



## Extending the presence

iDirect has always been very active in MEA but with a new regional office opened in Dubai and plans to open another in Johannesburg, iDirect is extending its presence in the region. Helen Jameson takes the opportunity to speak to Rash Jhanjee, Regional Vice President, Middle East and Africa for iDirect about its expansion, products and services and its plans for the future.



**Question: Firstly, congratulations on your appointment as Regional Vice President, Middle East and Africa. What does this move into the Middle East and Africa mean for iDirect as a company and why was Dubai chosen as the headquarters for the region?**

**Rash Jhanjee:** We've been serving the Middle East and Africa market for several years and have experienced exponential growth - including 48 percent market share of hubs in the region. We wanted a regional office to better serve this growing customer base. For us, Dubai was an obvious choice. It is experiencing rapid growth and has become a major hub for Middle Eastern, African and Asian companies.

The new regional headquarters serves two primary purposes: to support pre-sales, sales and post-sales in the EMEA region and to serve as a training centre for our customers who want to learn more about how to leverage our technology. The new headquarters has been invaluable in strengthening and growing our customer relationships.

**Question: What is iDirect's business model for the MEA region and which parts of the business do you expect to grow?**

**Rash Jhanjee:** The iDirect business model is consistent throughout the world. Its simplicity has been a key to our success. We focus on two primary audiences: network



operators and resellers/systems integrators. We don't sell to end customers, but we do educate key organisations such as banks, petroleum companies and militaries, on the benefits of iDirect's technology.

In the MEA region especially, we work very closely with our parent company, ST Electronics. ST Electronics has a tremendous regional presence and we incorporate their expertise into our projects. They are very involved in large-scale efforts such as teleport integration, project management, communications-on-the-move, and large bandwidth solutions. There are tremendous business opportunities in the region right now as Chinese and Indian companies move into MEA. We work with ST very closely to make sure that we attract the right customers and provide the right integrated solutions for end users. It's working extremely well and we see great growth potential.

**Question: What have the main challenges been in setting up the office in Dubai, if any? What are the main differences in doing business in the Middle East and Africa region?**

**Rash Jhanjee:** We have made every effort to respect the cultural nuances of doing business in this region. We realise the importance of meeting our customers face-to-face and building connections at all the

different levels, from management to salespeople.

There is a lack of infrastructure in the region and as a result the Internet market is extremely large. So one challenge for us has been to educate organisations on the services that we can provide. We are also very careful to understand the importance of agents and consultants in the region. They can influence deals from a business perspective, so it is very important to build these relationships as well.

I think we have done an excellent job in recruiting sales people who understand the region and we worked very hard to develop relationships with existing customers in the region prior to setting up the office. We have between 70 and 80 partners in the MEA region and that number is growing quickly. It was important for us to have these key relationships in place and to build regional knowledge before establishing the regional headquarters.

**Question: You have recently announced the iDirect platform's interoperability with Ericsson's Abis over IP GSM satellite backhaul solution. Is demand for GSM satellite backhaul high in the region due to the geography and infrastructure available? How does the iDirect intelligent platform enable those in rural areas to access GSM services and what makes it**

**so efficient?**

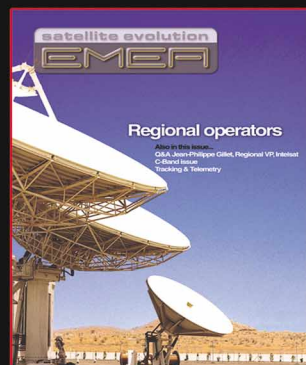
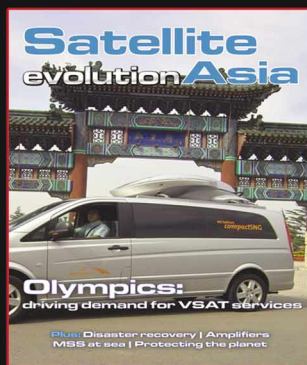
**Rash Jhanjee:** GSM covers 80 percent of the world and rural applications is a huge growth area. Unfortunately, unless the service provider can receive state subsidies or Universal Service Obligations from the GSM operators or the local government, it is very expensive to run cost-effective solutions into rural areas. Africa especially is underserved in terms of fibre and terrestrial connectivity. Our platform is unique in that it provides guaranteed QoS right to the edge of the network. This is critical for GSM because dropped calls can lead to significant revenue losses.

One of our key technologies is Group Quality of Service or Group QoS. This allows the service system to instantly allocate bandwidth to the application level. In the case of a VoIP call or a traditional GSM voice call, if bandwidth is delayed, users will stay in the system. Group QoS allows bandwidth to be allocated as soon as it is needed and builds this pool of bandwidth that can be dynamically accessed whenever it is required.

