



Tan Sri Dr Francis Yeoh

PLUG INTO THE POWER OF 4G

BY BRIAN YIM

When Tan Sri Dr Francis Yeoh, Managing Director of YTL Group, speaks about technology, he comes across as a zealot who truly believes he is riding the crest of a new revolution.

The YTL group is better known for its wide business interests ranging from utilities and construction to high speed rail, hotels and resorts, cement manufacturing, real estate investment trust and even carbon consulting. Yet it sees the future in affordable, seamless connectivity and has poured in huge resources to launch what it claims to be the world's first nationwide fully converged 4G mobile internet service with voice, a service it calls "Yes".

The 4G network carries more bandwidth and data and is five times faster than 3G networks. It allows users to watch movies, download data, and even video chat.

Alluding to Steve's Jobs' comments about a new era in computing which he refers to as "post PC World", Tan Sri Dr Francis Yeoh prefers to coin his own term instead: "Post 3G world".

Networks in Europe and the USA face a tsunami of data demand and they can't cope under the strain of massive mobile data that smart apps are forcing upon them. In fact, Steve Jobs faced an embarrassing

situation last year when during a "live" demonstration in front of the world media to launch his Apple FaceTime video conferencing app, it was unable to run smoothly on WiFi. Facetime needs 3MB per second. Only a 4G network can do that.

"Their networks are crashing". With the fast penetration of smartphones and the launch of new devices like iPad2, Tan Sri Dr Francis Yeoh believes there is an acute need to complement the smart apps built into these devices. Yet the telcos are not willing to invest in a 4G network as this means having to write off their existing 3G platforms. "You can't really evolve out of 3G and use the existing infrastructure. You literally have to start on a clean slate. For us, not being a telco before, we have no luggage to carry," said Tan Sri Dr Francis Yeoh.

The true test of a network is its ability to do FaceTime. "We are the first to introduce mobile internet with voice. We always knew people need a bit of voice even though voice is in transition. So we

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actually made sure that people who are graduating to the data network – calling people through data network using the Internet; should be a way of life. However, if you do not have a data network to allow people to call, then it's difficult.

Godsend

Tan Sri Dr Francis Yeoh calls it a "godsend" that just as YTL was introducing its 4G network, it was the same time that Steve Jobs introduced the first iPad. "The timing was fantastic because people knew a 4G network can do FaceTime on their iPhones and showcase the technology. This is something phenomenal."

How is it that Malaysia can get their act together and be at the forefront of launching a world's first 4G network nationwide?

The seeds were planted 15 years ago, when former Prime Minister Mahathir Mohamed, whose brainchild was the creation of the Multimedia Super Corridor (MSC), together with other enlightened individuals, viewed IT and the internet as a niche for Malaysia to stand out and to be a beacon of non-censorship. It went ahead to "cast in stone", non-censorship of the internet into its Bill of Guarantee when it launched the MSC.

YTL was quick to see an immense opportunity and created YTL e-solutions with a MYR 100 million war chest to incubate Internet companies. They bought into companies like Extiva Communications that focused on VoIP (Voice Over Internet Protocol). YTL invested just RM 300,000 in the company and made a profit of MYR26 million.

"It shows two things: Firstly, technology is very profitable and, secondly, how fat the margin for mobile phones is. We made MYR26 million but in that process, we helped bring down the price of mobile phones by more than 50% and IDD calls by 93%."



When this happened, the telcos sense an ominous threat. Hence, they started to effectively eliminate VoIP companies which they could do easily because the VoIP companies rode on the telcos' network.

"They literally shut down every VOIP company around and that was quite sad. We were thinking how we were going to continue to offer this data service. We knew that the tsunami was coming, there were signs. Why are we stopping this phenomenon of the Internet when we saw that in the UK, the Internet was the important industry to help you become more productive and efficient? This is a game changer. Why is it that we are slowing down the Internet onslaught just because the telcos felt threatened?"

YTL then persuaded the Malaysian government to award the 4G network spectrum to the 3 VoIP companies: Extiva, P1 and REDTone, the three players that did very well to significantly bring down the costs of mobile phones for consumers. The world bank estimates that a 10% increase in high-speed broadband penetration will lead to a 1.3% increase in GDP.

To make a more compelling case, YTL promised the government that it would invest heavily to build the 4G infrastructure to the tune of USD850 million. That is one-sixth of the US budget investing in its own 4G networks. "We are adding base stations daily although there's some delay in the approval process. Right now, we are serving 65% of the population. By December 2011, our coverage will extend to 80% of the population," he said.

Asked how he would envisage the take-up rate among Malaysians towards the use of 4G, Tan Sri Dr Francis Yeoh replied: "Every significant event in the world, including the death of Osama bin Laden, was led by tweets before CNN got wind of it. The social phenomenon



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and Internet has become a way of life. A student today can tap into the libraries of Harvard from his mobile phone. Can you imagine how intellectually poor we are if people have not understood what they do with mobile internet. People may not know it but yes, the 4G network has arrived.”

