



**INTERNATIONAL TELECOMMUNICATION UNION  
TELECOMMUNICATION DEVELOPMENT BUREAU**

**Document: 26**

**GLOBAL SYMPOSIUM FOR REGULATORS  
Hong Kong, China, 7 -8 December 2002**

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## **PRESENTATION**

### **ITU/CTO MODEL UNIVERSAL SERVICE/ACCESS POLICIES, REGULATIONS, AND PROCEDURES PART III: TELECENTRE OPTIONS AND STRATEGIES**

**David N. Townsend  
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**DNTA**

**ITU/BDT**

**Global Symposium for Regulators**

**ITU/CTO Model Universal Service/Access  
Policies, Regulations, and Procedures**

**Part III: Telecentre Options and Strategies**

**David N. Townsend**

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**Model USF Policy and Implementation**

**Overview**

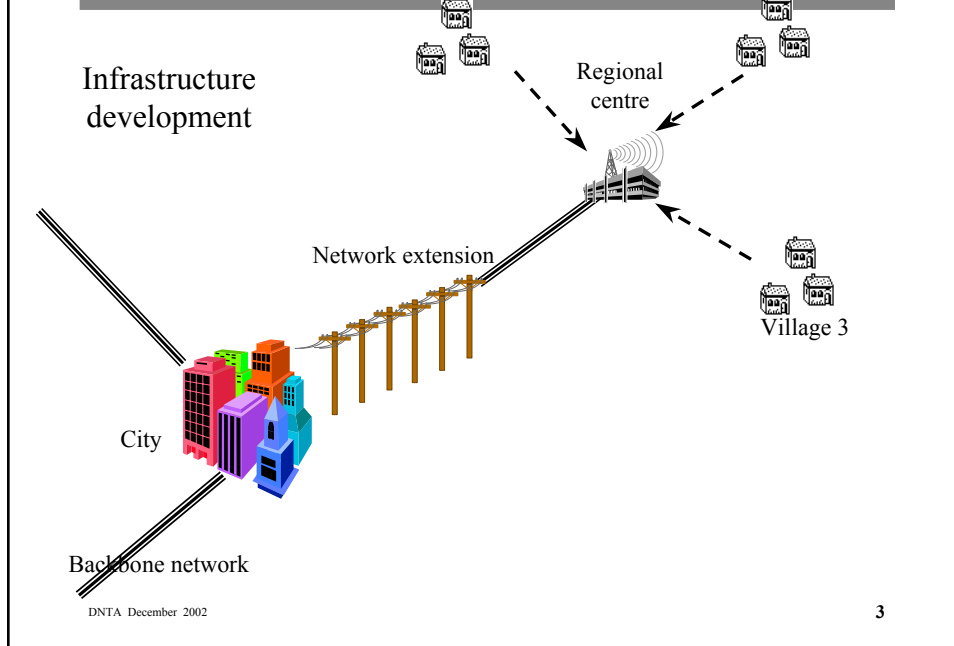
**Part I: USF Policy and Implementation**

**Part II: Basic telephone service auction  
mechanism**

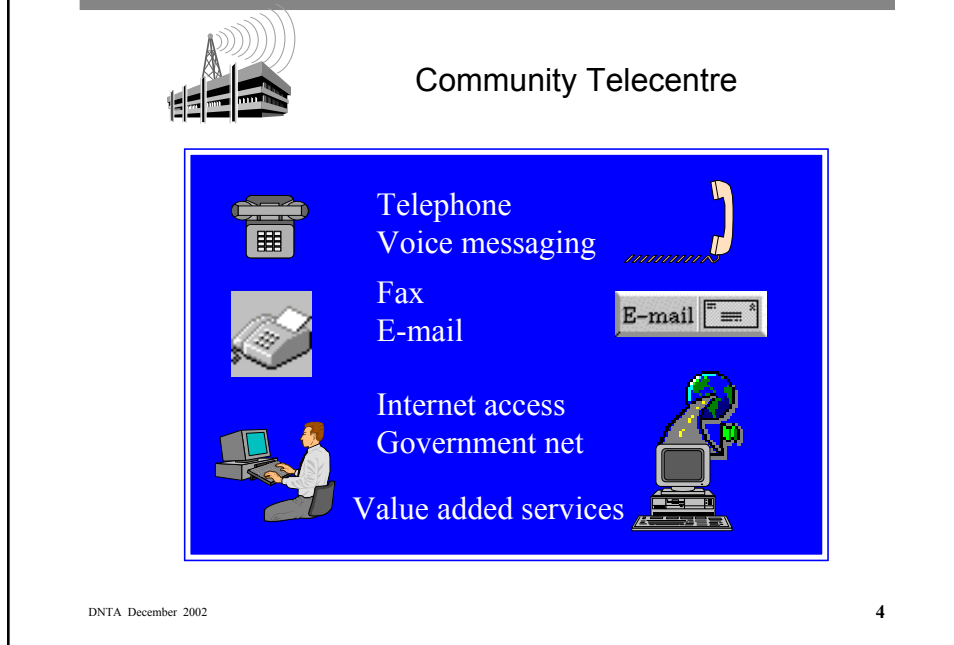
**Part III: Telecentre options and strategies**

