

## South Africa Country Transformation

*“Most consultants I know have a typical cookie-cutter approach. It took time to build up trust and credibility, but Cisco IBSG won us over with their open and tailored approach, their best practice in Brazil, and the partners they work with. They took on board our comments, and translated our rough vision and intent into a meaningful strategy.”*

*—Nomhle Canca, Chief Executive Officer, Blue IQ Investment Holdings, South Africa*

### In Brief

Blue IQ Investment Holdings (BIQ) is an agency within the Department of Finance and Economic Affairs of the Gauteng Provincial Government, South Africa. Blue IQ develops and incubates strategic economic infrastructure for sustainable growth. The engagement, nicknamed Blue Umbrella, kicked off in July 2006. It was structured into three specific work streams: primary and secondary market research; technology architecture with services pilot; and the integrated business plan (IBP) to help BIQ define: the physical infrastructure model to cover 95 percent of the province (using fiber and wireless networks); the front-end terminal model to allow distribution of low-cost computing devices; and the service provider model to create a public and or private vehicle to manage voice and data services.

### Customer

*Blue IQ Investment Holdings*

### Industry

*Provincial Government*

### Challenges

- Creating economic growth and a knowledge society hinges on successful delivery of broadband access and services to citizens, public agencies, and businesses.
- Broadband penetration is just over 6 percent in Gauteng Province, largely due to prohibitively expensive access, unavailable services, and low technology literacy.
- Certain ICT implementations are proving too costly and inefficient for the government.

### Solutions

- Cisco IBSG introduced Network Virtual Orchestrator (NVO), an innovative, new model that brings together various public and private partners under a program called “B-Link.”



*Cisco Internet Business Solutions Group (IBSG)*

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- Uses existing assets to build out a new infrastructure that will reach 95 percent of Gauteng's population, employing a business model aimed at consumer affordability and economic sustainability.
- Develops a comprehensive, investor-grade IBP that includes the NVO ecosystem, network architecture, end-user devices, market segments and citizen services, revenue projections, partnerships, ICT regulatory framework, pricing strategy, funding models, socioeconomic impact, and start-up operations.
- Define, together with relevant government departments and agencies, services that address education, health, safety, and security for citizens, services for SMBs, and access strategies and cost implications to businesses and citizens.
- Includes a pilot service program in a highly unmet area such as preventive healthcare, using cell phones or PCs to access patient data within a specific hospital.

### Next Steps

- B-Link has been transitioned to the Gauteng Shared Services Center (GSSC) for a province-wide rollout, renamed "G-Link" (Gauteng Link). Next steps are to:
  - Incubate service delivery applications, and provide access via the broadband network to launch connectivity-based businesses.
  - Initiate discussions with the National Department of Communications to explore nationwide implementation of NVO.

### Projected Results / Benefits

- **For South Africa:** Through this infrastructure, there will be numerous downstream benefits that are high on the government's delivery agenda, such as SMB development, e-health, and e-education.
  - The provincial government announced new budget allocations of US\$1.9 billion over five years, with \$600,000 already committed for the IBP, health pilot, and GSSC roll-out.
  - The health pilot has attracted nearly 400 diabetic patients, contributing to valuable empirical data-gathering on methods for reducing the cost of preventive healthcare for chronic illness through interactive website services to the home.
  - South Africa's National Department of Communications has recognized that the NVO ecosystem is "the most appropriate model for RSA" and, with BIQ, is exploring possible nationwide promotion and adoption.
  - G-Link is projected to contribute 15 percent of GDP growth in the ICT sector over five years, and to draw a total of US\$87 billion in investments for the provincial economy.
- **For Cisco:** BIQ is a new customer and valuable partner within South Africa's public sector, and the engagement presents a long-term business opportunity.

## IBSG Consultants and Other Team Members

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