



## Telco man

A solid education and lots of experience in the telecommunication business has helped PT. CCSI, the firm run by Peter Djatmiko, 52, become an important player in the industry. **Albert W Nonto** reports.

**P**eter Djatmiko knows when he has to come out from his hiding place and talk to the public and the media about his work and the business philosophy he embraces. After a career spanning more than 25 years, he has been involved in a variety of businesses but up until now has always preferred to be low-profile.

Even now, he's reticent to make too much of his achievements. "I just feel that I am still small compared to many other great businessmen out there," he explains.

Peter has no reason to be shy. His company PT.CCSI, is the only factory in Indonesia that can make submarine optical cables, while at the same time through his other company, PT. Iforte Solusi Infotek, he is offering high-speed broadband

internet connection and VSAT services to the corporate market besides introducing innovative micro-BTS infrastructure solution for the cellular operators

Peter feels confident that he is well-positioned to benefit from the likely boom in both business areas. There will be huge demand in the future for micro BTS, for example, because existing BTS systems cannot cover all areas of a region and can not cope with the explosive growth of mobile data communication.

"The micro BTS can solve the problem of blank spots in coverage in big cities and increase the network capacity," says Peter, who also notes that there is a world-wide trend for smaller base stations to keep up with the



**Peter is proud to boast that his fiber optic cables made by PT. Communication Cable Systems Indonesia (PT. CCSI) are of higher quality compared with other brands.**

growth of mobile traffic. "In some developed countries, especially in modern metropolitan cities, BTSes are not highly visible as they are camouflaged for example in the forms of lampposts so that it will not affect the city aesthetically."

Given the huge opportunity, he has to make some big investments to make his dream come true. Among the plans is the expansion of his fiber optic cable networks and building more "BTS hotels, the network operating centers for micro-BTS." So far he has more than 300km fiber optic cable network deployed throughout Jakarta Metropolitan and four BTS Hotels to serve Telkomsel, Excelcom and Indosat. He also plans to expand his coverage to other big cities in Indonesia this year such as in Surabaya which he

has rolled out 60 km fiber optic cable networks.

PT. CCSI is also expanding its business scopes to the manufacturing HDPE subducts for telecommunication cable installation, RTP (Reinforced Thermoplastic Pipes) for oil and gas industry and also drip pipes for agriculture irrigation.

Peter set-up PT. CCSI in 1996 in joint-venture with Siemens AG, Germany. Later Siemens sold its shares to Corning Inc (USA), the largest fiber optic cable manufacturer in the world. Now PT. CCSI continues manufacturing its fiber optic cables under license from Corning and using optical fibers imported from Corning (USA).

As a pioneer of optical cable manufacturing in Indonesia and also the founder of the company with capital support from Santosa Family, the majority shareholders of Japfa Comfeed Group, Peter is proud to boast that his cables are of higher quality compared to other products which are built by Multinational Companies in Indonesia.

His submarine optical cable products now has 52.7% local content and certified by the Department of Industry. His submarine cable products has been used by a number of oil and gas companies such as Caltex, Chevron, TOTAL, PGN and CNOOC and even exported and used by Telecom New Zealand. Peter expects that the future will see that more companies will turn to higher quality fiber optic cables even though it's slightly more expensive because it will save maintenance costs at the end and reduce total costs of ownership, as they are supposed to last over 20 years if the cable quality is good.

## Lengthy journey

A true entrepreneur, Peter's achievements are far from being the result of overnight success. He showed promise from the start, graduating with distinction in mechanical engineering from the University of Kansas and then moving to Massachusetts Institute for Technology (MIT) to further his studies. He had three university degrees: Bachelor of Science in Mechanical Engineering, Master of Science in Mechanical Engineering and Master of Business Administration.

Despite his insistence that he was only a 'normal' student at high school in Surabaya, the move to the US and its more demanding education system sparked a response, with him seeing the value of academic achievement.

At MIT, he worked as a research assistant, a position that could have eased his way into a PhD program. But during his years at college, he had formed the commitment that he should one day run his own business rather than work for another company, and he determined to return home and get started.

