

US-based SOMA Networks, a manufacturer of Wi-Max equipment and communications products, entered the Indian wireless market in 2005. Yatish Pathak, founder and global chief executive officer, SOMA Networks, spoke to tele.net about the company's plans for India. Excerpts from the interview...

What have been the company's achievements in India?

SOMA Networks entered India in 2005 when wireless technologies for high speed broadband were not popular. But we proved, by conducting a number of trials across the country, that this technology had a lot of potential.

We entered a public-private partnership with BSNL for deploying a Wi-Max network for the operator. We offered to bear the technology costs, which we expect to recover through revenues. This helped in establishing a franchise model for BSNL's Wi-Max service, the first of its kind in the country. The service was to be provided on the operator's network in the Gujarat, Andhra Pradesh and Maharashtra-Goa circles. Last year, we launched our services in select cities and towns in the three circles. The company has also launched services in the Industrial Development Corporation's estates in Gujarat and Goa.

What are the company's short and long term targets? What will be the key focus areas?

SOMA is targeting a Wi-Max subscriber base of 100,000 in 2010-11 and over 5 million in the next five years. We are focusing on the fixed wireless broadband market (both home and enterprise). We plan to partner with the government on several broadband initiatives in the areas of e-governance, tele-education, telemedicine, adult literacy, etc. We also plan to offer commercial grade broadband service to enterprises, government offices and consumers.

What are the company's key product and service offerings in India? Are they different from what it offers internationally?

We are offering video surveillance systems for industrial areas, video conferencing facilities for businesses, and remotely managed PCs and kiosks for rural consumers.

Our offerings for international markets are different. For instance, in the US, the service is mainly for remote areas where there is no broadband reach.

How important is the Indian market for the company? What level of investment has been planned for the next few years?

India is currently the largest market for Wi-Max. More than 70 per cent of our global efforts are India centric.

Investments are based on market development and the supplementary services that go with it. But these are largescale investments involving millions of dollars on a year-on-year basis.

What are the strengths and weaknesses of the company?

Our strength is our technological competence, underlying BSNL's infrastructure for our service, our workforce and our investors. Our weakness is our inability to compromise on our values. We will announce a combination of technological and business strategies later in the year that will take the market by storm and help us gain a larger market share.

What is the biggest challenge currently facing the company?

Unfair competition or regulatory directives that adversely impact business growth can deter progress. At present, there are no such issues, but we cannot be complacent. We are constantly following market dynamics to re-tune our strategies.

What growth trends do you foresee in the Indian market and which segments are likely to do better?

The broadband market is pretty much unexplored in India. Therefore, the potential in this segment is immense for everyone, just as it was in the early days of mobile voice. What remains to be seen is the usage perception of Indian consumers while espousing the broadband service. Even in the US, broadband penetration is only 86 per cent because the usage perception of 14 per cent at the bottom of the pyramid is still very different. But the software-as-a-service application will change the computing paradigm in India once broadband takes off.

What is your view on the 3G and broadband wireless access (BWA) auctions?

3G for wireless data is a very different service from fixed wireless broadband. While these are two distinct markets, there may be some overlap in terms of consumer perception. The auctions are being looked upon by telecom operators to facilitate high speed data services for mobile applications. However, such services can be delivered through speeds of even 384 kbps. We are focusing on fixed wireless applications, for which bandwidth requirements can go up to 8 Mbps for enterprise users.

Since BWA is technology neutral, the company that wins the auction may not necessarily use it for providing Wi-Max services. Qualcomm would use this to offer time division-long term evolutionbased services. We do not need to participate in the auction as we use BSNL's

spectrum, which already has the necessary bandwidth.

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