STEPPING OUTSIDE OF THE 'BOX' TO ADDRESS A CUSTOMER PAIN POINT

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Customers are looking for partners who can do more than just provide them with "boxes." To really partner with customers, sometimes you have to step outside of the box. Providing a comprehensive, advanced Spares Management Program solution to MTN Nigeria—Aviat Networks' largest customer and a major Tier 1 mobile network operator in Africa—is a prime example of what can be accomplished when stepping outside of the box.

CHALLENGING ENVIRONMENT

As many are aware, Africa represents a challenging operating environment where on a daily basis mobile operators have to contend with power outages, lack of infrastructure and a shortage of trained personnel. Due to these issues, MTN Nigeria was experiencing significant challenges with its spares management related to its overall installed base of network equipment. This included having more spares than were needed but never having the right spare in the right place at the right time.

Even though the customer had a large supply of spares as part of capital expenditures, it was actually very difficult to keep track of the physical inventory. In this situation, MTN Nigeria asked its suppliers to manage the problem. Each supplier was to take account-ability for owning and managing the problem for the customer.
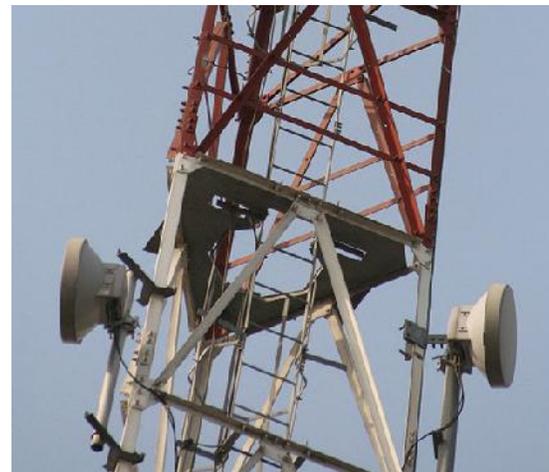
Figure 1. Aviat Networks' services team delivers critical spares with 90 percent on-time availability to MTN Nigeria cell sites, as per the SLA with the leading mobile operator in Nigeria and all Africa.

OUT OF THE COMFORT ZONE

This is well outside of the typical services that wireless solutions providers normally offer. Historically, Aviat Networks has provided repair support services to customers and perhaps managed some spares at a company facility. Then if something was needed on short notice, Aviat Networks' service personnel could deliver critical parts to the customer's premises. However, taking on management of the complete customer inventory of spares was something that Aviat Networks had never done.

In addition, MTN Nigeria identified very specific Service Level Agreement (SLA) terms that had to be met or there would be penalties. Not only were we asked to do something outside of our comfort zone but also if we did not perform as per the SLA, there would be a price to pay.

The services team in Nigeria went to work on the proposal with an abundance of caution because they were working without a model on which to base a proposal. There was no precedent for a service of this nature within the company. Also, any proposal would require complex legal negotiations, upfront investments to buy the customer's existing spares inventory and negotiations with third-party partners (e.g., DHL) to ensure that they could support the SLA.

After more than eight months of extensive negotiations, the Nigeria services team reached an agreement with the customer. The MTN Nigeria Spares Management Program has now been in place for more than 18 months, and—aside from a six-month ramping phase—it has continually outperformed the customer's expectations (Figure 1).

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Aviat Networks' service teams leads in performance among all the suppliers who execute similar services. MTN Nigeria has been convinced that Aviat Networks is not just another box provider but a full partner that it can count on to help streamline the business.

The Nigeria services team demonstrated a strong determination to get the job done no matter what the obstacles. They built a Spares Management Program from scratch that can be ported to other customer environments. They have strengthened the relationship with MTN, which is already opening doors to a broader range of services opportunities not only in Nigeria but also in other MTN regions.

VALUE-ADD TO THE CUSTOMER

Looking at the value-add the customer derives from this effort, MTN Nigeria has accomplished much with its Aviat Networks partnership in 18 months:

- Freed more than $1.5 million of capital that had been tied up in spares inventory (Figure 2)
- Spare parts availability to field engineers that has better than 90 percent on-time performance
- Protection from spare parts obsolescence
- Well-defined reporting on spare parts availability and usage
- Clear line of accountability and traceability
- Improved downtime performance of the transmission network due to better spare parts availability

In addition, MTN Nigeria has gained long-term control over its spare parts budget. Its rolling three-year contract automatically renews with Aviat Networks each year provided the company has met the current year's performance requirements. Then the forecast demand for the upcoming year is evaluated. Once the budget is finalized, MTN Nigeria knows the upper limit to budget for that year, freeing capital for network expansion.

Figure 2. By taking ownership of MTN Nigeria's spares and then delivering them to the operator on an as-needed basis, Aviat Networks has helped free capital for its network expansion in one of the most competitive mobile markets in the world.

ULTIMATE SUCCESS

Based on the success of the work in Nigeria, Aviat Networks sees new opportunities in the services sector. We'll continue to deliver on our commitment to MTN Nigeria. Aviat Networks' Spares Management Program as well as future "out of the box" support should solidly meet the customer's services needs for many years.