



Evaluating subsea cable business investments

The Gulf Region has been experiencing growth in the demand for international bandwidth, based on the rapid introduction of broadband and related service offerings. The region is inadequately served by existing cable systems, creating a gap in the market for the introduction of a new subsea cable system. However, when considering investing hundreds of millions of dollars in such systems, the technical and commercial risks must be minimised.

Challenge

The client, an anchor investor, wanted to initiate a subsea cable project in the region.

However, they also needed to understand the business case for the project and the technical design prior to gaining other investors' participation. Projects like this require specialist technical and commercial skills to fully understand the risks and rewards of such investments.

Solution

BT Telconsult used its regional knowledge, along with the research from a third party, to determine the market size and potential revenues for such a system.

BT Telconsult then provided a technical team of subsea experts to assess the designs, costs and timescales for the system. In addition, a BT commercial team provided the business case and sensitivity analysis so that the risks could be understood.

The resulting business case was used to confirm the viability of the project in front of the investors and form the new company.

Benefit

The client fully understood the potential revenues of constructing the system, and had a realistic, independent assessment of the risks of making the investment.

This enabled the client to find investors who were prepared to fund the system knowing both its risks and expected returns.

Offices worldwide

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We are part of BT Global Services and leverage BT's experience and expertise as a 21C Next-Generation Communication Provider to help our clients overcome the challenges they face.

Our consultative practitioners have a deep understanding of how to address end-to-end business, technology and operational challenges using best practices and methodologies developed by BT to support your business transformation.

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