Tarantula: swiftly adapting to IFRS 16 and always innovating for its large customer base

Cutting-edge lease modules, critical projects across Asia and more

Tarantula has a long history of successes in providing towercos across the globe its cutting edge portfolio management solutions. In this interview, Anders Smedberg, who has been recently appointed CEO and Head of Sales for the company, shares with TowerXchange some of the latest addition to the company's product portfolio such as the new IFRS 16-ready lease module and the innovative small cell module as well as insights into some of the most complex projects they have been working on.

Anders Smedberg, CEO, Tarantula

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- Tarantula's latest products suitable for small cell portfolios and IFRS 16 standards
- The company's engagement in Asia and examples of latest regional projects
- Why towercos shouldn't manage their portfolios via Excel sheets

TowerXchange: Most of our readers know Tarantula but can you please re-introduce the company, its operations and footprint? And what is your role within the company?

Anders Smedberg, CEO, Tarantula: I joined Tarantula at the beginning of 2018, taking on the dual responsibilities of CEO and head of the Sales team. I have over 25 years of experience in leading telecom, IT, and financial market companies and I was previously working with Ericsson where I was responsible for their BSS portfolio.

At Tarantula, I've been working closely with our customers since I started and establishing contacts in the towerco industry with the aim to secure our position as market leader in the telecom site management software space. Based on the feedback, we have adapted our go-to-market model to suit the market needs of rapid deployment, quick turnaround times and a flexible license model that suit small, medium, and large towercos. The response from the market and customers has been very positive and we already see a steady demand growth for our solution and expertise.

Tarantula was launched more than 15 years ago with the objective of creating site-sharing solutions for the operators and tower companies in the UK. At a time when telecom infrastructure sharing concepts were still considered to be a novelty, we offered web-based solutions with embedded workflows to simplify the process of site sharing. We have come a long way since then, having developed an end-to-end, purpose-built site portfolio management solution for tower
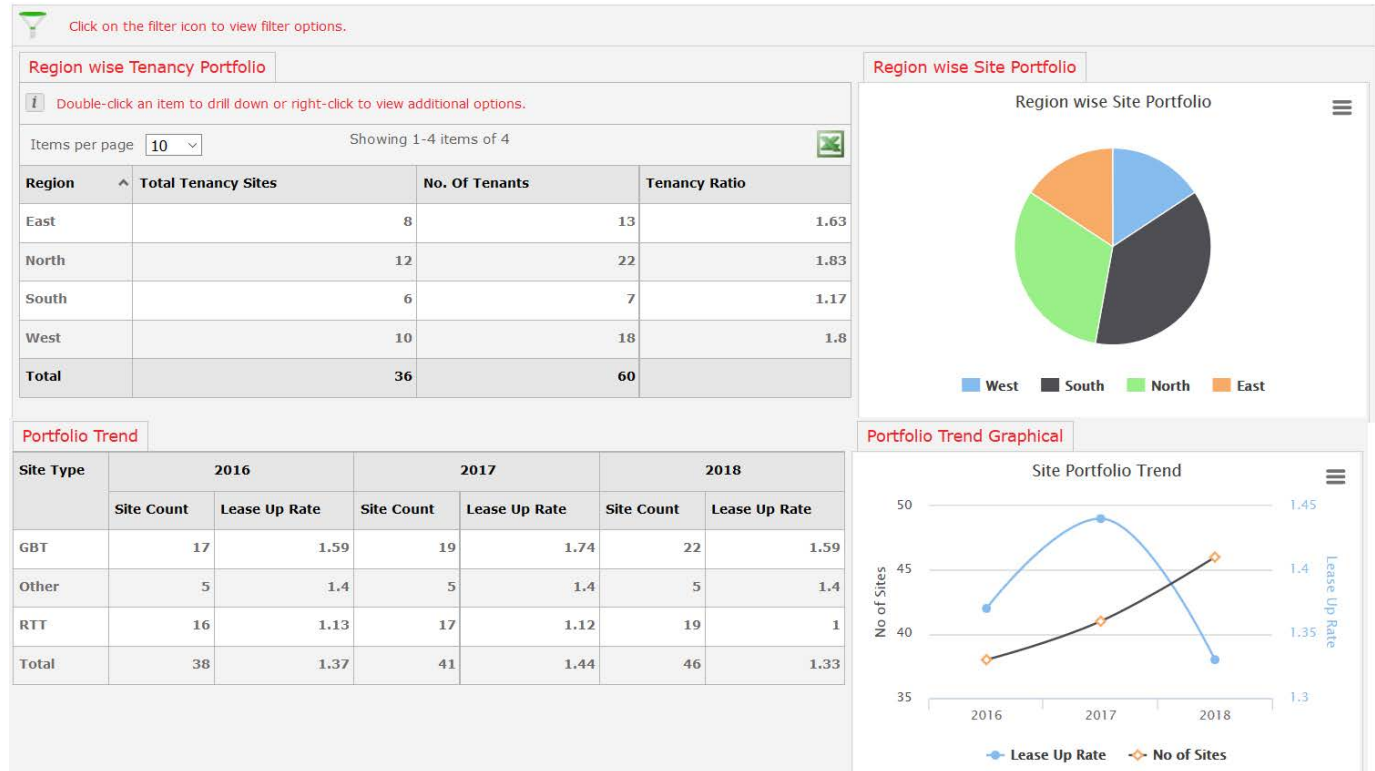
site owners to help them monetise their towers with efficiency and control. Additionally, with our value-based services, we strive to advise and lead our customers to maximise the value of their businesses.

