



Throughout Australia, large infrastructure owners such as rail and electricity distribution and transmission providers build, own and operate telecommunication networks for the management and control of their core infrastructure.



A large Australian electricity distributor concluded that the unrealised value in the spare capacity on the telecommunication infrastructure could be accessed if spare capacity could be made available for use by others. The distributor sought to enable the use of spare capacity by others with the combined goal of delivering alternative competitive options for regional locations plus the potential to generate supplementary revenue.

The Business Challenge

To convert the concept of telecommunication asset commercialisation into a real business requires consideration of regulatory compliance, valuation of spare capacity, impact on core business functions and the operational requirements (e.g. interfacing) of providing telco services plus the establishment of the support components to enable delivery.

The Gravelroad Solution

Based on key Gravelroad team member's knowledge gained through significant experience working for both carriers and customers we have supported the client through the journey of becoming a successful supplier of spare telecommunication capacity for the last ten years.

Our initial involvement was the consideration of the regulatory regime impacts, both Telecommunication and Electricity, to develop an appropriate framework for the proposed business function. Analysis was undertaken, in conjunction with legal representatives, to ensure compliance with the Telecommunication Act and the appropriate methodology to asset use with respect to the regulated financial returns provided for an Electricity Distributor. Key initial activities also included the negotiation of suitable supplier arrangements to enable a viable product to be delivered.

Subsequent to the establishment of the initial framework, Gravelroad provided guidance and input to the development of suitable product definitions which considered both the potential user requirements and the capability of the

client to deliver and support. Based on the agreed products to be delivered Gravelroad developed the pricing model which formed the basis of all commercial engagements.

During the last ten years of operation the Client's revenue derived from the commercialisation of spare capacity on its telecommunication assets has grown to be many million dollars per year.

As required by the client, Gravelroad has been engaged to review and refine the business model and to introduce new product types as the organisation matured. A recent project example was the development of a Business Plan and Strategy targeting the further expansion and growth in revenue. The strategic review included analysis of options from both financial and operational perspectives.

The Outcome

A successful multi-million dollar business has been developed within the electricity business that has complemented the core business activities. Through its operation it has had a significant impact on the level of competition in the areas it services plus providing an additional source of revenue for the organisation.

Related Work

Gravelroad has assisted and continues to assist several large infrastructure owners, rail and electricity, to establish mechanisms to realise the value in the spare telecommunication capacity in the form of either passive assets or activity delivery of connectivity.

Gravelroad is an independent professional change management consulting firm with a difference. What sets us apart is our customer centric culture, which drives our collaborative approach. The combination of our teams' deep and practical industry experience, our ability to work in close partnership with our Clients, and our independence from any one solution, enables us to provide Clients with advice that is aligned to their strategic direction.

.. development of a Business Plan and Strategy targeting the further expansion and growth in revenue ..

SERVICES

- Current State Analysis
- Strategic Review
- Business Case Development
- Commercialisation
- Network Valuation