With a strong educational record and good support from his family – he is the nephew of the late Ferry Teguh Santosa, the founder of the Japfa Comfeed Group, Indonesia's second largest animal feed producer – Peter possessed sound foundations to become an entrepreneur and a tough manager. And while not all of his ventures were successful, he kept pushing on.

Returning home, Peter started a company producing black-board chalk. He tried to introduce new technologies replacing gypsum-raw material, manual base production with calcium-carbonate, automated production, helping make it better and cheaper. His experiments were successful, but he underestimates the distribution costs of the products, which causes him to run out of capital. "This is my first lesson in doing real business, you need to think about the marketing and distribution cost, not merely the production



side,” muses Peter, who adds that the business only survived for about three years before he closed it.

He was then forming a new business venture with his cousin, Handojo Santosa, the son of the owner of Ometraco and Japfa Comfeed Group, to build a machine manufacturing and general contracting company. The business was quite successful even though relatively small for the Ometraco Group.

So in 1989, he was assigned by his uncle, Ferry Teguh Santosa, to be a director of a newly-acquired semi-conductor company, Omedata Electronics in Bandung, which the group acquired from National Semiconductor of the US. His task was simple: stop the company losing money every day.

“When I took the company, it was losing lots of money. But Pak Ferry as the owner didn’t seem to worry about by the losses and remained persistent. This experience taught me how to deal with hard situations in business,” he recalls. “To be successful in business, you have to be persistent. Do not drop the plate even it is hot until you get blister on your skin,” he says, quoting his uncle’s philosophy.

With Ferry Santosa now gone, Peter still maintains strong family connections with Boyke Gozali, Hendrick Kolonas and Handojo Santosa—all very successful businessmen in their own right. After three and a half years at Omedata Electronics, he was seconded into Rajawali Group under Peter Sondakh to become the COO of the telecommunication business division, establishing several new telecommunication companies including PT Excelcomindo, now rebranded as XL Axiata. Peter was the company’s first CEO.

When Ometraco Group exited from Rajawali Group in early 1997, Peter then took on a new challenge to become the President Director of PT Trafindo Perkasa, which then was only producing electrical transformers. His task was to expand the company into the telecommunication business. “Within a year I managed to get four telecommunication licenses, including Broadband Wireless Data Communication license, like Wimax today,” he recounts.

“I had seen that the need for data transmission would grow in the future over the top of voice traffic and that at the same time mobile users would

become a bigger market than landline users.”

He saw another opportunity, however, in the manufacturing of fiber optic cables for land and marine applications, as that time when he set up the factory there was no local manufacturer in Indonesia and the demand just started to pick up. Now his plant at Cilegon in Banten boasts a production capacity of about 500,000 km of cable per year. “The demand is huge and we produce seven days a week, 24 hours every day,” he says, adding that some major oil and gas companies use his product in monitoring factors such as gas delivery rates. Some of CCSI’s product is exported to the Philippines and India.

### Back to beginnings

In 2002, Peter returned to one of his original ideas, the internet provider business. He set up Iforte, aiming to provide the best internet connection service for corporate sectors and VSAT satellite-based services.

At the beginning the company grew well but he now sees new horizons for expansion. “I need huge investment and capital for this. This created a problem as telecommunication business is not really core business for my other shareholders. . . So, I searched for private equity firms who might become investors and this resulted in a meeting with Sandiaga Uno’s and Edwin Soeryadjaya’s Saratoga Capital in 2010,” he says. The chemistry worked and two years ago Saratoga became an investor in the company, helping him raise cash with a \$10 million bond offering.

Peter notes that Saratoga has a similar vision for the telecommunication business, a factor that helps create good synergies. The Saratoga partners are impressed by his micro-BTS tower models, which have the capacity to boost cellular network capacity in high-density areas.

Peter is confident that, backed by his strong management team and own experience in the industry, the micro-BTS tower business can grow rapidly. “This will become the backbone of Iforte in the future,” he states.

While maintaining his focus on expanding his micro-BTS tower business, he and his wife Onnie own 12 villas at the Anahata Resort and Villas in Ubud, Bali, a favorite place for yoga and tai chi practitioner Peter.

“Yoga brings relief for my back pain, recharging and refreshing me every day. Tai chi helps to increase my energy level,” says Peter. **GA**