

An IFC Reports Interview with

Mr. Salman A. Albadran, CEO, VIVA Telecom, State of Kuwait

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For our special report on Kuwait



IFC REPORTS: Once a state monopoly, Kuwait lead the way in the region for being the first Gulf market to open itself to competition in the mobile services sector. The authority in charge of its supervision is the Ministry of Communications, who still controls the fixed-line services and the international gateway in Kuwait. What benefits do you see in having a competitive market, focusing on the need for further privatisation?

MR. SALMAN A. ALBADRAN: Competition brings out the best in human beings and corporations. And no country is an exception in this regard. A competitive market makes its employees more competent which in turn leads them to be more self reliant and more self confident. Privatisation enables more exposure to the best practices in the industry and corporate governance and opens up more business and employment opportunities for the citizens. In the end, the whole country benefits from Privatisation and the subsequent competitive market.

IFC REPORTS: What are your views on the need for an independent regulator in Kuwait?

MR. SALMAN A. ALBADRAN: An Independent Regulator is essential and mandatory for maintaining a competitive environment and ensuring equal opportunity to all parties involved. Kuwait led the Telecom liberalisation in this part of the world. It is understood that an independent regulator will be instituted in 2011 which will open up new areas of business for VIVA and other Operators.

IFC REPORTS: His Highness the Amir has continually stated his aspiration to diversify the Kuwaiti economy from its dependency on Oil, and regain its position as a regional leader in financial and commercial services. The Diversification Plan was unanimously approved by parliament in January 2010 and aims to inject \$125 billion dollars worth of investment into the economy between 2010-2014. Given the growing importance of telecoms in the business environment and on its role as an enabler for economic growth and development, what opportunities do you foresee from the Development Plan for VIVA?

MR. SALMAN A. ALBADRAN: At this point in time, VIVA's license is for GSM operations as in the case of Zain & Wataniya. Diversification Plans will depend upon establishment of the Independent Regulator, License Regulations and the Business case of the possible operations.

The future of mobile operators is very much dependent on the future of Mobile broadband. Nowadays the market started addressing more on Fixed Mobile substitution than Fixed Mobile convergence. Mobile number portability, mobile broadband and innovative service packages will govern the future market growth and development. Each operator has equal chances in the new scenario.

IFC REPORTS: The mobile telecommunications market here in Kuwait has a reported 125% market penetration with Internet services marking a 40% market penetration; both well above the global averages. Because of this, Kuwaitis have quite a highly customer-oriented demand for quality, looking for innovation from their providers. In Kuwait we saw the end of a duopoly in 2008 with VIVA's entrance into the market, and

you have now reportedly taken 18.6% market share. Could you please provide us with an insight into VIVA and the reasons why it saw the opportunity to establish?

MR. SALMAN A. ALBADRAN: Kuwait is one of the attractive Telecom markets for STC (Saudi Telecom) and there is a lot of opportunity in Mobile operations here. It is one of STC's strategic projects. We are starting to see the benefits and the positive outcome of this investment.

IFC REPORTS: What would you attribute the success of Viva here in Kuwait?

MR. SALMAN A. ALBADRAN: First of all, STC is an experienced Telecom Operator. In addition, the Kuwait market is different to other markets, and they still look for quality and unique value-added services. I think, STC's Operational experience in competitive markets and offering quality of service and differentiating value added services at reasonable prices are the keys to STC's success.

The entry of new operators will stimulate competition in any market. However the successful number booking campaign permitting the customer to choose own mobile number, initial free on-net calls for three months and the market identification of VIVA as the enabler of free incoming calls have established VIVA as successful market competitor from the very beginning. VIVA's customer centric plans continue to sustain VIVA as a successful competitor.

IFC REPORTS: You have been heavily involved since VIVA's inception, firstly as Chief Technical Officer and now as the new CEO. What is your vision for VIVA going forward?

MR. SALMAN A. ALBADRAN: We plan to change VIVA's position in the market in 2011. We want the VIVA brand to be number one in Kuwait and I think we need to do a lot to achieve this. We are looking forward to be a customer-centric service provider and VIVA brand as the operator of choice in Kuwait.

2011/ 12 are the critical years during which the Operators have to plan and build up the base for this decade during which the Mobile Broad Band (MBB) technique, services and applications will play the critical role in shaping the future of the operators. No operator can afford to miss this opportunity but the methodology of meeting the MBB targets could differ from one operator to another.

With the current pace in the development of technology, it is quite difficult to predict any definite plans beyond two years, in spite of developing short term and long term business plans, where the duration of term varies from operator to operator.

IFC REPORTS: What specific efforts are being made to innovate and differentiate VIVA's services?

MR. SALMAN A. ALBADRAN: Implementation of HSPA* and LTE are of prime importance to enhance the on-line experience of its customers. Customer Perception and Customer Experience have replaced Network and Service centric parameters in evaluating the Operator performance. These facts will be governing VIVA's future activities.

IFC REPORTS: There is a saying – "Without good leadership, there can be no success". What is your philosophy on management and how do you bring this to the organisation?

MR. SALMAN A. ALBADRAN: We are working on developing a good corporate culture and a motivated team so that the company can achieve its objectives. We are trying to move the team to a crisis-mode in 2011 to achieve our immediate objectives.

It was a challenge to establish the Network and launch commercial operations in six months which we did with great success and its merit goes to the great team effort. The big challenges of 2011 are to provide premium customer experience, increase market share and enhance shareholder's value.

IFC REPORTS: Given that we will be publishing our report on 19th June which is Kuwait's *true* independence day, is there any final message you would like to convey to our American readers with regards to VIVA and your new position?

MR. SALMAN A. ALBADRAN: Before you came in, I was looking at the TV Commercials reflecting the values of the Kuwaiti society to be aired on the day of celebration which happens to be on Feb 25 instead of 19th June. VIVA is a part of the community-and as such I look forward to serve our customers to the best of our capability.

IFC REPORTS: Mr. Al Badran, thank you very much.