

# How Helios Towers Africa continues to raise the bar in operational excellence

Published on September 1, 2017

By Laura Graves

Supply chain management, vendor upskilling and Lean Six Sigma thinking

As the first independent tower company to have entered the African market, and with a portfolio of over 6500 towers across four countries, Helios Towers Africa have an unparalleled understanding of the complexities of operating in the African tower industry. Ahead of the TowerXchange Meetup Africa & Middle East (held on 3-4 October 2017 in Johannesburg), TowerXchange had the pleasure of speaking to Helios' CEO Kash Pandya to understand the towerco's biggest challenges and hear how the company's application of Lean Six Sigma processes has led to a 90% improvement in power uptime and savings of over \$20mn in supply chain costs.

**TowerXchange: With a footprint in four different countries, please can you explain how operational challenges vary market to market?**

**Kash Pandya, CEO, Helios Towers Africa:**

The economic, business and geographical climate varies significantly across the four markets in which we work.

Tanzania is our biggest market in terms of tower count and joint largest in terms of revenue and EBITDA generation. The economic and political situation is relatively stable, civil unrest is limited and thus does not present a major problem, and the skills level is comparably high, thanks in part to a good university in Dar Es Salaam.

The biggest challenges in the market are however presented by the sheer scale of our operations (with almost 3,500 towers in the country) and by environmental conditions. Tanzania experiences a long rainy season which has the potential to be disruptive. Ensuring that our business is resilient to such events whose occurrence is outside of our control is of the utmost importance. Implementation of Lean Six Sigma processes (which I will explain in more detail) has been transformational in improving our resilience to such events.

The DRC is our second largest market in terms of tower count and equal with Tanzania on revenue and EBITDA generation. The sheer geographical land mass of the DRC coupled with a lack of infrastructure presents a major challenge in the country; under developed airports and roads can make access to sites difficult. To work around this, advanced planning is critical, with a need to build in extra lead time to take the logistical challenges into account.

In addition to the challenges with reaching sites, the DRC is going through political elections at present which is leading to some instability. Having a highly experienced local team that is familiar with the political situation as well as the local culture and challenges, helps to ensure that our business can manage our operations safely and effectively. Maintaining service levels whilst protecting our employees and partners is our top priority. From our CEO, Leon-Paul Manyamba to the engineers and partners in the field, we have local individuals in place who bring knowledge of the country as well as the tower industry.

Congo Brazzaville is our smallest market with just under 400 sites in our portfolio in the country. It is also our newest business with Helios having bought Airtel's towers in May 2015. We are currently investing in developing the organisation in the same way as we have in other markets, putting in place the processes and team to ensure that we are operating effectively. Like the DRC, Congo Brazzaville is also experiencing pockets of instability and so ensuring safety whilst managing sites is a priority.

Ghana is the most developed market in terms of operators and the technologies being used but has had its own unique set of challenges, particularly in terms of power; grid availability has been up and down over the past few years and whilst the government has invested in improving this, the cost of power has now become extremely high (over \$0.40/kWh). Becoming more resilient to power outages whilst also looking at ways to bring our cost of power down through the deployment of hybrid solutions is central to addressing these challenges.

**TowerXchange: Can you explain the decision-making process when it comes to Helios selecting their maintenance partners?**

**Kash Pandya, CEO, Helios Towers Africa:**

Over the past couple of years, we have been focusing heavily on what we need to do to improve our network performance and deliver on our promise of exceptional customer service. To achieve this, we need to invest in technologies, our people and our partners.

About a year ago, we came to the decision that we had too many maintenance partners doing the same thing. Not only did this increase our workload having to manage a larger network of partners but it also meant that each partner had a smaller volume of sites, making it hard for them to justify investing in their businesses, employing the right people and purchasing the right tools.

We quickly came to the conclusion that we wanted to reduce the number of partners we worked with, giving them more volume and selecting the companies with the right management teams and technology in place. We issued a formal RFP, carrying out rigorous assessment of proposals and selected four partners in Tanzania, three in the DRC, one in Ghana and one in Congo Brazzaville. We made the decision to commit to three-year contracts with each partner, enabling them to hire the right people and invest in the right tools and vehicles to carry out the job effectively.

