting and developing mobile technology. How the continent's need for growth has thrown up new paradigms that rely on lateral rather than linear modes of thought. It is certainly true that the sudden appearance of Africa as a technology leader has made even the more agile old world corporations rethink how they do product development.

As a result this is a good time to be an African provider of telecoms services, whether voice or data. Though it is based in South Africa, with its headquarters in Johannesburg where it was founded in 1994, MTN is a truly multinational group, selling its services in 17 African economies and five countries beyond the continent – it is already present in Iran and Afghanistan and has recently pre-qualified to compete for a telecommunications licence in Myanmar.

With over 27,000 employees MTN is the fifth largest enterprise in Africa and very much a telecoms market leader, whether in terms of network, technology or scale. In fact it is hard to avoid wowing its performance. In the year ended 31 December 2012, revenues increased nearly eleven percent to R135.1 billion (\$15 billion) and profits seven percent to R58.6 billion (\$6.5 billion). The group has GSM licences in 22 countries and internet service provider businesses in 13 countries. It describes itself as possessing

the most valuable brand in Africa. MTN's shares constitute the biggest primary listing on Africa's largest stock exchange, the JSE. In 2012, MTN was ranked first on the African continent among the BrandZ Top 100 Most Valuable Global Brands, becoming the first and only African brand to make the list.

The national statistics are revealing, and show how MTN is at the front in capturing emerging markets. MTN is the number one telecommunication company in 15 of its markets. While it has a respectable 25 million subscribers in South Africa, it has twice as

many in Nigeria, and no fewer than 40 million in Iran. Well, emerging markets are MTN's target and its people are the key to this degree of integration in the market. Its employees communicate in five official languages and represent 55 nationalities.

In 2012, MTN invested R383 million on employee development alone. In 2012 the total number of development interventions amounted to more than 61,000, with 32,000 e-learning courses completed by employees.

In 2012, MTN performed well in a challenging environment, says MTN's Group president and CEO Sifiso Dabengwa "We grew our customer base and traffic volumes and maintained market share, while accelerating our capital expenditure programme to ensure the Group's continued competitiveness and support revenue growth into the future." But it's not all about numbers. More than 24 million new subscribers joined the network,

**\$15  
BILLION**

.....  
**MTN's 2012 revenues**



## CONCILIUM TECHNOLOGIES

Concilium Technologies, a level 3 BBBEE contributor, has been serving the test, measurement and monitoring needs of telecommunications operators and their suppliers since 1999. We have built our success and reputation on trust and commitment, and have continually invested in our technical resources to ensure we can support our installations, focusing on developing local expertise. We have a rich history of partnering with the best T&M technology companies in the world, and have been the glue that has provided continuity and stability for our customers when companies transitioned products through realignment of their own portfolios. When JDSU's already extensive product portfolio was recently enhanced with their purchase of Agilent's telecommunication service assurance, protocol analyzers, network diagnostics, and wireless drive test portfolios - products extensively deployed in South Africa - Concilium managed the transition with no disruption of the services to the operators. JDSU offers instruments, systems, software, services, and integrated solutions that help communications services providers, equipment

manufacturers, and major communications users maintain their competitive advantage at each stage of the network lifecycle across the full range of applications. JDSU's Mobility portfolio sets a new standard for optimizing mobile network performance on multiple levels. By reducing operating costs and deployment time, JDSU offers value-based solutions that create new revenue opportunities as well as service differentiation. Agile operation is ensured by employing intelligent probes and products that can be fully integrated to fit a variety of applications from R&D through network monitoring, from the core to access devices, and in laboratory settings or live networks. Only JDSU is uniquely qualified to address your wireless challenges in such a comprehensive fashion: from silicon to apps, small cells to macro, RAN to core. Concilium has been a supplier to MTN for many years and looks forward to building on this relationship in partnership with JDSU for many more years to come.

E. info@concilium.co.za



Want to bring LTE to market faster?

Deploying FTTA?

**Choose JDSU.**

JDSU understands your customers and can help you deploy LTE and FTTA services quickly, cost effectively, and in compliance with SLAs.

Contact us today for more information, and download solution guides and more at [www.jdsu.com/lte](http://www.jdsu.com/lte) and [www.jdsu.com/backhaul](http://www.jdsu.com/backhaul).



*Congratulations to our valued partner MTN South Africa on a great year!*

almost a third of them using MTN's data services. The role that telecommunications plays in people's lives has changed rapidly in the last decade, he emphasises. "Not so long ago, traditional voice services defined the telecommunications industry. Now they are just one of a growing range of services that impact many areas of our lives. The need for a broader digital offering has led MTN to refresh its vision and mission and refine its strategic objectives."

So what is the secret of MTN's success in these new markets? Probably its focus on customer experience. "Our new mission - to make our customers' lives a whole lot brighter - means

easier engagements with MTN such that all our customers are MTN promoters. It is a differentiated MTN-branded customer experience that we give at every touchpoint." Launched towards the end of 2012, the updated strategy better addresses customers' needs, he claims - it covers a more comprehensive range of offerings to drive sustainable growth and also focuses on transforming our operating model, to bring down costs and increase efficiencies.

As telecoms services become "commoditised" it is imperative that MTN continues to create a customer experience that differentiates it from its competition, Dabengwa believes. Data

**41%**

**Increase in data services subscribers**





## “IT IS A DIFFERENTIATED MTN-BRANDED CUSTOMER EXPERIENCE THAT WE GIVE AT EVERY TOUCHPOINT”

is an increasingly important part of that experience. While revenue from voice services, over three-quarters of MTN’s total revenue, remains critical to its success today, data use will increasingly define the telecoms landscape ahead, he says. “Mobile networks will become important enablers for many aspects of life, allowing intelligent systems to

operate independently and linking consumers, businesses, and others. Within the next decade, large swathes of people will likely depend on data connectivity to deliver this ‘New World’ lifestyle. In emerging markets, in particular, we see significant underlying demand for basic services which could be best delivered through mobile communications.”

One of the best ways to illustrate this is the way MTN has been able to broaden its Mobile Money and financial services offering. By the end of 2012 the company had nearly ten million Mobile Money users, up by two-thirds on 2011. In 2012, data services were the strongest contributor to MTN’s revenue growth. It increased data subscriber numbers by 41 percent to 58.7 million and data traffic grew by more than half, driven by extended 3G coverage, investment in new technology and people upgrading to data enabled devices. The number of smartphones on MTN’s network jumped dramatically from 10.7 to 21 million. “To maintain this pace, we need to ensure access to sufficient reliable broadband

capacity. In the year we gained access to the submarine West Africa Cable System (WACS).

MTN is in a good position to take advantage of growth in data traffic in 2013. It plans to invest R28 billion in enhancing its services, and aims to reach 200 million subscribers before the end of this year. “We expect 21 million new customers to have joined the MTN family,” Dabengwa concludes. “We look forward to welcoming them to the New World.” **BE**

For more information about MTN visit:  
[www.mtn.co.za](http://www.mtn.co.za)



**MTN**

**[www.mtn.co.za](http://www.mtn.co.za)**

Produced by:

ACHIEVING BUSINESS EXCELLENCE ONLINE

**BE Business Excellence**

**[www.bus-ex.com](http://www.bus-ex.com)**