- **Rural infrastructure development strategies**
- **Telecentre supply and demand**
- **Telecentre implementation processes**

## Telecentre Options and Strategies



## Telecentre Options and Strategies

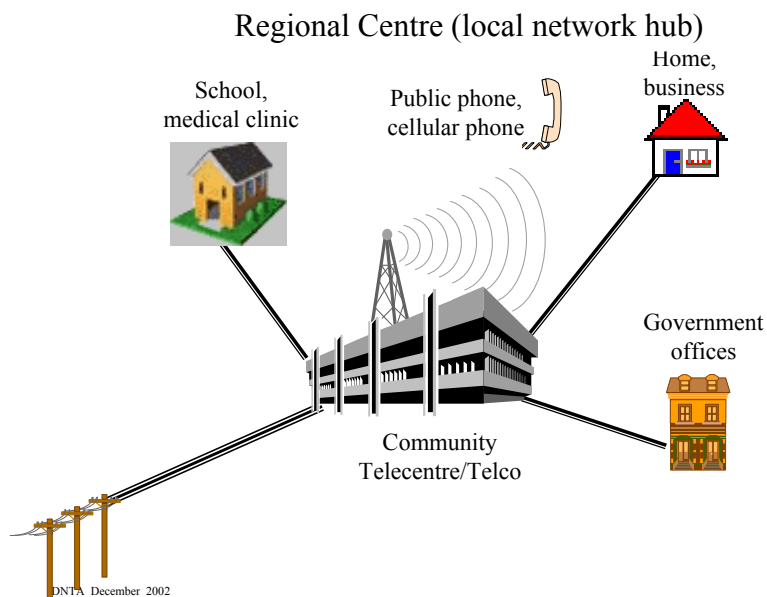


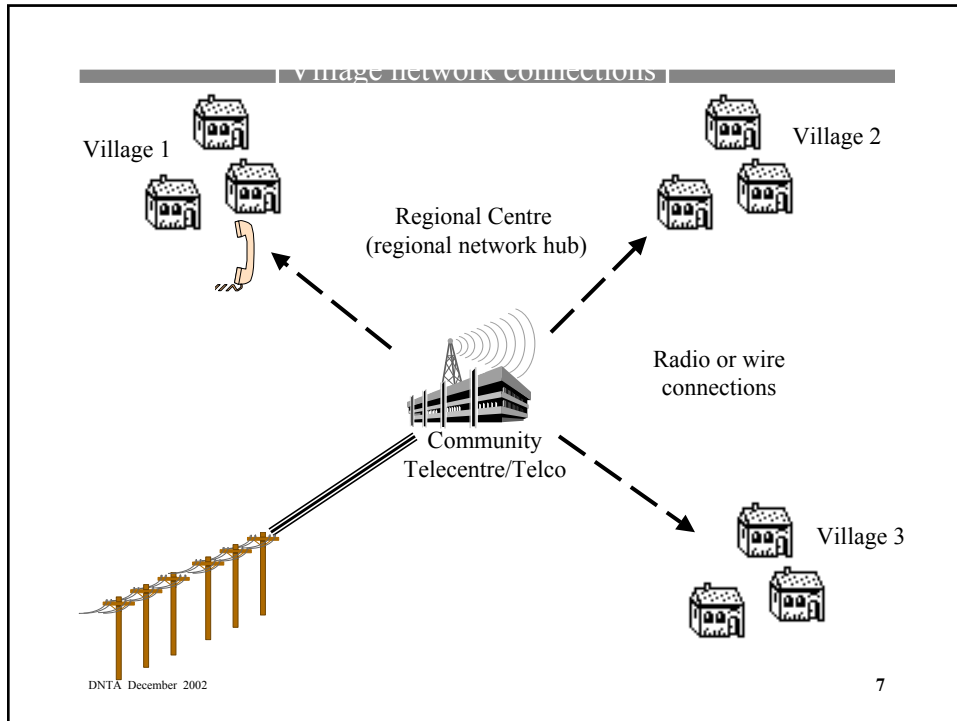
## Telecentre Options and Strategies

### Telecentre Models

- **Tele-shop or Micro-telecentre**
- **Mini-telecentre**
- **Standard telecentre**
- **Multipurpose Community Telecentre (MCT)**
- **ICT Cooperatives / Telco's**

