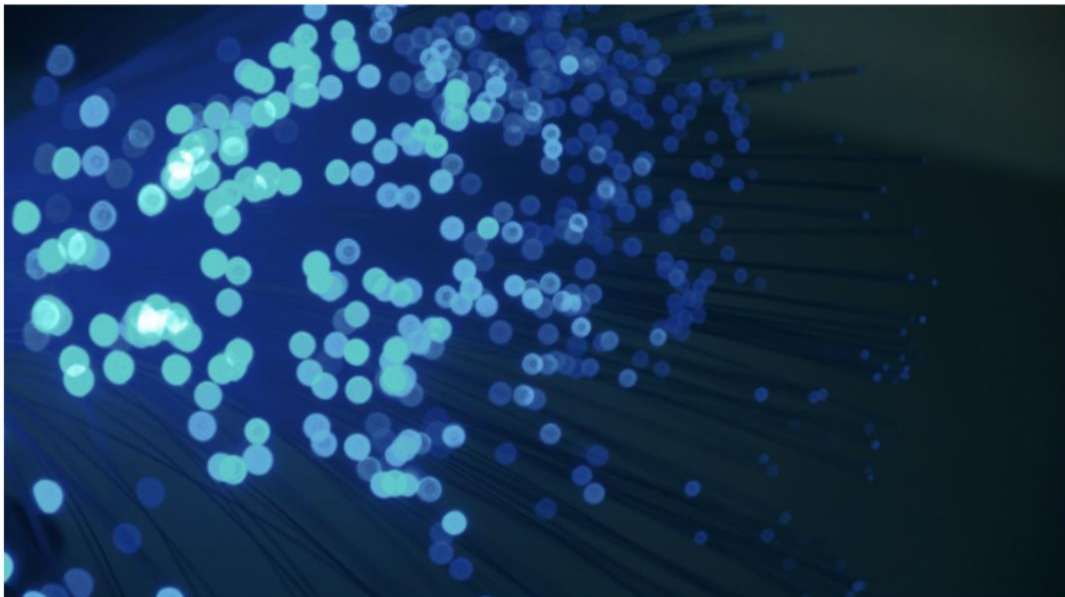# Telecom Technical Due Diligence Discoveries: What we've seen, and wish we hadn't

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The digital infrastructure market continues to burn hot for investors, as well as service providers seeking capital to fund upgrades and expansions. Having completed over 30 technical due diligence projects across the US and in the UK, **Broadband Success Partners** highlights below the "bad" and "ugly" we have uncovered, and the implications.

Our network analyses, management interviews and physical inspections of a wide variety of networks have yielded a valuable number of dos and don'ts. While most of the systems we've investigated have passed with flying colours, not all made the grade. The red and yellow flags we have identified are tangible proof that potential network stakeholders cannot take anything for granted.

Our evaluation of network expenditures, inside and outside plant, equipment, network operations centres, organisational structures, customer service, technical support and leases/IRUs across a diverse range of service providers has yielded these major issues:

Network Planning and Design
- Inadequate architecture – lacking needed redundancy
- Unknown backbone capacity
- Limited available fibre

Network Construction
- Unprotected, single leased circuit connecting cities to network backbone
- Constrained construction contractors
- Lack of aerial slack storage

Network Management and Performance
- Less than 97% network availability
- Maintenance risks: externally owned critical routes
- Internet circuit nearing capacity

Equipment
- Obsolete equipment
- Sloppy, untraceable wiring
- Inadequate warehouse inventory control

Customer Service
- Poor metrics: average speed of answer, cost per call
- High single customer event mean-time-to-repair
- One customer service individual

Technical Service / NOC
- Technical staff too lean: broad individual responsibilities
- No central Network Operations Center (NOC)
- High labour rate

Do some of these issues look familiar to you? Hopefully not. But, if they do, you needn't worry. While each of them can impact the current performance of the network, it's future scalability and/or the value of the business, none are fatal. By understanding the problem, deploying the suitable resource, and applying the right solutions, each issue can be remediated.

Prospective buyers and those seeking to sell their stake can and should factor this into their investment decisions. For those in the latter camp, sell-side network due diligence can possibly accelerate the speed of the deal.

The most important implication of our discoveries is clear. Leave no stone unturned. Make certain that the present state and future readiness of the network are evaluated – including any upgrade and expansion plans. In particular:

- Validate / analyse capex, opex, NOC, tech/customer support, OSS/BSS, leases, IRUs
- Identify red and yellow flags; understand the remediation steps
- Determine physical condition of the plant; inspect representative sites

Would you buy a house without having it inspected prior to the sale? Of course not. The same holds true here.