We were acquired last year by Volaris Group, an operating arm of Constellation Software Inc., a Toronto-based software and services provider. The new ownership has opened avenues for us to enter new markets such as South America and Eastern Europe while enabling us to expand our product marketing capabilities. We have offices in Sweden, Singapore, and India while our customer footprint spans 15 countries. Our customers include both towercos that are in the growth phase as well as larger towercos operating in multiple markets with a mature business model.

TowerXchange: What is your latest innovation and product and what should potential customers know about them?

Anders Smedberg, CEO, Tarantula: The most time-critical concern for all infrastructure owners is the new IFRS 16 standard, which comes into effect after 1 January 2019 and will require organisations to include all leasing contracts with a contract term longer than one year on their balance sheets.

With most of our customers operating a large number of lease contracts across their portfolios, it was imperative for us to provide the tools for them to be compliant with this regulation. We have worked closely with our customers to understand the specific requirements of IFRS 16, the relevance

Region wise Tenancy Portfolio

Double-click an item to drill down or right-click to view additional options.

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Region	Total Tenancy Sites	No. Of Tenants	Tenancy Ratio
East	8	13	1.63
North	12	22	1.83
South	6	7	1.17
West	10	18	1.8
Total	**36**	**60**	

Portfolio Trend

Site Type	2016		2017		2018	
	Site Count	Lease Up Rate	Site Count	Lease Up Rate	Site Count	Lease Up Rate
GBT	17	1.59	19	1.74	22	1.59
Other	5	1.4	5	1.4	5	1.4
RTT	16	1.13	17	1.12	19	1
Total	38	1.37	41	1.44	46	1.33

for tower companies and MNOs, and developed an IFRS 16 add-on which will be deployed with our lease module. The add-on will enable our customers to recognise all assets and liabilities for all their leases and quickly move them to the new accounting standard.

The ultimate objective for any towerco is to enable its customers to search, order, and follow the deployment process of their equipment online. We have strengthened this capability in our solution to offer a "theatre booking" system where towercos customers can order tower space by assessing availability online. This is now operational with a couple of our clients already and we are certain

this unique capability will spread across all of our customers.

We have also been working on developing a small cell module for organisations that deploy large-scale small cell deployments. Delivering a small cell module with standardised process templates that can be swiftly configured has been a key focus of this module. We believe this will be well-received by the new and upcoming infrastructure companies especially across mature markets.

We are also keenly aware that with the onset of modern technologies and hardware, most infrastructure owners are striving to keep

operational costs low while harnessing modern tools such as drones to oversee and conduct their field audits. With that end goal in mind, we are setting up partnerships with drone operators and site audit vendors to ensure that the information gathered from the field gets synced back to the central data repository of our platform and gets converted into actionable data.

TowerXchange: Could you give us an update on some of your recent activities in the Asian market? Is there any new project that should be highlighted to our readers?

Anders Smedberg, CEO, Tarantula: We have been focused on strengthening our engagements across the Indian sub-continent as well as in Southeast Asia. Whether it is problem solving urgent issues or deploying new modules, our teams remain driven by a common goal of empowering tower site owners to build profitable and sustainable businesses. We believe that keen engagement from our customer end users alongside regular interactions from our account management and engineering teams can lead to a mutually beneficial partnership with our customers. We are rolling out programs such as user forums and webinars to enable our customers to highlight their ongoing requirements to us as well as share best-practice knowledge with their peers. This initiative has been well received by all our customers.

A major accomplishment for us this year has been the automation of billing for one of the largest towercos in Southeast Asia. Our billing module deployment enabled the towerco to achieve

complete control over their cash flow across multiple markets, with built-in support for multiple currencies, FX conversion, and complex billing mechanisms. Additionally, we also helped the organisation achieve optimisation and streamlining of their existing business processes across all markets through simplification and configuration of the process workflows. This exercise will simplify the daily tasks of most functional groups, helping them to increase their speed to market. Our next objective is to enable the organisation achieve control and visibility of their fixed asset register through a single source of data.

