



CNET Technology Group

Software and Hardware

It all begins

- Founded 12 years ago in 2001
- Startup capital 3,000 ETB + one laptop
- One employee
- 3 x 4 office

Three (SBU)companies

- CNET Software Technology PLC (Parent company)
 - Business solutions design, develop and deploy
- IPOS Hardware Technology PLC
 - Import hardware that are not available in the country
- IBEX Hospitality Management College
 - Education and training on developed and imported technology and hospitality industry

CNET Software (Parent company)

- Founded 12 years ago
- Focused on Business management solutions
- Developing and deploying ERP system
- More than 2000 Clients
- Present in 18 cities and towns with 8 regional offices.
- Cater solutions exclusively for private business 98%

Continued..

- Annual turnover of the three companies 40 million ETB
- Employed more than 128 staff
- Focused on the following industries
 - Hospitality
 - Merchandise
 - Manufacturing
 - Health care

Challenges

- Finance
- Infrastructure
- Human resource
- Regulations
- Payment system
- Imported products
- Input hardware
- Management Bench marking

Financial challenges

- Substantial revenue for operation
- Collateral and industry nature
- Operational finance challenges
- Capital Investment Expansion challenges
- R & D Budget

Infrastructure challenges

- WAN infrastructure
 - VPN, 3G-VPN, DDN....
- Internet Connections
 - Branch connections, Remote support, product licensing
- Call center equipment (VOIP)
- Telecom infrastructure
 - BRI, PRI, E1....

Human resource challenge

- Our challenges
 - Domain expert with IT background
 - Productivity and efficiency
- Clients Challenges
 - Users IT literacy
 - Hi-tech Phobia

Regulations challenges

- Sales register Regulation
- Customs regulation (Price assessment)
- Telecom devices regulations
- e-commerce regulation

Online Payment system challenges

- Web based transaction system
- Buy and sell products and service
- Plastic money
 - Debit card
 - e-wallet
 - Mobile payment...

Imported products challenges

- Import substitution policy
- Expensive buying cost
- Expensive annual license and support cost
- No Employment (outsourced)

Input hardware challenges

- Not available in local market
 - Barcode reader, Passport reader, label printer, MSR reader and encoder, Mifare card reader and encoder, Digital scale, Astrix modem, GSM Modem, order printers
- Import is mandatory
 - Customs procedure
 - Import and export
 - Foreign currency availability

Management Bench marking challenges

- Different regulation
- Different end user capacity
- Different infrastructure
- Different technology

Incentives

- Duty free incentive on Capital investment
- Tax incentive
- Financial arrangement with banks for capital investment.

Opportunity

- Tax Regulation
- Untapped Market
- Booming Economic environment

Tax Regulation Opportunity

- Sales register machine and software
- Mandatory tax payer requirement

Market Opportunity

- More than 200,000 category A and B Tax payers
- Mandatory Tax Requirement
- e-tax system implementation

Recommendations

- Improvement or revision of the following points
 - e-commerce regulations
 - Customs regulation for import of items for R&D purpose and for non CEG
 - Finance availability for ICT companies
 - Real incentives for ICT companies
 - Some protection from imported software products
 - Improvement of ICT infrastructure

ICT Park

- Single best thing that can possibly happen to Ethiopian ICT sector.
- “Too good to be true”.
- “One giant step”
- “Hope for the Ethiopia ICT sector”
- Proposal “Addis Hi-tech city”