



Chief Executive Officer of Phase3 Telecom Stanley Jegede

Building Africa's Digital Infrastructure: A Look at the Future of Connectivity With Phase3 Telecom

BY PAUL TRUSTFULL

As the African continent continues to undergo a massive economic and social renaissance after decades of neglect and underinvestment, the technology sector is rising as one of Africa's key success stories. Africa's burgeoning telecommunications industry, which has seen tremendous growth due to privatization and private-sector investment, holds the power to develop the continent and help Africa realize its full potential.

At the heart of this digital resurgence is Abuja, Nigeria-based Phase3 Telecom, West Africa's leading technology infrastructure provider. Phase3 Telecom Limited is a national long distance operator (NLDO) licensed by the Nigerian Communications Commission (NCC) to provide transmission services in the country. The company operates an effective and reliable fiber-optic backbone on high-voltage power transmission lines. Phase3 runs a neutral and open-access network that makes it easy for operators

to provide their services without having to commit the significant capital required up front to build their own networks.

As of early 2014, Phase3 has a fiber-optic network of over 6,000km and has established a presence across most major cities in Nigeria—sub-Saharan Africa's largest telecommunications market—including Lagos, Ibadan, Benin, Abeokuta, Ilorin, Abuja, Kaduna, Kano, Port Harcourt and Calabar. Led by CEO Stanley Jegede, the company is continuing to expand into the West African sub-region. Phase3's fiber-optic network

provides voice and data services for a client base that includes telcos, ISPs, government institutions, schools and universities, corporate organizations, businesses, hospitals and residences.

Phase3 Telecom's primary goal is to leverage its ability to increase the connectivity that will help Africans advance economically. With a clear understanding of the link between a high-bandwidth per-capita metric and GDP improvement in modern economies, Jegede and Phase3 are poised to bring the Nigerian economy to new

levels. Phase3 Telecom is working diligently to expand its fiber-optic network in Nigeria and into other West African countries, from the Republics of Benin and Togo to Ghana, the Ivory Coast and all the way to Senegal—cutting down the extremely high cost of connectivity and making capacity available to all, including those in underserved and underprivileged areas.

“We are committed to facilitating this improvement and delivering its benefits to as wide an audience as possible in Nigeria and within the West African sub-region. Despite the rapid growth we have experienced, local demand continues to increase exponentially, and so there are still huge investment opportunities. Telecoms service delivery in developed markets is continuing to evolve at the same time, so it will still take years for Africa to achieve comparable services,” asserts Jegede.

From Humble Beginnings to a World-Class Infrastructure Provider

According to Jegede, no single ingredient has been responsible for Phase3’s success; rather, a series of events has culminated to make the company the phenomenal success it is today.

Phase3 Telecom’s story began in America, where Jegede was exposed to and inspired by the simple yet effective telecommunications business model and approach used by Level 3 Communications. Jegede began his career as a senior business analyst who successfully managed several telecom-related projects.



Stanley Jegede and Nigerian business magnate Alhaji Aliko Dangote

On returning to Nigeria in 2002, Jegede sought to apply his knowledge to the newly emerging telecoms sector. Jegede understood that building and driving innovative, ground-breaking telecommunications technology could have a major positive impact on the lives of people across the continent—and indeed Phase3 Telecom

has been well received. Having provided personal contributions to a broad range of initiatives including establishing a school and supporting a variety of charities in Nigeria over the last decade, Jegede has recently established the Stanley Jegede Foundation to provide a more structured and expansive approach to giving back, with a core focus on education. His personal foundation will work closely with the Phase 3 Telecom Foundation, which manages and guides the corporate giving activities of his company. By ensuring a sustainable and focused structure for his personal giving and aligning its role clearly with the giving agenda of his company—which focuses exclusively on supporting wider connectivity—Jegede is seeking to ensure that the development of both the physical infrastructure and human capital Africa needs is accelerated.

“It is very important for me to have African companies at the heart of our long-term development. With so much attention focused on Africa’s crumbling infrastructure, the telecoms sector is a shining beacon of success, having attracted the investment and expertise to roll out world-class infrastructure,” Jegede explains.

Stanley Jegede and Nigeria’s Honorable Minister of Communication Technology, Mrs. Omobola Johnson





Stanley Jegede and Nigerian President Goodluck Jonathan

Phase3 Telecom's Role in Africa's Digital Future

Today, Nigeria is embarking on the second phase of a telecoms boom: First-wave adoption of basic value-added services has already taken place, and the platform and infrastructure are ready to support rapid expansion. Phase3 is well equipped to usher in the second wave of development.

Across Africa, GPS devices are being used to map villages; crop insurance is being provided to farmers through e-payment gateways; teleradiology programs are addressing the lack of trained healthcare workers; and millions of subscribers are being empowered to send and receive money via

their mobile phones. International organizations have recognized the importance of ICT in driving development and are devoting more of their resources to deepen

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PHASE3 TELECOM

communications technology access in developing countries, with over 74% of the World Bank's project portfolio in 2012 incorporating ICT components. A recent GSMA report suggested that mobile contributes more than 6% of Africa's GDP, more than any other region globally, and this is forecast to increase to 8% by 2020. To a certain extent, Africa can use enhanced connectivity to bridge its wider infrastructure deficit.

Phase3 Telecom has built its success on the provision of infrastructure, addressing a major gap in the market. That job is far from over. Nigeria now has three major submarine cables supplying significant IP capacity to the market— but distributing that capacity remains a challenge.

With over 110 million active GSM subscribers in a population of 170 million people and significant new capacity, a wave

of demand is driving rapid expansion in the rich-data segment. Voice services are suffering as a result, however, as the GSM networks devote more of their already-limited spectrum allocations to higher-margin data.

As only 4 million of the 110 million mobile phones in the country are smartphones, the possibility for growth is incredible; in fact, some estimates suggest that there will be nearly 35 million smartphones in Nigeria within 5 years. More smartphones means ever-increasing demand for data— something Phase3 is perfectly positioned to help facilitate.

"We aim to build upon our position as the undisputed leader in the provision of fiber-optic broadband infrastructure in Africa," says Jegede. "Our vision goes far beyond infrastructure. We have a platform from which we can move into a suite of value-added services—from television, radio and broader entertainment piped into homes much as British Telecom, Comcast and Verizon FiOS have done, to the development and application of e-learning, e-health, e-government, e-commerce and e-payment solutions. We believe that by working with a number of carefully selected world-class partners over the coming years, we can accelerate this process."

As the African continent's digital revolution begins to materialize, Phase3 Telecom's position as a market leader is undisputable. Today the firm is well on its way to positively impacting the lives of West Africans and improving the welfare of all Africans by developing the key infrastructure necessary for growth. ■



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