TowerXchange: What are the key markets where you operate in Asia and what are the characteristics of the portfolios that use your solutions?

Anders Smedberg, CEO, Tarantula: Our core markets in Asia are India and Southeast Asian countries including Malaysia and Indonesia. We have a strong local presence in both the Indian sub-continent as well as Southeast Asia, thus allowing us to expand with greenfield as well as mature organisations, in some of the most and least developed nations. We are closely following developments in places such as the Philippines and Bangladesh where the market is opening up for towercos.

We also understand that while most tower companies and MNOs typically follow similar ways of working, they also have unique differences due to the diversity in the region. Our product platform provides a baseline for organisations to get started rapidly with using a professional toolset

for site portfolio management. At the same time, the configurable layer offers a capability to tweak the tool to suit specific business requirements, thus enabling us to provide a flexibility typically not available in most large-scale ERP systems. This flexibility allows us to solve customer problems with the same efficiency, be it for new entrants in the process of rolling out towers in an under-developed market or mature organisations in the process of securing their investments and maximising profitability.

TowerXchange: What would you say to MNOs and towercos who manage their assets via an Excel or a less specialised platform? And how does your solution help manage different stakeholders within the tower supply chain, from tenants to subcontractors?

Anders Smedberg, CEO, Tarantula: Usage of Excel spreadsheets and homegrown project or asset management tools is an all-too frequent phenomenon that we see in all markets, big or small, irrespective of the nature of the infrastructure owner company. Used efficiently and accurately, there is definitely some advantage in managing one's business through one or more simple tools. However, these organisations will reach a stage where the amount of information becomes too massive to be managed in spreadsheets. Alternatively, the information sits in various silos spread across the organisation's functional groups with no alignment or integration between the data streams. As the volume of information grows, discrepancies in data increase, leading to revenue leakage.

This is where having a central repository of all site information can be highly beneficial. We offer the capability to store comprehensive information regarding sites, assets, projects, and contracts in a single, centralised data hub, thus maintaining complete integrity of the data. Moreover, these data streams are interlinked in such a way that the information flows through the entire quote to cash value chain. Additionally, we integrate our platform with third-party tools such that information always gets updated from the appropriate sources. The value of having accurate information over your assets is tremendous, paving the way for a high valuation of the tower portfolio.

Our solution is designed keeping in mind that multiple stakeholders are involved in the management of a site. We can create different user groups to record contract information, capture real-time site data, complete various tasks and generate reports, or provide electronic approvals in line with different processes. This enables towercos to know who is involved in what activity and provides a project contact list with all stakeholders recorded.

We also enable access to contractors and field staff who need limited access to data so that they can perform the tasks assigned to them. The proactive management of subcontractor work with tracking of key milestones increases efficiency so that all stakeholders know what they need to do, what's next, and whether any changes are required.

TowerXchange: How can your solution be configured to adapt to different towerco's unique business processes and workflows?

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Anders Smedberg, CEO, Tarantula: Our end-to-end purpose-built site asset management solution is built on the foundation of a configuration engine, which provides a highly flexible and time-efficient way of adapting our solution for every customer's business needs. The configuration layer offers an efficient way to configure business workflows, add user-defined data forms, define service level agreements, and generate reports from the same information. Moreover, the configuration is achieved through an easy-to-use interface, eliminating the need for code development and speeding up the time to market for any changes required on the default functionality. A critical part of our deployment for every customer is analysing their requirements and automating their business processes through quick configuration.

TowerXchange: How can a robust approach to asset registers and asset lifecycle management improve the valuation of tower assets? And how has Tarantula contributed to increasing the valuation of assets of some of your customers?

Anders Smedberg, CEO, Tarantula: For a towerco, having complete and accurate knowledge of its assets, being able to know where they are installed and by whom, and tracking a history of the entire asset lifecycle is crucial to get an accurate valuation of its business. Additionally, if the asset data is linked with the master lease agreements as well as the tenancy billing, a clear picture of the recurring cash flow becomes visible. Our product design is centred around these key principles of optimising tower cash flow.

We have witnessed first-hand the benefits of having a robust fixed asset register with end-to-end management of the asset lifecycle. Some of our customers that used our solutions for many years were successfully able to not only scale but also sell their businesses at a healthy premium. Examples include VIOM Networks with more than 42,000 towers that sold its tower portfolio to American Tower Corp. in 2016 and KIN Towers with more than 1,400 towers in Indonesia sold its tower portfolio to Protelindo in 2018 ∎