**TowerXchange: What mechanisms have been put in place to improve the capabilities of your employees and partners?**

**Kash Pandya, CEO, Helios Towers Africa:**

Whilst people have often spoken of a skills shortage in Africa, Helios have always felt that we have been able to hire great people. Whilst there is a good pool of individuals with the basic academic qualifications and some industry experience, the quality that has always stood out has been the commitment and enthusiasm to learn new skills and do a good job. I have

worked in various different industries across the globe and the enthusiasm to learn new skills that I see in our markets is second to none.

Where Helios has now started to see great results however is through the implementation of Lean Six Sigma processes that were adopted in the developed world back in the 1980s. Putting in place structured and formal processes to support staff whilst continuously reapplying learnings has helped to develop skills levels and drive operational excellence across the board.

Our mantra is “one team, one business” and so not only has this methodology been rolled out across our workforce, but we have also rolled it out into the supply chain. We have created Green Belts within our partners, we have moved into shared premises with them, we have introduced a daily routine where we get everyone together at 7AM to talk through what happened the previous day and what needs to happen today and we even include our clients in these meetings.

Since doing this we have seen a step change in the business. Not only have we seen service performance improve significantly but we have also seen a big change in culture. Previously where individuals may have shied away from challenging senior management or putting forward suggestions, we now see confidence growing across all levels of the organisation. Our focus is very much on supporting our partners; rather than putting an emphasis on pressuring them to perform and penalising them when they don't, we work hand in hand with them to enable them to perform.

**TowerXchange: What kind of improvements in performance have you seen through the implementation of such processes?**

**Kash Pandya, CEO, Helios Towers Africa:**

As a tower company, our main KPI is service level to the customer, measured by downtime per tower per week. In order to meet Six Sigma levels, downtime needs to be less than two seconds per tower per week. By the end of May this year, 88% of towers were performing to Six Sigma standards and we continue to focus on the other 12%. Since implementing lean Six Sigma, our uptime has improved by 80%.

In addition to an improvement in site uptime, we have also significantly improved the lead time to execute projects, be that the rollout of a new tower or hanging new equipment on existing towers. When a customer decides to install new equipment, they want it to be active as soon as possible, any delay can constitute a loss of revenue to them and so reducing lead time is essential.

With Six Sigma, it isn't just about the KPI itself but also about understanding variation in KPIs and what is causing it. If you notice a deterioration in a given KPI it is important to drill down into the root cause, asking the “five whys” about why it occurred, taking the necessary steps to rectify it and then feeding back the learning into the business. Whilst hitting KPIs is important, so is stability of KPIs, ensuring that they are only moving in one direction, setting ever higher standards to achieve.

We have also applied Lean methodology to our supply chain management. For example, a couple of years ago we bought generators from 64 different manufacturers, we now buy from just two. These companies provide additional services for us including holding a consignment of stock and spare parts in the country to enable fast repair and replacement. Applying Lean methodology to supply chain management has enabled us to take out \$20mn in supply chain costs and improve lead times and service levels from our partners and suppliers.

As a business, we have a culture of measuring KPIs regularly and making sure the results are highly visible. Whether you go into one of our local offices or our head office in London, you will see boards displaying figures, from service levels to sales, ensuring that everyone can see how we are performing.

### **TowerXchange: What's next for Helios in driving operational and business excellence?**

#### **Kash Pandya, CEO, Helios Towers Africa:**

Six Sigma is a continuous process, it is not something that can be finalised in say, a 12-month period, you need to keep implementing it deeper into the culture of the business until employees and partners know no other way of working and we will continue to focus on this.

In addition, we are working on deploying key technologies which will support operational improvement. One area is in power, deploying both hybrid and solar solutions. The move is not only to reduce operating costs but it also moves us from mechanical to digitised systems. Mechanical systems, such as generators, are by their very nature vulnerable to failure whereas digitised systems offer a much more robust way to manage power on site.

We are also continuing to develop and rollout an electronic platform which will enable the more effective management of our sites. In Europe for example, it is commonplace that an engineer who shows up service your boiler will have a handheld device giving them the boiler's full service history in conjunction with client details and also an inventory of spare parts they have in their van. Such systems are user friendly and allow the engineer to be equipped with all the information he needs to carry out the works.

We are now starting to implement that same functionality into our business and have been working on a platform for the past 12 months. The platform has been rolled out in Tanzania and we continue to roll it out across our other markets, embedding it into our maintenance partners as well as employees.

Combining this investment in our people, partners and technologies will enable us to build upon the massive improvements in service levels that we have been demonstrating over the past few years.

<https://www.towerxchange.com/how-helios-towers-africa-continues-to-raise-the-bar-in-operational-excellence/>