



Managing Director  
of Altech Netstar

**HARRY  
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**How do you manage the needs of three separate companies (Altech Netstar, Altech Netstar International and Altech Netstar Traffic) on a daily basis?**

The short answer to this is 'long days', but each business has clearly defined strategic objectives, with detailed business plans to support these. We have a strong and experienced team of executives, who are able to operate independently in pursuit of their respective targets. A team approach with cross-functional consultation is favoured on major decisions affecting the businesses.

**Of all the positions you've held at Netstar (operations, sales and marketing, business development and MD), which has been the most fulfilling?**

The position of MD is certainly the most challenging and rewarding. In this role I'm able to fully utilise my intimate knowledge of the various parts of the business that I've previously managed, as well as my understanding of the market, our customers and our competitors.

**Netstar has been in the news recently having being found guilty of contravening the Competition Act and now faces a civil lawsuit, would you be prepared to comment on the matter?**

Whilst the finding against us did not carry any penalty, we disagreed with the outcome and have lodged an appeal, as did the two other respondents.

Some background to the industry circa 1998 may be of interest. We witnessed the demise of an emerging significant competitor, which had invested heavily in its above-the-line advertising campaign. This left many consumers stranded with recently purchased tracking products that could not be serviced. Furthermore, various untested tracking devices were entering the market.

Selling reasonable standards through VESA-provided consumers with some protection from the small and often underfunded companies that were selling products without an



established recovery infrastructure. The request from the insurance industry to the established players in the tracking industry to set standards through VESA thus made sense.

#### **How does Netstar currently benchmark its services?**

While global benchmarks are not readily available, the industry in South Africa is very advanced. As a result, we set internal benchmarks across the diverse areas of the business. For example, in product design and manufacturing we need to measure the mean-time-before-failure, as well as first-time-pass-rates. In our emergency call centres, we benchmark the number of seconds it takes to respond to an emergency call. In our recovery service, we benchmark the time taken from notification of a theft to the helicopter being airborne.

Our customer service centre deploys qualitative benchmarks that measure the quality of verbal interaction between call centre agents and callers. Benchmarking and the measurement of results are very important and fluid. We seek to continually establish new benchmarks.

#### **How does the tracking industry determine and manage compliance with industry standards?**

There is currently no governing body and, given the background of the dispute before the Competition Commission, there is unlikely to be one for some time. We understand that VESA is in the process of working through the SABS to establish some standards. Our products are all subjected to a battery of tests run through Gerotek and our manufacturers are all ISO compliant.

#### **How do you work with insurance providers to improve recovery rates?**

Our approach has always been one of engaging with insurance companies and brokers which have the capacity and a desire to help us improve our service.

Typically we run special test reports for our partners and examine how we can improve our security for high-risk vehicles. For example, we

have recently noticed a dramatic increase in the theft risk profile of a specific SUV and are working with a broker to improve our recovery rate on this particular model.

#### **What is an abnormal risk profile?**

All vehicles are at risk, be it opportunistic theft, planned hijacking, syndicate theft, house robberies or driver/owner collusion.

We keep detailed statistics that allow us to determine which vehicles carry a higher risk than others. The statistics are often predicted by the instincts of those within our operations departments – air trackers, ground recovery teams and control centre agents. They are in the thick of the action every day and pick up new trends quickly.

Vehicles with a higher than average risk receive an abnormal risk profile tag. These profiles are fluid and vary with trends in vehicle theft. Very few vehicles retain their abnormal risk profile over an extended period of time.

#### **How do the vehicle probes that are used to source information for Netstar's real-time traffic congestion services work?**

The sophisticated vehicle probe technology we use to predict traffic congestion was developed in Israel over a period of six years. Vehicle probes are installed on vehicles with our mid-range and entry-level GPS/GSM products. Reporting intervals of between one and three minutes are set during which various data, including the exact latitude and longitude of the vehicle, is sent into our GSM gateway via a GPRS message. We receive tens of thousands of messages every minute. The information is made anonymous and separated for mathematical analysis. The resulting information is paired with the historical information relative to a particular time and road section and then used to calculate actual road speed.

#### **What has the adoption of the service been like?**

A key market segment for us is in the RDS TMC (radio data signal traffic message channel) market, which caters to portable navigation devices (e.g.

Garmin) and OEM line-installed navigation systems (e.g. BMW's navigation system). We have been testing our platform through the SABS for a year and, with recent approval from ICASA, are on the verge of going live.

Mobile phone navigation applications provide another marketing channel. Garmap has been available on mobile platforms for some time and we anticipate market demand to increase dramatically as smart phones become more common in South Africa.

Traffic data is of great importance to government transportation authorities and we were recently awarded the pilot project for the BRT system for Johannesburg.

Our traffic website also delivers valuable information, which we will be deploying in conjunction with a business partner at various WC2010 venues. Furthermore, we have formed alliances with leading radio stations in Pretoria and Durban which receive traffic data.

#### **You described yourself as a non-technical person before you joined Netstar, how would you describe yourself now?**

A thorough understanding of all technical areas of the business – research, product development, manufacturing, communication platforms and other such areas – is fundamental to success. The MD has to know what is going on, as well as what can be delivered in the future. Marketing essentially starts with product development. To develop a strategy and understand what can be brought to market, one has to understand the internal capability of the company and its resources.

Similarly, to align one's capabilities with the ever-changing industry, one has to understand the developments within the LBS and Telematics industry, which is where global brands such as Microsoft, Nokia, Google and BMW are at the forefront of innovation. These companies lead a myriad application developers and providers to ensure that in a few years' time the motoring experience will be quite different to what it is now. We are thus challenged to look outside the South African industry to ensure that we are able to compete in years to come.