With the wireless revolution obviously a cornerstone for YTL to realise its Vision 2020 plans to grow its customer base to 100 million, Tan Sri Dr Francis Yeoh believes that YTL’s expansion plans are “without limits and boundaries but only limited by one’s moral boundaries.”

Ethical borders

He is convinced that by keeping within the “ethical borders”, God would provide divine guidance and one would be blessed in abundance. “YTL has been blessed with abundance. This allows us to create good jobs in ethical businesses and when our employees have good jobs, it helps to create stability in their homes. When one strays outside the ethical borders, they will attract problems either to themselves or to their businesses.”

Tan Sri Dr Francis Yeoh converted to Christianity when he was just 16 years old during a time when he was deeply troubled by his father’s financial troubles. He thought of dropping out of school so

he could ease the family’s financial burden and allow his six other siblings to continue their education.

On one fateful weekend, the teenager wandered along Jalan Bukit Bintang and stumbled into a Chinese Baptist Church and poured out his troubles to a priest who told him to trust in God and by Monday, his troubles will be gone. When his problems actually disappeared as promised, which Tan Sri Dr Francis Yeoh considers a “miracle”, it triggered his conversion into a staunch Christian till this day.

The time then was in the 1970s and his father was in the construction business, but runaway inflation nearly wiped out the family business. Yet, his father, Tan Sri Dato’ Seri (Dr) Yeoh Tiong Lay, who is still chairman of YTL Group, refused to allow his eldest son to quit school. “My dad said that quitting school would be the silliest thing in the world to do. He wanted me to get a good university degree and then come back to apply new technology and methods to improve work processes in his business. I did precisely that and through innovation in construction methods, we could build at a faster rate than the Japanese.”

Tan Sri Dr Francis Yeoh remembers this episode as his fondest memory of his father who was able to look beyond a

teenager’s act of sacrifice to ensure that his son received the best education at all costs.

Apart from himself, Tan Sri Dr Francis Yeoh managed to convince all his siblings to convert to Christianity as well. His parents have yet to adopt the faith but they do attend church services regularly. While many wealthy families are plagued by bitter feuds and in fighting, the Yeoh family, his five children and six siblings and their families, live harmoniously.

Honour of Honours

Rooted in his Christian values and determined to work within “ethical boundaries” to run his business empire, his efforts have not gone unnoticed. In November last year, no less than seven Nobel Laureates picked Tan Sri Dr Francis Yeoh to win the 2010 *Oslo Business for Peace Award* given to individuals for outstanding accomplishments in the area of ethical business.

Although Tan Sri Dr Francis Yeoh is obviously no stranger to being conferred multiple awards, he regards the *Oslo Business for Peace Award* as having special significance and an “Honour of Honours” because it encourages ethical business. “It is a constant reminder that we can be a force for good.”



CHANGING THE WAY WE COMMUNICATE

BY TAN SRI DR FRANCIS YEOH

There are many reasons to say yes to 4G, such as the seamless uploading of high-resolution images and videos onto Facebook and Youtube to working with large documents in your email without any lag in internet speed. With 4G, you can turn your mobile device into a mobile theatre and watch the latest HD movies or make video calls to your loved ones and relish the crisp clear connection over the phone.

When 3G networks were first conceived, their primary function was to enhance mobile voice communications with basic data transmission capabilities. It is still very much a voice network. 4G, on the other hand, is built for data and is designed to cope with the various data intensive applications that we are accustomed to using today.

Smart devices, the norm of our busy lives today, tend to consume a lot of data, with some 3G operators admitting

that legacy networks are not built to handle the huge amounts of mobile data required to feed the demands of such a mobile market.

In Europe, 3G networks are already buckling under the strain of smartphones that run data-intensive applications like Amazon's music streaming service. A one-to-one smartphone video call alone takes up 50 to 150 times more bandwidth than a typical mobile phone call.

With 4G, cloud-based services will stand to gain immensely from the performance and flexibility it carries. Services like mass storage of pictures and music in the cloud and high-definition video on demand will change the way we consume our information and entertainment.

This, in my opinion, is true mobile-Internet service and these are not future concepts but things that are happening now. 4G is already widely and affordably

available in Malaysia through Yes – the Fastest Mobile Internet with Voice. While we have just begun our journey of positive change, many have embraced the amazing things that our service enables them to do.

While Apple's two-party FaceTime calls will evolve to multiple-party "FacesTime" that can accommodate more than two faces at a time – something that we will introduce to the world in the coming months – we will continue to strive to bring about innovations in our 4G service to the benefit of Malaysia and its people.

For Yes, we are now on the brink of another revolution in the communications space and I invite you to join us in exploring this new frontier with the realisation that 4G is not just about speed and performance but about creating positive change in the way we live, work and play. ▲