

4.

[www.four.co.uk](http://www.four.co.uk)

FOUR HELPS STREAMLINE OPERATIONS  
AND BOOST BUSINESS EFFICIENCY IN TWO  
CONTINENTS **FOR TIGO**

4.

CASESTUDY

## 4. CASESTUDY



### Guatemalan and Tanzanian operations of dynamic global telco Millicom adopt the iPOS workflow and e-procurement system

Millicom International Cellular SA is a company in very strong growth mode, global credit crunch very much aside. Listed on both the New York and Luxembourg stock exchanges, the company saw a massive 30% boost in its sales for the 2008 financial year, to \$3.4bn, with net profits climbing to a very healthy \$517m.

#### The Tigo Brand

The reason for this success in such a tough global telecoms market is the company's expertise in providing affordable and widely accessible prepaid cellular telephony services to more than 30 million customers in a number of key emerging markets in Latin America, Africa and Asia. The company has seen its global subscriber base rise to 32 million – and rising.

The firm has now accumulated a lot of experience in serving the specific customer needs in its operations, be they its new operation in Rwanda or some of its more long-established subsidiaries. At the same time, the firm – which very much believes in 'think global, act local' – has to meet stringent global financial regulations in the shape of the Sarbanes-Oxley (SOX) rules.

Four has stepped forward to help the firm both meet and support issues in its operations in two key initial rollouts, Guatemala and Tanzania, in a move that may

eventually mean as many as 2,000 Millicom/Tigo staff worldwide use the system in a co-ordinated fashion.

As of the rollouts in both these two pilots in the summer of 2009 some 300 Tigo staff are already seeing the direct benefit of the decision to implement the iPOS solution through Four.

#### \$50 To \$5,000,000 Purchase Orders

Four's work so far with Tigo illustrates the need for a capable IT services partner to be highly flexible and adaptive to the requirements of a truly multinational company like this one. Creating a mobile phone service involves large budgets, of up to \$100m, for instance, to set up stock with thousands of handsets and the infrastructure costs setting up a national network of Towers, at \$100,000 each. And of course after the initial outlay, suppliers need to be paid on time, ongoing expenditure monitored and justified, staff expenses paid (which can include advances for travel and per diems in some countries) to paying contractors on time and so forth.

**“Setting up and then managing a Tigo operation involves a lot of investment and capital expenditure which then needs to be efficiently managed,” acknowledges Andrew Hodgson, CFO of Tigo Tanzania.**

Andrew's country office is typical of some of the newer Tigo operations to come on stream, he adds, with smaller IT infrastructure and support than other geographies but also handles a huge number of operational challenges like setting up the infra-structure within the new Rwandan operation. At the other end of the Millicom spectrum is an operation like Guatemala's, says Fausto Aragon, Supply Chain and Procurement Director for that area of Central America: "Here we have a 50 foot wall of monitors to keep an eye on the network and a much bigger IT team to help."



The good news is that aided by previous experience in developing markets, also in the telecoms space, Four's team has been able to work successfully with the different challenges each country imposed – while keeping to that all-important global agenda of SOX compliance and central Millicom targets and procedures. In the Guatemalan deployment, for instance, requirements were heavier around SOX issues and there was a need for a very high accuracy of data, while for the Tanzania rollout, local issues around the need for advance payments of key suppliers and specifics on withholding tax were more visible.

However, it's worth noting, says Dennis Kent, Supply Chain Manager, Tanzania, that "In both countries we had a lot of paper moving around the offices – too slowly. We were often seeing start to finish times for invoice processing here, of up to two months, which is just tedious for staff but also expensive and inefficient. The long delays just resulted in the team handling lots of phone calls and paper-chasing."

### Better Workflow

For Hodgson and other senior finance staff in the group, a move to an electronic system instead offered immediate benefits. "Our pain points were centred on the need for better [handset] stock management and scratch card management," he says, "allied with a

way to generally get a better handle on sheer volume and value of all the transactions in the system. As a company we issue what we call Capital Authorisation Requests [CARs] which are approved centrally in Luxembourg, the challenge is then to fully understand all the costs both actual, accrued and committed to ensure we are totally on top of how much of a specific CAR might still be left to run, for instance."

Electronic procurement would clearly help here with online budget checking, but that's not all Tigo felt it needed from something like iPOS. "Workflow was important because while we needed to get the 'back office' systems working more slickly we also wanted staff to feel more empowered and that their working practices were improved, dramatically if possible, by more automation," says Kent.

### From One Hour To Five Minutes – After 30 Minutes Training!

With this background it's understandable that Four's installation of the systems in the summer was against a set of reasonably high expectations. The welcome news is that the systems have met or even exceeded such.

For instance, one Tanzanian member of the procurement team sent an exultant company wide message reflecting his excitement that what had been a challenging fuel purchase requisition which would have taken him previously at least an hour could now be zipped through in just five minutes – something that he felt had released him to do better things with his time.

"That's great and we loved to see him and others so much more productive after just half an hour's real training," says Hodgson. "But what he and the other staff don't see is the amount of real time integration and speeding up of processes on the bigger scale. That's really the impact of iPOS for us."

The verdict so far is that even though the two company outlets had such different infrastructural and local business needs, iPOS has had an equivalent impact in terms of streamlining many previously cumbersome and paper-based processes, saving staff time, improving supplier relationships and at a stroke, seamless integration of invoices, greater local management visibility and that all-important dovetailing into company-wide processes and reporting requirements.

## Where Next For iPOS In Tigo?

Hodgson and Aragon see a clear opportunity for iPOS to deliver even more, both in their specific operations and at a wider Group level. "On the one hand we might start inviting suppliers directly within our intranet to link much more closely to our core financial systems and enter their own invoices directly onto iPOS, which would further increase efficiency for both parties," says Hodgson. "We could also, we think, start to look at iPOS as a platform to make visibility of spend and budget much clearer at a higher managerial level – feeding, for instance, into how we might do bid and asset management, say for when we win a licence for a new country.

"Basically, this could really help us in the way we operate internally, all the way from improved stock and scratch card portfolio operations to cutting our tons of the paper and forms we process, and making the lives of staff working with us so much more productive and efficient," adds Aragon.

"All in all, iPOS and the partnership we're getting from Four means we can see a real stable basis for even further penetration of Tigo into the key markets we serve now – and in the future."



## Solution Summary

Four has become a key partner in the drive for greater efficiency and operating excellence at two key subsidiaries of \$3bn multinational Millicom in both an African and a Central American context. Since the rollout in summer 2009 both its Tanzanian and Guatemalan operations have seen a big boost in financial transparency and control, increased employee efficiency and – vital for a company listed in both the US and Europe – tighter fiscal compliance. iPOS is increasingly seen as a key tool for this rapidly growing company's staff across the group globally.



## Client profile

Millicom International Cellular, trading as Tigo, is a mobile phone network provider in America, Africa and Asia. Headquartered in Luxembourg, the company provides mobile services in 17 countries. Millicom is also the owner of Amnet, a company that provides cable television and broadband internet services in Costa Rica, Honduras and El Salvador; additionally the company provides corporate data services in Guatemala and Nicaragua.

## Industry

Telecoms

## Web

<http://www.tigo.com/>

## Technologies

Professional Advantage iPOS purchasing tool, designed for Infor FMS SunSystems users who want to minimise the cost of purchasing and deliver measurable 'bottom line' savings to the organisation.

Four Business Solutions

4.

[www.four.co.uk](http://www.four.co.uk)