The iDirect system uses a central hub to service GSM operators with any network topology, whether it is mesh, star or SCPC. This technology overcomes some of the bandwidth inefficiencies related to traditional Abis GSM. For GSM operators, this lowers costs and allows them to deploy networks

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very quickly wherever needed. It also provides a common pool of bandwidth that may be accessed at any time. Our iVantage Network Management System further improves these gains by dynamically allocating bandwidth on the fly.

**Question: Would you please tell us more about your relationship with Ericsson?**

**Rash Jhanjee:** Ericsson is a one of our key GSM partners and a reseller of iDirect equipment into the region. We work closely with their VSAT division in the US and support each other on projects. They view us as the only go-to-market partner for VSAT solutions on the Ericsson platform. Obviously, this is a great partnership for us because Ericsson owns about 40 percent of the market share globally.

Ericsson's migration to IP made it a natural fit with iDirect. After nine months of testing, we are now working together on providing an IP end-to-end solution to GSM operators. The combination of the Ericsson Abis over IP – which provides built-in IP traffic optimisation - and the iDirect satellite platform dramatically reduces bandwidth costs for operators.

One interesting development is that Ericsson will be introducing local switching later this year. So if, for example you are in Lagos, Nigeria and you make a call and want to talk to another person in Lagos, under the traditional mechanism your call will go all the way to the main switching centre before coming back to you. It's a long journey that takes up bandwidth. Ericsson's local switching means that it can be directed from the local base station instead, so the call won't tax backhaul bandwidth. The call efficiency is great and so is the call quality.

We recently announced our first joint customer: Nawras in Oman. The deal will extend GSM services to Oman's growing population. We're very excited about this and we are proud of our partnership with Nawras and Ericsson.

**Question: Working with your partners in the region, who do you expect your principal customers to be?**

**Rash Jhanjee:** Our major customers will continue to be the local telcos, especially in Africa, where they require standard infrastructure and connectivity. We are excited about our engagement with Gateway Communications who specialise in GSM communications in Africa and are looking to leverage iDirect's strength in this area.

Other major partners in the region include Batelco in Bahrain, Turksat in Turkey, Internet Solutions of South Africa and Algeria Telecom in Algeria.

We will continue to support a variety of organisations and enterprises, including, militaries, banks, ISPs, education and retail. Communications-on-the move (COTM) is a

major area of growth for us. Many regional customers know the work we have done in the US to support the military DoD and they are confident we can do the same for them. We are currently working with a number of system integrators and network operators on major COTM applications for maritime, land and air. We are also involved in a project in Turkey looking at railways.

Finally, we are researching the consumer space as well. There is great opportunity for multi-thousand site networks that require low-cost two-way units to enable applications such as IPTV to the home, to ships and to major educational networks such as NEPAD in Africa. These applications require all the strengths that iDirect has.

**Question: What are the other opportunities that iDirect will be pursuing in the near future in the region?**

**Rash Jhanjee:** We will be enhancing our system to further lower operating costs by improving the efficiency of our space segment. We are now moving to our new DVB-S2 platform called Evolution. For Africa, this is critical, because of Adaptive Coding Modulation (ACM), Evolution offers dramatic efficiency gains on top of the DVB-S2 benefits. Our new product suite can be readily implemented on existing iDirect hubs. This is a very positive thing for our customer base as they are protecting their investment.

**Question: Which markets do you expect to offer the most yield for iDirect in the Middle East and Africa? Where are the hotspots and the up-and-coming countries?**

**Rash Jhanjee:** We will be going after horizontal markets but we will also be looking at vertical markets, including, COTM and GSM and education.

We have plenty of hotspots in the region. The whole of Africa is seeing major growth. Nearly every other country is underserved. Key countries with significant petroleum operations are Nigeria, Ghana and Angola.

There are also many emerging educational networks in places like Mozambique. We will continue to focus on our existing African customers and will also expand to additional countries. We plan to open a new office in Johannesburg, South Africa this year.

This will enable us to better serve the region and provide vital training facilities. In the Middle East, Iraq and Afghanistan have huge demand for networks and solutions. Saudi Arabia is underserved by capacity and fibre. With Libya open, there is a new market opportunity there and India continues to be a major market as well.

**Question: It is an exciting time for iDirect – introducing new and innovative products to the market. What will the main objectives be over the next few months for this particular region?**

**Rash Jhanjee:** We have a very exciting six months ahead. Our new Evolution product line built on the DVB-S2 standard is a major focus for us. We will continue to maximise the use of the Dubai office for training facilities and hopefully open our new Johannesburg office. We pride ourselves on the service and responsiveness we provide before during and after the sale. ●

