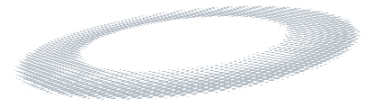


Spotlight



Against the grain

SASKTEL'S LONG HISTORY, COUPLED WITH ITS PUBLIC OWNERSHIP, HAS SURPRISINGLY GIVEN ITS INTERNATIONAL BUSINESS AN INNOVATIVE EDGE. **MATTHEW WHALLEY** REPORTS

Headquartered on the Canadian prairies, Sasktel is a government-owned telco that has shown that its ownership does not have to dictate business culture. In 1980, Sasktel was one of the first companies to deploy fibre and has been able to share its experiences outside its home market through its international business.

"Sasktel International was established 20 years ago to market Sasktel's technical and operational expertise around the world," says Steve Sousa, VP of marketing and operations for Sasktel International. "The company's business strategy is to continue to utilise and market Sasktel's wealth of knowledge where the opportunity exists. Sasktel International has been profitable for the past 18 consecutive years and continues to grow and diversify its business to align with industry trends and advancements."

The international business draws on the knowledge that its parent company has gained as one of the first movers in several technologies. In 2002 the company launched IPTV services, with HDTV over IP launched in 2006. "Sasktel continues to buck the trend that emerged in the 1980s around the world that, somehow, some way, government ownership of a phone company was anathema for modernisation or development," says Lawrence Surtees, VP and principal analyst, communications research at IDC Canada. "If it is bureaucratic and sloth-like then it is anathema, but ownership by itself is not going to be regressive or progressive. It is the policies that attend to it and the nature of the ownership."

The company has benefitted from a long socialist tradition in Saskatchewan as well as the efforts of the province's government to retain its population. Government investment in ICT has allowed Sasktel to gain expertise in technologies that other carriers are still wary of.

Says Sousa: "The first fibre-optic plant was built in Saskatoon as a result of Sasktel's large deployment. Shortly after its inception in 1986, Sasktel International's services and expertise were retained to design and commission the communications network for the English-French channel tunnel. This project definitely set Sasktel International off on the right track, leading to other lucrative engagements."

Sasktel International is active in north America, Africa and the Caribbean. It has a head office in Regina, Saskatchewan, and representatives all round the world. In 2007, it was awarded a three-year management contract to manage all aspects of the operations, maintenance and expansion of Tanzania Telecommunications Company. Such expansion should continue. Sousa says: "Sasktel International continues to explore opportunities in markets such as south America and Asia through its agent relationships. All markets which are not



Steve Sousa "exploring investment opportunities globally"

identified as primary interests are evaluated on a case-by-case basis."

Surtees explains that Canadian telcos have a storied history of offering consultancy services outside their home markets. He cites the creation of Bell Canada International in the 1960s as setting the stage for other Canadian telcos to look beyond their borders, the key moment in this development being Bell Canada's modernisation contract in Saudi Arabia awarded in 1978.

"Sasktel International will continue to explore and pursue investment opportunities globally as a means for growing its presence and revenue streams more aggressively," says Sousa. "The company's software solutions also continue to play a significant role within the business. Demand for the solution and product continually grows while generating further revenues to support product development to address existing and future clients needs."

In 2007, Sasktel had revenues of approximately \$1 billion. In the third quarter of 2007 the company cited its wireless and entertainment businesses as well as sales in premise equipment as its primary drivers for growth. Sousa notes that Sasktel International does not make up a large percentage of parent company revenues.

Sasktel has been successful in moving up the value chain in its home market and serving a shrinking population – currently approximately one million, according to the Saskatchewan Bureau of Statistics. Telecoms knowledge may not be quickly associated with the bread basket of Canada, but Sasktel International is taking the skills it has gained at home and sharing them abroad. ■