



PRESS RELEASE

Tellumat
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Repair, refurbish, maintain, upgrade and re-develop

Post-manufacturing service completes end-to-end product offering

For 11 years of the Tellumat Group's existence, its Customer Service Centre (CSC) has offered a low-key but highly successful post-manufacturing repair service – both to its in-house product divisions, and, increasingly, also to global original equipment manufacturers (OEMs).

With services including in- or out-of-warranty repairs as well as maintenance, refurbishment, upgrades and even re-development of obsolete equipment, the unit's value is obvious, says managing executive Achmat Rylands. "But the full benefit of it can only be fully appreciated within the group context."

Group value

Rylands says CSC offers its services as part of a comprehensive collection of the company's services, which cover the A-to-Z of product life-cycle management: design, manufacturing, implementation and support. This enables the company to enter the customer's product supply chain at literally any stage, or to manage it entirely.

That, in turn, implies that even 'non-Tellumat' products can be 'treated' in the company's repairs service centre. Since CSC is standards-compliant and pursues vendor accreditation for all products under its care, its service holds great product assurance benefits even for global OEMs, he explains.

Benefits to OEMs

"OEMs should strongly consider outsourcing their repairs, swap-outs and parts stocking to us," says Rylands. "Besides investing significantly in vendor supply, support and repairs accreditation, we have serious engineering expertise in the group that allows us to customise or re-develop products, and we are involved in supply logistics.

Other than that, Tellumat offers local response times, strict service level agreement terms, intimate product knowledge and deep domain expertise, as well as a full in-house service portfolio.

From a client perspective, Rylands says, Tellumat's customer engagement already includes pre-sales, sales, project and after-sales support, so the switch from global (OEM-led) product support to a local service is no big leap of faith.

Rylands summarises the benefits of using the repairs facility:

- Access to group manufacturing, product development and domain expertise;
- Strong wireless credentials i.e. as Neotel's supplier of data links in its WiMAX rollout;
- Dedicated repairs facility (focused support, a dedicated helpdesk, tight security and process standards and vendor accreditation);
- Service management (CSC uses an enterprise resource planning system, tracking products from arrival to billing to returns, and managing SLAs as well as trend reporting);
- Accreditation as an approved spares supplier;
- Large installed base (e.g. 100,000 payphones, 600 000 energy meters in 10 years);
- Flexible labour (as part of its enterprise development activities the company draws on contracting SMEs within its ranks to augment its fixed labour, and trains regional suppliers in its African markets); and
- A coastal presence and sound relationship with SA customs.



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The growth paradox

Rylands notes that, both in terms of growth and size, CSC is one of the smaller business units in the group. Paradoxically, this is a clear measure of its success – a bloated repairs division would seem to indicate poor products, serviced poorly.

With a lean, yet responsive staff complement augmented by the use of contractors, regional partners and in-house business units such as Manufacturing, CSC's costs are covered by less than 1% of the product sales of the product divisions.

So how will it overcome its growth paradox? In other words, how can it grow without increasing the incidence of product failure?

In short, it can't, says Rylands. "The answer lies in taking on more OEM partners, or broadening our product supply deals to include repairs. In this way we can scale up without devoting more manufacturing or development resources to growth, and with more products under our warranty, the opportunity for repair work will necessarily increase," he says.

Ends.

About Tellumat

Tellumat is an innovative, black empowered, South African technology company that has achieved a BBBEE Status Level 4 rating, defined as "Superior Contributor to BEE" in terms of the DTI's Codes of Good Practice. It consists of three major trading divisions; Communications, Defence and Contract Manufacturing, and three partly owned companies; SIA Solutions (Pty) Ltd, Eence Engineering (Pty) Ltd and SIMpill (Pty) Ltd. Tellumat services three primary market areas, namely wireless voice and data communications, defence communication systems and high precision electronic and mechanical manufacturing. Tellumat is a world-class business focused on innovation, offering our customers dynamic and competitive technology products and services. We focus on understanding our customers' needs and forming long-term strategic alliances with likeminded enterprises worldwide.

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