Interview with Brett Dawson, Chief Executive Officer, Dimension Data plc

May 14, 2014

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Dimension Data: focused on becoming the number one player in the industry, accelerating the ambitions of its clients and building strong relationships through market-leading technologies

We recently spoke with Dimension Data CEO, Brett Dawson, to find out more about the company's business goals and his thoughts on working with the NTT Group.

Mr. Shinobu Umino
Mr. Dawson, please describe your career before joining Dimension Data?

Mr. Brett Dawson
I started my career as a chartered accountant. I joined one of the mining houses in South Africa, where I ran the Corporate Finance department. The company then asked me to work with one of its foremost industrial businesses, a company that made a range of fast-moving consumer goods — tea, coffee, potato chips, and cosmetics. During my time there, we were agents for Pringles in South Africa: I learned a lot about that business, and today still refer to some of its methodologies and strategy.

After serving as Chief Financial Officer, I was given the opportunity to run the company’s export business. This was in the days of sanctions and South African businesses weren’t able to trade with the rest of the world. I set about the task of internationalising the company. That was progressing well when Dimension Data approached me in the late 1990s.

Mr. Shinobu Umino
Please tell me why you joined Dimension Data, and about your career after that?

Mr. Brett Dawson
Dimension Data was already the number one networking player in South Africa, but was looking to start its first dedicated services business. The company wanted somebody with a new mindset, somebody who wasn’t stuck in an existing business model. I came in, as part of a small team, to help build the commercial model and the virtual private network business which, today, is well established around the world. We were the first virtual private network player in South Africa and we still dominate the local virtual private network market.

At the time, Dimension Data had two companies, which it decided to bring together. I was asked to run the merged business, which we called Internet Solutions. I was subsequently asked to go to the US where Dimension Data had just made about half a dozen acquisitions. I was tasked with unifying these companies into a single business. Being in the US in 2002, just after the dotcom crash, trying to integrate companies in a very tough market was an extremely challenging phase
in my career. We had to cut jobs and consolidate our operations. In 2003 I returned to South Africa to take on the role of Chief Operating Officer at Dimension Data, and in 2004 I was promoted to Chief Executive Officer.

[Global expansion with emphasis on clients]

**Mr. Shinobu Umino**

Next, I’d like to ask about Dimension Data’s current business performance. Which regions and areas of the business are growing fastest?

**Mr. Brett Dawson**

In the last six months, we’ve achieved growth of about 14%. Our security and data centre businesses are growing very quickly, and we’re expanding in cloud computing. We’ve also had success in helping our clients move to IT outsourcing. Many of them are interested in this model but they don’t want to outsource their entire IT environment, just parts thereof, so we take responsibility for operating certain aspects of the infrastructure on their behalf.

Geographically, growth in Europe has been unexpectedly positive – it’s a tough market and our teams have done a great job in gaining market share. We’ve also seen strong performance in the US, Asia Pacific, and Australia. Middle East & Africa is one region in which we haven’t grown as fast as we would have liked. It’s been difficult year, with national elections and much political change. During such times, the pace of business tends to slow.

**Mr. Shinobu Umino**

I have seen Gartner’s 2013 Magic Quadrant for Communications Outsourcing and Professional Services¹, in which Dimension Data is positioned in the upper right quadrant, as a Leader. How do you feel about that?

**Mr. Brett Dawson**

It’s important to be recognised by industry analysts, as potential and existing clients regularly use analysts’ reports to help guide their sourcing decisions. Being positioned in the Leaders quadrant of Gartner’s report is very important to us. I believe it gives us credibility, and provides an independent verification of our ability to deliver high-quality, cost-effective services that enable, operate, and transform our clients’ businesses.

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¹ Gartner, Magic Quadrant for Communications Outsourcing and Professional Services, Eric Goodness, Christine Tenneson, 21 October 2013.

**About the Magic Quadrant**

Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings. Gartner research publications consist of the opinions of Gartner’s research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.
Mr. Shinobu Umino
What is Dimension Data’s purpose and vision?

Mr. Brett Dawson
Our purpose as a company is to make a difference, firstly by accelerating the ambitions of our clients. We also want to accelerate the ambitions of our people, our shareholders, and our society. Client experience is at the heart of our purpose, vision, and strategy. It’s our number one priority and key differentiator.

Mr. Shinobu Umino
I understand that Dimension Data has strong relationships with large manufacturers like Cisco, IBM, and HP. What’s the key to building these successful relationships?

Mr. Brett Dawson
We’ve been building relationships with these and other manufacturers for many years. When new players enter the technology markets in which we operate, we ensure we establish relationships with them and understand their products, so we’re able to maximise the value we deliver to our clients. We develop long-standing and mutually beneficial relationships by working hard, setting clear goals with our partners, and ensuring we apply their technologies within our clients’ environments to the best of our ability.