## Telecentre Options and Strategies





## Telecentre Options and Strategies

### Elements of a Telecentre: Supply and Demand

#### The Supply Side

- **Hardware or physical infrastructure**
- **Software infrastructure**
- **Human resource infrastructure**

## Telecentre Options and Strategies

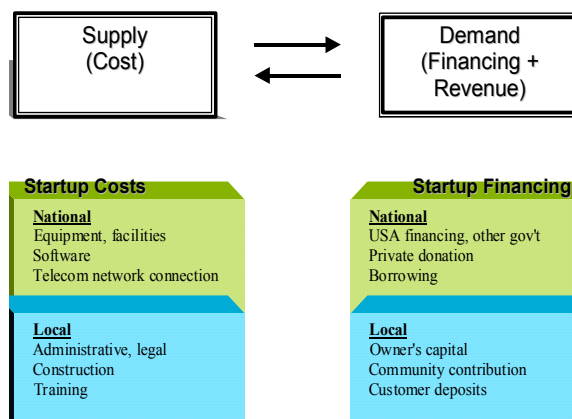
### Elements of a Telecentre: Supply and Demand

#### The Demand Side

- Economic Demand vs. “Needs Analysis”
- Basic Services
- Value Added, Advanced Services

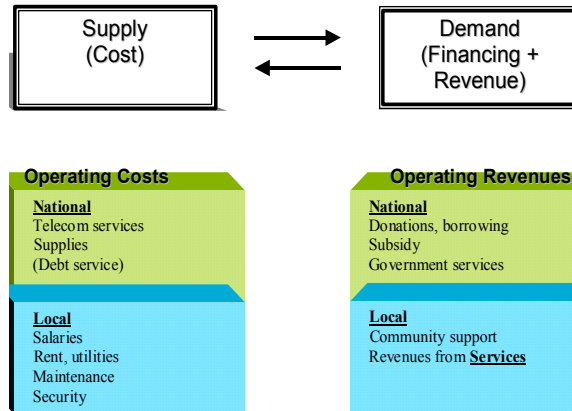
## Telecentre Options and Strategies

### Economics of Telecentres



## Telecentre Options and Strategies

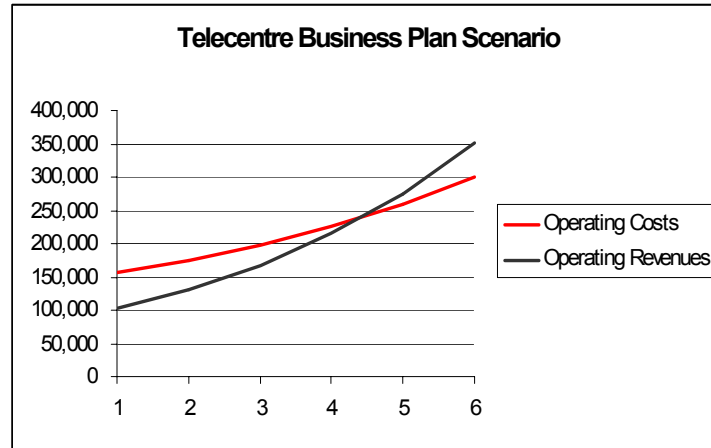
### Economics of Telecentres (cont.)



### Standard-Telecentre Business Plan Scenario

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Demand Assumptions (annual)</b>						
Telephone usage minutes	72,000	93,600	121,680	156,184	205,639	267,331
Fax pages	8,000	7,600	10,140	13,182	17,137	22,278
Photocopying/printing pages	8,000	7,600	10,140	13,182	17,137	22,278
Computer services hours	1,800	2,340	3,042	3,955	5,141	6,883
E-mail minutes	27,000	35,100	45,630	59,338	77,115	100,248
Internet Access minutes	600	780	1,014	1,318	1,714	2,228
Voice Messaging messages	3,000	3,900	5,070	6,591	8,568	11,139
Usage Minutes Growth Rate		30.0%	25.0%	20.0%	16.0%	16.0%
<b>Cost Estimates</b>						
<b>Initial Startup Costs</b>						
Physical Infrastructure	160,000					
<b>Total Start-Up Costs</b>	160,000					
USA Subsidy	45,000					
<b>Total Loan</b>	104,000					
<b>On-going Capital Costs (Loan payments)</b>						
On-going Capital costs	31,357	31,357	31,357	31,357	31,357	31,357
<b>Operating Costs</b>						
Salaries (@ least minimum wage) & Administrativ	43,200	47,520	52,272	57,469	63,249	69,574
Telecommunications expenses	83,120	75,022	93,998	116,311	143,036	178,140
Supplies (in support of basic services)	8,000	8,000	8,000	8,000	8,000	8,000
Maintenance and Repair	4,350	4,350	4,350	4,350	4,350	4,350
Building and Utilities expenses	2,500	2,500	2,500	2,500	2,500	2,500
Security and other expenses	5,000	5,000	5,000	5,000	5,000	5,000
<b>Total Operating Costs</b>	126,170	143,342	166,120	193,661	227,035	267,964
<b>Total Expenses</b>	157,527	174,699	197,477	225,018	258,392	298,921
<b>Revenue Estimates</b>						
<b>Revenues from Telecentre Basic Services</b>						
Telephone	43,200	56,160	71,183	90,224	114,359	144,950
Fax	9,000	11,700	15,210	19,773	25,705	33,416
Photocopying	8,000	7,600	10,140	13,182	17,137	22,278
Computer services	9,000	11,700	15,210	19,773	25,705	33,416
E-mail	27,000	35,100	45,630	59,338	77,115	100,248
Internet Access	600	780	1,014	1,318	1,714	2,228
Voice Messaging	1,800	2,340	2,966	3,759	4,765	6,040
<b>Total revenues from Basic Services</b>	96,600	125,580	161,353	207,349	266,499	342,577
<b>Net income from basic services</b>	(60,927)	(49,119)	(36,124)	(17,669)	8,106	43,656
<b>Net Income from Value Added Services</b>						
Government supported services	3,000	3,500	3,500	4,000	4,000	4,000
E-commerce Services	500	600	600	750	750	800
Business support services	1,000	1,000	1,200	1,200	1,600	1,600
Financial Services	500	600	600	750	750	800
Training Courses	500	600	600	750	750	1,000
<b>Total Revenues from Value Added Services</b>	5,500	6,300	6,500	7,450	7,750	8,100
<b>Combined Total Revenues</b>	102,100	131,880	167,853	214,799	274,249	350,677
<b>Combined Net Income</b>	(55,427)	(42,819)	(29,624)	(10,219)	15,856	51,756
<b>Combined Monthly Net Income</b>	(4,619)	(3,568)	(2,469)	(852)	1,321	4,313

## Telecentre Options and Strategies



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## Telecentre Options and Strategies

### Telecentre Implementation Processes for Government Facilitating Agencies

#### Publicity and Outreach

- Promote interest in operating new telecentres
- Encourage disadvantaged communities
- Support local entrepreneurs

#### Business plans and certification

- Assist with research and design of business plans
- Certify telecentre applicants with strong plans
- Certification qualifies for additional support

#### Financial support

- Targeted subsidies for qualified applicants
- Priorities to underserved, disadvantaged people

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## Telecentre Options and Strategies

### Telecentre Implementation Processes for Government Facilitating Agencies (cont.)

#### Training and support services

- Business planning and management
- Technical training in ICTs for employees and users
- Networking and Mentor-ship

#### Research and development

- Development of value-added service programs
- Evolution of telecentres: technology and services

#### Monitoring and evaluation

- National performance indicators for telecentres
- Comparisons, case studies, reports

## Telecentre Options and Strategies

### Elements of a Telecentre Business Plan

- Statement of Purpose (or mission)
- Governance and Legal Structure
- Organisational structure: management and human resources structure (recruitment and training)
- Description the community, its role and participation in the telecentre project
- Type of telecentre model, including infrastructure and equipment needs
- A five-year strategic plan (can include such ideas as potential expansion, introduction of new services, new programmes, etc.)
- A summary of main findings from a community/market research study to assess needs and demand for services
- Software infrastructure needs
- Human Capital and Training requirements
- Products and services: list all products and services and targeted markets
- Budget and financial projections
- Marketing Strategy
- Networking strategy
- Evaluation and Monitoring Plan