Mr. Shinobu Umino
I believe Dimension Data began doing global business in 1995, 12 years after it was founded. What was behind this move?

Mr. Brett Dawson
Before Nelson Mandela was released in 1994, the rest of the world imposed significant sanctions against South Africa, as I mentioned earlier. Once sanctions were lifted, we saw the possibilities that existed to trade with the rest of the world and the opportunities that internationalisation could offer. We already had a dominant position in the South African market, but were running out of opportunities … it’s similar to NTT’s story 20 years ago. We also wanted to be able to offer our clients services in other geographies.

Mr. Shinobu Umino
What does the ability to conduct business on a global scale mean for clients?

Mr. Brett Dawson
In our industry, clients are increasingly demanding services that are consistent throughout the world, and it’s becoming more difficult if you’re a local ICT company serving multinational clients. I believe that as the industry continues to move towards standardisation, as-a-service models, and cloud computing, ICT providers are going to need to be able to operate on a global basis.
[A people-focused business]

Mr. Shinobu Umino
Dimension Data has enjoyed much success as a business over the past 30 years. To what do you attribute this success?

Mr. Brett Dawson
First and foremost it’s about our people and our culture. We’re a people-based business. As a leader, you have to work very hard to ensure people understand the strategy, that they believe in it, that they want to execute it ... and that they’re passionate about making it real.

Mr. Shinobu Umino
Dimension Data has acquired a number of businesses across the world. What criteria and methodologies do you apply when evaluating potential acquisitions?

Mr. Brett Dawson
We begin with our strategy, not the acquisition. We prefer to build our business organically, and through partnering, if we can. If we need to move into new geographies, or expand our intellectual property, and the process will take too long by relying on organic growth, we’ll consider making acquisitions. People and cultural alignment are the first things we look at when considering a business as a potential acquisition. Also important are the company’s services, skills, and existing client base.

Mr. Shinobu Umino
At times, the culture and business practices of acquired companies may be different to those of Dimension Data. How do you manage post-acquisition integration in such cases?

Mr. Brett Dawson
Each acquisition is different, so it’s difficult to provide a simple answer or try to enforce a single model. In each case, we try to identify the right approach for that particular business, and will tailor our integration approach accordingly.

[As members of the NTT Group]

Mr. Shinobu Umino
Dimension Data became a member of the NTT Group in October, 2010. What was the motivation behind this?

Mr. Brett Dawson
Unoura-san spent a lot of time with us, and shared NTT’s plans to expand into markets outside of Japan. NTT wanted us to help it pursue its ambitious internationalisation goals and take responsibility for helping the company grow. That was an interesting and exciting time.
NTT wanted us to continue running our business but also to expand; it was willing to provide us with the support we needed and to invest aggressively to help us to succeed. By joining the NTT family, we were able to retain our culture, our excitement, and our passion for what we do.

So, firstly, we were aligned to NTT’s vision. Secondly, our cultures were closely aligned. Thirdly, we knew that the ICT industry was increasingly moving towards IT services and cloud computing, and in order for us to succeed, we would need significant help.

Mr. Shinobu Umino
How do you feel today about being part of the NTT Group?

Mr. Brett Dawson
We’re delighted. It’s been three and a half years and we remain just as passionate to grow our businesses as ever. We’re just a small part of NTT, but being part of the NTT story and the NTT dream is incredibly exciting. NTT is also allowing our people to continue to build and pursue their own dreams, which is important.

Mr. Shinobu Umino
In the US there’s NTT Data Inc. (formerly Keane), NTT America, and Dimension Data. Have these three companies created synergies?

Mr. Brett Dawson
Each company is focused on different business domains: NTT Data is strong in applications, we’re skilled at managing the ICT layer, and NTT America is more focused on communications. I think it’s a synergistic relationship and when we unite our respective strengths, we do good business.

Mr. Shinobu Umino
What are your plans to enhance Dimension Data’s business performance in Japan?

Mr. Brett Dawson
In Japan, we’re a small company in a big market, but our aim is to continue to expand aggressively.
NTT has also been involved in helping us win some businesses in Japan, which we greatly appreciate.

Mr. Shinobu Umino
Do have any thoughts regarding NTT Comware?

Mr. Brett Dawson
We look forward to partnering with NTT Comware and finding ways to achieve our ambitions, together, in the interest of the NTT Group and its clients around the world.
Mr. Shinobu Umino
With a partnership between Dimension Data and NTT Comware, we would like to contribute to success of NTT Group and better serve our customers worldwide. Thank you very much.

Date: April 25, 2014
At Dimension Data Headquarters (Johannesburg, South Africa)